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

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED): DECEMBER 15, 2003

ENTERPRISE PRODUCTS PARTNERS L.P.
(Exact Name of Registrant as Specified in Its Charter)

DELAWARE	1-14323	76-0568219
(State or Other Jurisdiction of Incorporation or Organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

2727 NORTH LOOP WEST, HOUSTON, TEXAS	77008-1037
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: (713) 880-6500

ITEM 5. OTHER EVENTS AND REGULATION FD DISCLOSURE.

On December 15, 2003, Enterprise Products Partners L.P. (the "Partnership") and certain of its affiliates, El Paso Corporation ("El Paso") and certain of its affiliates, and GulfTerra Energy Partners, L.P. ("GulfTerra") and certain of its affiliates entered into a series of definitive agreements pursuant to which the Partnership and GulfTerra will merge.

Pursuant to a Parent Company Agreement among the Partnership, Enterprise Products GP, LLC, the Partnership's general partner ("Enterprise GP"), Enterprise Products GTM, LLC ("Enterprise GTM"), and El Paso and certain of its affiliates, Enterprise GTM acquired for $425 million in cash a 50% membership interest in GulfTerra Energy Company, L.L.C., GulfTerra's general partner ("GulfTerra GP"). As a result of this transaction, GulfTerra GP is now 50% owned by Enterprise GTM, an indirect wholly-owned subsidiary of the Partnership, and 50% owned by a subsidiary of El Paso. Under GulfTerra GP's limited liability company agreement, an affiliate of El Paso will serve as the managing member of GulfTerra GP, and Enterprise GTM's rights will be limited to protective consent rights on certain transactions affecting GulfTerra or GulfTerra GP.

The Parent Company Agreement also provides that, immediately prior to the merger, El Paso will contribute its remaining 50% membership interest in GulfTerra GP to Enterprise GP in exchange for a 50% membership interest in Enterprise GP. Affiliates of privately-owned Enterprise Products Company will continue to own the other 50% membership interest in Enterprise GP. Enterprise GP will then contribute the 50% membership interest in GulfTerra GP to the Partnership for no consideration. In addition, immediately prior to the merger, the Partnership will purchase approximately 13.8 million GulfTerra limited partnership units from subsidiaries of El Paso for $500 million in cash, consisting of all of their GulfTerra Series C Units and approximately 2.9 million GulfTerra common units.

Pursuant to a Merger Agreement, a subsidiary of the Partnership will merge with and into GulfTerra, with GulfTerra surviving the merger. As a result of the merger, GulfTerra will be a wholly-owned subsidiary of the Partnership. Pursuant to the Merger Agreement, holders of GulfTerra's common units (other than the Partnership) will receive 1.81 Partnership common units representing limited partnership interests in the Partnership in exchange for each GulfTerra common unit owned.

The completion of the merger is subject to the approval of the unitholders of the Partnership and both the common unitholders and Series C unitholders of GulfTerra, voting as separate classes, along with customary regulatory approvals, including under the Hart-Scott-Rodino Antitrust Improvements Act. Completion of the merger is expected to occur during the second half of 2004.

Pursuant to a Purchase and Sale Agreement, concurrent with the closing of the merger, a subsidiary of the Partnership expects to purchase from affiliates of El Paso two subsidiaries of El Paso that own, among other assets, nine natural gas processing plants located in South Texas for a purchase price of $150 million in cash.

The Merger Agreement, the Parent Company Agreement, the Purchase and Sale Agreement relating to the gas processing plants, the Second Amended and Restated Limited Liability Company Agreement of GulfTerra Energy Company, L.L.C., and the December 15, 2003 joint press release announcing the signing of such agreements are hereby filed as Exhibits 2.1, 2.2, 2.3, 2.4, and 99.1, respectively, to this Current Report on Form 8-K.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits.

2.1	Merger Agreement, dated as of December 15, 2003, by and among Enterprise Products Partners L.P., Enterprise Products GP, LLC, Enterprise Products Management LLC, GulfTerra Energy Partners, L.P. and GulfTerra Energy Company, L.L.C. (including the form of Assumption Agreement, to be entered into in connection with the merger, attached as an exhibit thereto).
2.2	Parent Company Agreement, dated as of December 15, 2003, by and among Enterprise Products Partners L.P., Enterprise Products GP, LLC, Enterprise Products GTM, LLC, El Paso Corporation, Sabine River Investors I, L.L.C., Sabine River Investors II, L.L.C., El Paso EPN Investments, L.L.C. and GulfTerra GP Holding Company (including the form of Second Amended and Restated Limited Liability Company Agreement of Enterprise Products GP, LLC, to be entered into in connection with the merger, attached as an exhibit thereto).
2.3	Second Amended and Restated Limited Liability Company Agreement of GulfTerra Energy Company, L.L.C., adopted by GulfTerra GP Holding Company, a Delaware corporation, and Enterprise Products GTM, LLC, a Delaware limited liability company, as of December 15, 2003.
2.4	Purchase and Sale Agreement (Gas Plants), dated as of December 15, 2003, by and between El Paso Corporation, El Paso Field Services Management, Inc., El Paso Transmission, L.L.C., El Paso Field Services Holding Company and Enterprise Products Operating L.P.
99.1	Joint press release dated December 15, 2003.

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.

ENTERPRISE PRODUCTS PARTNERS L.P.
(Registrant)

By: Enterprise Products GP, LLC, as general partner

By: /s/ Michael J. Knesek

Michael J. Knesek
Vice President, Controller and
Principal Accounting Officer

Date: December 15, 2003

INDEX TO EXHIBITS

EXHIBIT NO.	DESCRIPTION
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2.2	Parent Company Agreement, dated as of December 15, 2003, by and among Enterprise Products Partners L.P., Enterprise Products GP, LLC, Enterprise Products GTM, LLC, El Paso Corporation, Sabine River Investors I, L.L.C., Sabine River Investors II, L.L.C., El Paso EPN Investments, L.L.C. and GulfTerra GP Holding Company (including the form of Second Amended and Restated Limited Liability Company Agreement of Enterprise Products GP, LLC, to be entered into in connection with the merger, attached as an exhibit thereto).
2.3	Second Amended and Restated Limited Liability Company Agreement of GulfTerra Energy Company, L.L.C., adopted by GulfTerra GP Holding Company, a Delaware corporation, and Enterprise Products GTM, LLC, a Delaware limited liability company, as of December 15, 2003.
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99.1	Joint press release dated December 15, 2003.

EXHIBIT 2.1

MERGER AGREEMENT

BY AND AMONG

ENTERPRISE PRODUCTS PARTNERS L.P.

ENTERPRISE PRODUCTS GP, LLC

ENTERPRISE PRODUCTS MANAGEMENT LLC

AND

GULFTERRA ENERGY PARTNERS, L.P.

GULFTERRA ENERGY COMPANY, L.L.C.

DECEMBER 15, 2003

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EXHIBITS

Exhibit 2.1(b)	Form of Certificate of Merger
Exhibit 2.1(b)(ii)	Form of Assumption Agreement
Exhibit 5.6	Form of Affiliates Letter
Exhibit 6.2(c)(i)	Form of Akin Gump Strauss Hauer & Feld LLP Non-Contravention Opinion
Exhibit 6.2(c)(ii)	Form of Andrews Kurth LLP Non-Contravention Opinion
Exhibit 6.3(d)	Form of Vinson & Elkins L.L.P. Non-Contravention Opinion

MERGER AGREEMENT

THIS MERGER AGREEMENT (this "Agreement") dated as of December 15, 2003 (the "Execution Date"), is entered into by and among GulfTerra Energy Partners, L.P., a Delaware limited partnership ("GulfTerra MLP"), GulfTerra Energy Company, L.L.C., a Delaware limited liability company ("GulfTerra GP"), Enterprise Products Partners, L.P., a Delaware limited partnership ("Enterprise MLP"), Enterprise Products GP, LLC, a Delaware limited liability company ("Enterprise GP"), and Enterprise Products Management LLC, a Delaware limited liability company ("Enterprise Merger Sub").

WITNESSETH:

WHEREAS, GulfTerra MLP and Enterprise MLP desire to combine their businesses on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and the respective representations, warranties, covenants, agreements and conditions contained herein, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Definitions. In this Agreement, unless the context otherwise requires, the following terms shall have the following meanings respectively:

"affiliate" has the meaning set forth in Rule 405 of the rules and regulations under the Securities Act, unless otherwise expressly stated herein.

"Agreement" has the meaning set forth in the Preamble.

"Business Day" means any day on which commercial banks are generally open for business in New York, New York other than a Saturday, a Sunday or a day observed as a holiday in New York, New York under the Laws of the State of New York or the federal Laws of the United States of America.

"Certificates" has the meaning set forth in Section 2.1(f).

"Closing" has the meaning set forth in Section 2.1(a).

"Closing Date" has the meaning set forth in Section 2.1(a).

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

"Confidential Information" has the meaning set forth in Section 5.2(b).

"Confidentiality Agreement" means that certain Confidentiality Agreement dated April 4, 2002 between Enterprise Products Company, Enterprise MLP, El Paso Parent and GulfTerra MLP.

"Continuing Employees" has the meaning set forth in Section 7.1.

"Damages" means claims, liabilities, damages, penalties, judgments, assessments, losses, costs, expenses, including reasonable attorneys' fees and expenses, incurred by the party seeking indemnification under this Agreement.

"Delaware Courts" has the meaning set forth in Section 9.2.

"Designated Severance Plans" has the meaning set forth in Section 3.15.

"D&O Insurance" has the meaning set forth in Section 5.21.

"Effective Time" has the meaning set forth in Section 2.1(b).

"El Paso Field Services Entities" means El Paso Field Operations Company, El Paso Field Services Holding Company, CFS Louisiana Midstream Company, El Paso Dauphin Island Company, LLC, and El Paso Gas Gathering & Processing Company.

"El Paso GP Holdco" means GulfTerra GP Holding Company, a Delaware corporation.

"El Paso Parent" means El Paso Corporation, a Delaware corporation.

"El Paso Parent Consent Decree" means the Decision and Order of the Federal Trade Commission, Docket No. C-3996, issued to El Paso Parent on March 19, 2001.

"El Paso Parent Consent Decree Assets" means the assets owned by any of the Enterprise Partnership Group Entities that were purchased pursuant to the El Paso Parent Consent Decree.

"El Paso Plans" means all employee benefit plans (as defined in Section 3(3) of ERISA), all employment and severance agreements (or consulting agreements with natural persons) and any employee compensation plan, including any pension, retirement, profit sharing, stock or unit option, stock or unit purchase, restricted stock or unit, bonus, health, life, disability or fringe benefit plan sponsored or maintained by, participated in or contributed to by or required to be contributed to by El Paso Parent or any subsidiary of El Paso Parent.

"El Paso Sub 1" means Sabine River Investors I, L.L.C., a Delaware limited liability company.

"El Paso Sub 2" means Sabine River Investors II, L.L.C., a Delaware limited liability company.

"El Paso Sub 3" means El Paso EPN Investments, L.L.C., a Delaware limited liability company.

"Encumbrances" means pledges, restrictions on transfer, proxies and voting or other agreements, liens, claims, charges, mortgages, security interests or other legal or equitable encumbrances, limitations or restrictions of any nature whatsoever.

"Enterprise Audit and Conflicts Committee" means the Audit and Conflicts Committee of the Board of Directors of Enterprise GP.

"Enterprise Class B Units" means the Class B Special Units of Enterprise MLP more fully described in the letter dated December 1, 2003 from Vinson & Elkins L.L.P. to Ms. Pat Turek, New York Stock Exchange, Inc., Re: Enterprise MLP (NYSE EPD), a copy of which has been provided to GulfTerra MLP.

"Enterprise Common Units" means the Common Units of Enterprise MLP issued pursuant to the Enterprise Partnership Agreement.

"Enterprise Disclosure Letter" means the disclosure letter for this Agreement and the Parent Company Agreement dated the Execution Date and delivered by Enterprise MLP to GulfTerra MLP.

"Enterprise Easements" has the meaning set forth in Section 4.13(c).

"Enterprise Environmental Permits" has the meaning set forth in Section 4.9.

"Enterprise GP" has the meaning set forth in the Preamble.

"Enterprise GP Financial Statements" has the meaning set forth in Section 4.5(c).

"Enterprise GP September 30, 2003 Balance Sheet" means the unaudited balance sheet of Enterprise GP as of September 30, 2003 included as part of the Enterprise GP Financial Statements.

"Enterprise Intellectual Property Rights" has the meaning set forth in Section 4.12(a).

"Enterprise Material Adverse Effect" means any change, effect, event or occurrence with respect to the condition (financial or otherwise), properties, assets, earnings, financial condition, liabilities, obligations (whether absolute, accrued, conditional or otherwise), businesses, operations or results of operations of the Enterprise Partnership Group Entities (taken as a whole), that is, or could reasonably be expected to be, material and adverse to the Enterprise Partnership Group Entities (taken as a whole) or materially and adversely affects the ability of the Enterprise Parties to consummate the Merger Transactions; provided, however, that an Enterprise Material Adverse Effect shall not include any change, effect, event or occurrence with respect to the condition (financial or otherwise), properties, assets, earnings, financial condition, liabilities, obligations (whether absolute, accrued, conditional or otherwise), businesses, operations or results of operations of any Enterprise Partnership Group Entity (or any Enterprise Partially Owned Entity) directly or indirectly arising out of or attributable to (a) any decrease in the market price of Enterprise MLP's publicly traded securities (but not any change or effect underlying such decrease to the extent such change or effect would otherwise constitute an Enterprise Material Adverse Effect), (b) the general state of the industries in which the Enterprise Partnership Group Entities and the Enterprise Partially Owned Entities operate, (c) changes in general economic conditions (including changes in commodity prices) that would have the same general effect on companies engaged in the same lines of business as those conducted by the Enterprise Partnership Group Entities and the Enterprise Partially Owned

Entities, or (d) the announcement or proposed consummation of this Agreement and the Merger Transactions.

"Enterprise Merger Sub" has the meaning set forth in the Preamble.

"Enterprise MLP" has the meaning set forth in the Preamble.

"Enterprise MLP Requisite Vote" has the meaning set forth in Section 8.3(b).

"Enterprise MLP September 30, 2003 Balance Sheet" means the unaudited balance sheet of Enterprise MLP as of September 30, 2003 included as part of the Enterprise SEC Reports.

"Enterprise OLP" means Enterprise Products Operating L.P., a Delaware limited partnership.

"Enterprise Parent 1" means EPC Partners II, Inc., a Delaware corporation.

"Enterprise Parent 2" means Dan Duncan LLC, a Texas limited liability company.

"Enterprise Partially Owned Entities" means the Partially Owned Entities of the Enterprise Partnership Group Entities.

"Enterprise Parties" means Enterprise MLP and Enterprise GP.

"Enterprise Partnership Agreement" means that certain Third Amended and Restated Limited Partnership Agreement of Enterprise Products Partners L.P. dated as of May 15, 2002, as amended by that certain Amendment No. 1 dated as of August 7, 2002, that certain Amendment No. 2 dated as of December 17, 2002, and that certain Reorganization Agreement dated December 10, 2003, and as amended from time to time after the Execution Date in accordance with this Agreement.

"Enterprise Partnership Group Entities" means Enterprise GP, Enterprise MLP and the subsidiaries of Enterprise MLP.

"Enterprise Permits" has the meaning set forth in Section 4.7(b).

"Enterprise Pipeline Assets" has the meaning set forth in Section 4.13(b).

"Enterprise Plan" has the meaning set forth in Section 4.15(a).

"Enterprise Proxy" means that certain Voting Agreement and Proxy dated as of the Execution Date among GulfTerra Energy Partners, L.P., Enterprise Products Delaware Holdings L.P., Duncan Family 2000 Trust, Duncan Family 1998 Trust and Dan L. Duncan.

"Enterprise Reaffirmation" has the meaning set forth in Section 8.5(a).

"Enterprise Related Employees" means employees of Enterprise Products Company, a Texas corporation, or any other affiliate of Enterprise Parent 1 or Enterprise Parent 2 that work for the benefit of the Enterprise Partnership Group Entities.

"Enterprise SEC Reports" has the meaning set forth in Section 4.5(a).

"Enterprise Unitholders' Meeting" has the meaning set forth in Section 5.5.

"Enterprise Withdrawal" means the withdrawal or qualification by Enterprise GP's Board of Directors of its recommendation of the transactions contemplated by this Agreement, in response to a Superior Transaction.

"Environmental Laws" means any and all applicable laws, statutes, regulations, rules, orders, ordinances, and legally enforceable directives of and agreements between a person that is subject to the applicable representation and any Governmental Entity and rules of common law pertaining to protection of human health (to the extent arising from exposure to Hazardous Substances) or the environment (including any generation, use, storage, treatment, or Release of Hazardous Substances into the environment) including the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., the Clean Air Act, 42 U.S.C. Section 7401 et seq., the Federal Water Pollution Control Act, 33 U.S.C. Section 1251 et seq., the Oil Pollution Act of 1990, 33 U.S.C. Section 2701 et seq., the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq., the Safe Drinking Water Act, 42 U.S.C. Section 300f et seq., the Occupational Safety and Health Act, 29 U.S.C. Section 651 et seq., the Atomic Energy Act, 42 U.S.C. Section 2014 et seq., the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. Section 136 et seq., and the Federal Hazardous Materials Transportation Law, 49 U.S.C. Section 5101 et seq., as each has been amended from time to time, and all other environmental conservation and protection laws.

"EPCO Agreement" means that certain EPCO Agreement dated July 31, 1998 among Enterprise Products Company, Enterprise GP, Enterprise MLP and Enterprise OLP.

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

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

"Exchange Agent" has the meaning set forth in Section 2.1(e).

"Exchange and Registration Rights Agreement" means the Exchange and Registration Rights Agreement dated as of October 2, 2003 among GulfTerra GP, GulfTerra MLP and Goldman.

"Exchange Fund" has the meaning set forth in Section 2.1(e).

"Exchange Ratio" means the ratio of Enterprise Common Units per GulfTerra Common Unit described in Section 2.1(b)(i).

"Execution Date" has the meaning set forth in the Preamble.

"Existing GulfTerra Indebtedness" means the indebtedness of GulfTerra MLP consisting of its 10 3/8% Senior Subordinated Notes due 2009, its 8 1/2% Senior Subordinated Notes due 2010, its 6 1/4% Senior Notes due 2010, its 8 1/2% Senior Subordinated Notes due 2011 and its

10 5/8% Senior Subordinated Notes due 2012, in each case as issued and outstanding on the Execution Date.

"Fractional Unit Payment" has the meaning set forth in Section 2.1(c).

"GAAP" has the meaning set forth in Section 1.2.

"Goldman" means Goldman Sachs &Co., a New York limited partnership.

"governing documents" means, with respect to any person, the certificate or articles of incorporation, by-laws, articles of organization, limited liability company agreement, partnership agreement, formation agreement, joint venture agreement, unanimous shareholder agreement or declaration or other similar governing documents of such person.

"Governmental Entity" means any (a) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign, (b) subdivision, agent, commission, board, or authority of any of the foregoing, or (c) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing.

"GulfTerra Common Units" means the Series A Common Units issued pursuant to the GulfTerra Partnership Agreement.

"GulfTerra Conflicts and Audit Committee" means the Conflicts and Audit Committee of the Board of Directors of GulfTerra GP.

"GulfTerra Disclosure Letter" means the disclosure letter for this Agreement and the Parent Company Agreement dated the Execution Date and delivered by GulfTerra MLP to Enterprise MLP.

"GulfTerra D&O Indemnified Parties" has the meaning set forth in Section 5.21.

"GulfTerra Easements" has the meaning set forth in Section 3.13(c).

"GulfTerra Environmental Permits" has the meaning set forth in Section 3.9.

"GulfTerra GP" has the meaning set forth in the Preamble.

"GulfTerra GP Financial Statements" has the meaning set forth in Section 3.5(c).

"GulfTerra GP September 30, 2003 Balance Sheet" means the unaudited balance sheet of GulfTerra GP as of September 30, 2003 included as part of the GulfTerra GP Financial Statements.

"GulfTerra Intellectual Property Rights" has the meaning set forth in Section 3.12(a).

"GulfTerra Material Adverse Effect" means any change, effect, event or occurrence with respect to the condition (financial or otherwise), properties, assets, earnings, financial condition,

liabilities, obligations (whether absolute, accrued, conditional or otherwise), businesses, operations or results of operations of the GulfTerra Partnership Group Entities (taken as a whole), that is, or could reasonably be expected to be, material and adverse to the GulfTerra Partnership Group Entities (taken as a whole) or materially and adversely affects the ability of the GulfTerra Parties to consummate the Merger Transactions; provided, however, that a GulfTerra Material Adverse Effect shall not include any change, effect, event or occurrence with respect to the condition (financial or otherwise), properties, assets, earnings, financial condition, liabilities, obligations (whether absolute, accrued, conditional or otherwise), businesses, operations or results of operations of any GulfTerra Partnership Group Entity (or any GulfTerra Partially Owned Entity) directly or indirectly arising out of or attributable to (a) any decrease in the market price of GulfTerra MLP's publicly traded securities (but not any change or effect underlying such decrease to the extent such change or effect would otherwise constitute a GulfTerra Material Adverse Effect), (b) the general state of the industries in which the GulfTerra Partnership Group Entities and the GulfTerra Partially Owned Entities operate, (c) changes in general economic conditions (including changes in commodity prices) that would have the same general effect on companies engaged in the same lines of business as those conducted by the GulfTerra Partnership Group Entities and the GulfTerra Partially Owned Entities, or (d) the announcement or proposed consummation of this Agreement and the Merger Transactions.

"GulfTerra MLP" has the meaning set forth in the Preamble.

"GulfTerra MLP Requisite Vote" has the meaning set forth in Section 8.3(c).

"GulfTerra MLP September 30, 2003 Balance Sheet" means the unaudited condensed consolidated balance sheet of GulfTerra MLP as of September 30, 2003 included as part of the GulfTerra SEC Reports.

"GulfTerra Partially Owned Entities" means Partially Owned Entities of the GulfTerra Partnership Group Entities.

"GulfTerra Parties" means GulfTerra MLP and GulfTerra GP.

"GulfTerra Partnership Agreement" means that certain Second Amended and Restated Agreement of Limited Partnership of GulfTerra MLP dated as of February 19, 1993, amended and restated effective as of August 31, 2000, as further amended by amendments dated November 27, 2002, May 5, 2003, May 16, 2003, July 23, 2003 and August 21, 2003, and as amended from time to time after the Execution Date in accordance with this Agreement.

"GulfTerra Partnership Group Entities" means GulfTerra GP, GulfTerra MLP and the subsidiaries of GulfTerra MLP.

"GulfTerra Permits" has the meaning set forth in Section 3.7(b).

"GulfTerra Pipeline Assets" has the meaning set forth in Section 3.13(b).

"GulfTerra Plan" has the meaning set forth in Section 7.3.

"GulfTerra Proxy" means that certain Voting Agreement and Irrevocable Proxy dated as of the Execution Date among Enterprise MLP, El Paso Parent, El Paso Sub 1, El Paso Sub 2 and El Paso Sub 3.

"GulfTerra Purchased Units" means the GulfTerra Common Units and GulfTerra Series C Units to be purchased by Enterprise Products GTM, LLC pursuant to the Parent Company Agreement.

"GulfTerra Reaffirmation" has the meaning set forth in Section 8.5(b).

"GulfTerra Related Employees" means employees of El Paso Parent or an affiliate of El Paso Parent that work primarily for the benefit of the GulfTerra Partnership Group Entities.

"GulfTerra SEC Reports" has the meaning set forth in Section 3.5(a).

"GulfTerra Series C Units" means the GulfTerra MLP securities issued as "Series C Units" pursuant to the GulfTerra Partnership Agreement.

"GulfTerra Series F Units" means those certain Series F Convertible Units of GulfTerra MLP, more fully described in the Statement of Rights, Privileges and Limitations of Series F Convertible Units of GulfTerra MLP dated May 16, 2003.

"GulfTerra Unitholders' Meeting" has the meaning set forth in Section 5.4.

"GulfTerra Units" means the GulfTerra Common Units, the GulfTerra Series C Units and the GulfTerra Series F Units.

"GulfTerra Withdrawal" means the withdrawal or qualification by GulfTerra GP's Board of Directors of its recommendation of the transactions contemplated by this Agreement.

"Hazardous Substances" means any (a) chemical, product, substance, waste, material, pollutant, or contaminant that is defined or listed as hazardous or toxic or that is otherwise regulated under any Environmental Law; (b) asbestos containing materials, whether in a friable or non-friable condition, polychlorinated biphenyls, naturally occurring radioactive materials or radon; and (c) any oil or gas exploration or production waste or any petroleum, petroleum hydrocarbons, petroleum products, crude oil and any components, fractions, or derivatives thereof.

"holders" means, when used with reference to the GulfTerra Common Units, the GulfTerra Series C Units, the GulfTerra Series F Units, the Enterprise Class B Units and the Enterprise Common Units, the holders of such units shown from time to time in the registers maintained by or on behalf of GulfTerra MLP or Enterprise MLP, as applicable.

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

"Joint Proxy Statement/Prospectus" has the meaning set forth in Section 5.3.

"knowledge" means (a) with respect to the GulfTerra Parties, the actual knowledge of each person listed on Section 1.1(a) of the GulfTerra Disclosure Letter, and (b) with respect to the Enterprise Parties, the actual knowledge of the officers and directors of the Enterprise Parties.

"Laws" means all statutes, regulations, statutory rules, orders, judgments, decrees and terms and conditions of any grant of approval, permission, authority, permit or license of any court, Governmental Entity, statutory body (including the NYSE) or self-regulatory authority, but does not include Environmental Laws.

"Lehman Opinion" has the meaning set forth in Section 4.22.

"Letter of Transmittal" has the meaning set forth in Section 2.1(f).

"Materiality Requirement" means any requirement in a representation or warranty that a condition, event or state of fact be "material," correct or true in "all material respects," have a "Material Adverse Effect" or be or not be "reasonably expected to have a Material Adverse Effect" (or other words or phrases of similar effect or impact) in order for such condition, event or state of facts to cause such representation or warranty to be inaccurate.

"Merger" means the merger of Enterprise Merger Sub with and into GulfTerra MLP, with GulfTerra MLP as the sole surviving entity.

"Merger Transactions" means the Merger and the other transactions contemplated by Section 2.1.

"Nonrecourse Liability" has the meaning set forth in the Treasury Regulation Section 1.752-1(a)(2).

"Notice" has the meaning set forth in Section 9.1.

"NYSE" means the New York Stock Exchange.

"Open Enterprise Position" has the meaning set forth in Section 4.20.

"Open GulfTerra Position" has the meaning set forth in Section 3.20.

"Parent Company Agreement" means that certain Parent Company Agreement dated as of the Execution Date among El Paso Parent, El Paso Sub 1, El Paso Sub 2, El Paso Sub 3, El Paso GP Holdco, Enterprise GP, Enterprise MLP and Enterprise Products GTM, LLC.

"Partially Owned Entity" means, with respect to a specified person, any other person that is not a subsidiary of such specified person but in which such specified person, directly or indirectly, owns 30% or more of the equity interests thereof (whether voting or non-voting and including beneficial interests).

"Partnership Group" means the GulfTerra Partnership Group Entities, on one hand, and the Enterprise Partnership Group Entities, on the other hand. A reference to a Partnership Group is a reference to each of the members of such Partnership Group.

"Party Group" means the GulfTerra Parties, on one hand, and the Enterprise Parties, on the other hand. A reference to a Party Group is a reference to each of the members of such Party Group.

"Permitted Encumbrances" means any liens, title defects, preferential rights or other encumbrances upon any of the relevant person's property, assets or revenues, whether now owned or hereafter acquired, that are (i) carriers', warehousemens', mechanics', materialmen's, repairmen's or other like liens arising in the ordinary course of business which are not overdue for a period of more than 60 days or which are being contested in good faith by appropriate proceeding, (ii) pledges or deposits in connection with workers' compensation, unemployment insurance and other social security legislation and deposits securing liability to insurance carriers under insurance or self-insurance arrangements, (iii) for taxes not yet due or which are being contested in good faith by appropriate proceedings (provided that adequate reserves with respect thereto are maintained on the books of such person or its subsidiaries, as the case may be, in conformity with GAAP), (iv) deposits to secure the performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business, (v) easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business which, in the aggregate, are not substantial in amount and which do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business by such person and its subsidiaries and (vi) created pursuant to construction, operating and maintenance agreements, space lease agreements and other similar agreements, in each case having ordinary and customary terms and entered into in the ordinary course of business by such person and its subsidiaries.

"person" includes any individual, firm, partnership, joint venture, venture capital fund, limited liability company, association, trust, estate, group, body corporate, corporation, unincorporated association or organization, Governmental Entity, syndicate or other entity, whether or not having legal status.

"Possible Alternative" has the meaning set forth in Section 5.8(a).

"PUHCA" means the Public Utility Holding Company Act of 1935, as amended.

"Registration Statement" has the meaning set forth in Section 5.3.

"Release" means any depositing, spilling, leaking, pumping, pouring, placing, emitting, discarding, abandoning, emptying, discharging, migrating, injecting, escaping, leaching, dumping, or disposing.

"Representative" has the meaning set forth in Section 5.8(a).

"Required FS Divestiture" has the meaning set forth in Section 5.17.

"Required GulfTerra Divestiture" has the meaning set forth in Section 5.17.

"Required MLP Divestiture" has the meaning set forth in Section 5.17.

"Rule 145 Affiliates" has the meaning set forth in Section 5.6.

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

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

"Solvent" means, with respect to the applicable person on any date of determination, that on such date (a) such applicable person's property, at a fair valuation, exceeds the sum of such applicable person's debts, (b) the present fair saleable value of the assets of such applicable person is not less than the amount that will be required to pay its debts as they become absolute and matured, (c) such applicable person does not intend to incur, or believes that such applicable person has not incurred, debts that would be beyond such applicable person's ability to pay as such debts matured, and (d) such applicable person is not engaged in business or a transaction and does not intend to engage in business or a transaction, for which such applicable person's property remaining after such transaction would constitute unreasonably small capital.

"subsidiary" means with respect to a specified person, any other person (a) that is a subsidiary as defined in Rule 405 of the Rules and Regulations under the Securities Act of such specified person and (b) of which such specified person or another of its subsidiaries owns beneficially more than 50% of the equity interests.

"Superior Transaction" has the meaning set forth in Section 5.8(b).

"Tax" or "Taxes" means any taxes, assessments, fees and other governmental charges imposed by any Governmental Entity, including without limitation income, profits, gross receipts, net proceeds, alternative or add-on minimum, ad valorem, value added, turnover, sales, use, property, personal property (tangible and intangible), environmental, stamp, leasing, lease, user, excise, duty, franchise, capital stock, transfer, registration, license, withholding, social security (or similar), unemployment, disability, payroll, employment, fuel, excess profits, occupational, premium, windfall profit, severance, estimated, or other charge of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

"Tax Return" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"Tejas" has the meaning set forth in Section 5.24.

"UBS Opinion" has the meaning set forth in Section 3.22.

Section 1.2 Rules of Construction. The division of this Agreement into articles, sections and other portions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof. Unless otherwise indicated, all references to an "Article" or "Section" followed by a number or a letter refer to the specified Article or Section of this Agreement. The terms "this Agreement," "hereof," "herein" and "hereunder" and similar expressions refer to this Agreement (including the Disclosure Letters) and not to any particular Article, Section or other portion hereof. Unless otherwise specifically indicated or the context otherwise requires, (a) all references to "dollars" or "$" mean United

States dollars, (b) words importing the singular shall include the plural and vice versa and words importing any gender shall include all genders, (c) "include," "includes" and "including" shall be deemed to be followed by the words "without limitation," and (d) all words used as accounting terms shall have the meanings assigned to them under United States generally accepted accounting principles ("GAAP"). In the event that any date on which any action is required to be taken hereunder by any of the parties hereto is not a Business Day, such action shall be required to be taken on the next succeeding day that is a Business Day. Reference to any party hereto is also a reference to such party's permitted successors and assigns. The Exhibits attached to this Agreement are hereby incorporated by reference into this Agreement and form part hereof. Unless otherwise indicated, all references to an "Exhibit" followed by a number or a letter refer to the specified Exhibit to this Agreement. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any person by virtue of the authorship of any of the provisions of this Agreement.

ARTICLE II
MERGER

Section 2.1 Closing of the Merger.

(a) Closing Date. Subject to the satisfaction or waiver of the conditions to closing set forth in ARTICLE VI, the closing (the "Closing") of the Merger and the transactions contemplated by this Section 2.1 shall be held at the offices of Vinson & Elkins L.L.P. at 1001 Fannin Street, Houston, Texas 77002 on the 20th Business Day following the satisfaction or waiver of all of the conditions set forth in ARTICLE VI (other than conditions that would normally be satisfied on the Closing Date) commencing at 9:00 a.m., local time, or such other place, date and time as may be mutually agreed upon by the parties hereto. The "Closing Date," as referred to herein, shall mean the date of the Closing.

(b) Merger. At the Closing, the Merger shall occur by the filing of a certificate of merger with the Secretary of State of the State of Delaware, substantially in the form attached hereto as Exhibit 2.1(b), executed in accordance with the relevant provisions of, the Delaware Revised Uniform Limited Partnership Act and the Delaware Limited Liability Company Act (the date and time of such filing (or such later time and date as may be expressed therein as the effective date and time of the Merger) being the "Effective Time"). As a result of the Merger, the separate existence of Enterprise Merger Sub shall cease, and GulfTerra MLP shall continue as the surviving limited partnership in the Merger. At the Effective Time, by virtue of the Merger and without any action on the part of Enterprise MLP, GulfTerra MLP or any holder of GulfTerra Units, (i) each of the outstanding GulfTerra Common Units other than the GulfTerra Purchased Units shall be converted into the right to receive 1.81 Enterprise Common Units, (ii) Enterprise shall assume all of GulfTerra's obligations under all unconverted Series F Convertible Units in accordance with the provisions of Section 3.3(e) of Annex A to the Third Amendment dated May 16, 2003 to the GulfTerra Partnership Agreement, as evidenced by Enterprise's execution and delivery of the Assumption Agreement attached hereto as Exhibit 2.1(b)(ii) and all unconverted Series F Convertible Units shall be cancelled, (iii) GulfTerra GP shall continue to be the sole general partner of GulfTerra MLP, and (iv) the

GulfTerra Purchased Units shall remain outstanding and become the sole limited partnership interest in GulfTerra MLP.

(c) Fractional Units. Notwithstanding any other provision of this Agreement, (i) no certificates or scrip representing fractional Enterprise Common Units shall be issued, and such fractional unit interests will not entitle the owner thereof to vote or to any rights as a limited partner of Enterprise MLP and (ii) each registered holder of GulfTerra Common Units exchanged pursuant to the Merger who would otherwise have been entitled to receive a fractional Enterprise Common Unit (after taking into account all Enterprise Common Units held by such holder at the Effective Time) shall receive, in lieu thereof, from Enterprise MLP in exchange for such fractional unit, an amount (a "Fractional Unit Payment") in cash (payable in dollars, without interest) equal to the product of (i) such fraction, multiplied by (ii) the average of the closing price of Enterprise Common Units on the NYSE Composite Transaction Reporting System as reported in The Wall Street Journal (but subject to correction for typographical or other manifest errors in such reporting) over the four trading day period ending on the third Business Day prior to the Closing Date.

(d) Certain Adjustments. If between the date of the Agreement and the Effective Time, whether or not permitted pursuant to the terms hereof, the outstanding GulfTerra Common Units or Enterprise Common Units shall be changed into a different number of units or other securities by reason of any stock split, combination, merger, consolidation, reorganization or other similar transaction (other than any conversion of outstanding GulfTerra Series C Units or GulfTerra Series F Units into GulfTerra Common Units, or of Enterprise Class B Units into Enterprise Common Units, in each case in accordance with their terms), or any distribution payable in partnership securities shall be declared thereon with a record date within such period, the Exchange Ratio (and the number of Enterprise Common Units issuable in the Merger) and the form of securities issuable in the Merger shall be appropriately adjusted to provide the holders of GulfTerra Common Units the same economic effect as contemplated by this Agreement prior to such event.

(e) Exchange Agent. Prior to the mailing of the Joint Proxy Statement/Prospectus, Enterprise MLP shall appoint Mellon Investor Services LLC to act as exchange agent (the "Exchange Agent") for the payment of the Enterprise Common Units and any Fractional Unit Payment. At or prior to the Closing Date, Enterprise MLP shall deposit with the Exchange Agent, for the benefit of the holders of the GulfTerra Units, an amount of cash equal to the estimated aggregate Fractional Unit Payment (the "Exchange Fund") and Enterprise MLP shall authorize the Exchange Agent to exchange Enterprise Common Units in accordance with this Section 2.1. Enterprise MLP shall deposit with the Exchange Agent any additional funds in excess of the Exchange Fund as and when necessary to pay any Fractional Unit Payment required to be paid under this Agreement. Enterprise MLP shall pay all costs and fees of the Exchange Agent and all expenses associated with the exchange process. Any Enterprise Common Units, or fraction thereof, and any remaining amount of the Exchange Fund or other funds deposited, after the earlier to occur of (i) payment in full of all amounts due to the holders of GulfTerra Common Units or to the Exchange Agent or (ii) the expiration of the period specified in Section 2.1(i), shall be returned to Enterprise MLP.

(f) Exchange Procedures. Promptly after the Closing Date, Enterprise MLP shall cause the Exchange Agent to mail to each record holder, as of the Effective Time, of any outstanding certificate or certificates that immediately prior to the Effective Time represented GulfTerra Common Units (the "Certificates"), a form of letter of transmittal (the "Letter of Transmittal") (which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon proper delivery of the Certificates to the Exchange Agent and which shall be in such form and have such other provisions as Enterprise MLP and GulfTerra GP may reasonably specify) and instructions for use in effecting the surrender of the Certificate(s) and payment therefor. Upon surrender to the Exchange Agent of such Certificates, together with such properly completed and duly executed Letter of Transmittal, the holder of a Certificate shall be entitled to a certificate or certificates representing the number of full Enterprise Common Units into which the Certificates surrendered shall have been converted pursuant to this Agreement and the Fractional Unit Payment, if any, payable in redemption of any fractional Enterprise Common Unit otherwise issuable. The instructions for effecting the surrender of Certificates shall set forth procedures that must be taken by the holder of any Certificate that has been lost, destroyed or stolen. It shall be a condition to the right of such holder to receive a certificate representing Enterprise Common Units and the Fractional Unit Payment, if any, that the Exchange Agent shall have received, along with the Letter of Transmittal, a duly executed lost certificate affidavit, including an agreement to indemnify Enterprise MLP, signed exactly as the name or names of the registered holder or holders appeared on the books of GulfTerra MLP immediately prior to the Effective Time, together with a customary bond and such other documents as Enterprise MLP may reasonably require in connection therewith. After the Effective Time, there shall be no further transfer on the records of GulfTerra MLP or its transfer agent of Certificates; and if such Certificates are presented to GulfTerra MLP or its transfer agent for transfer, they shall be canceled against delivery of the certificate or certificates for Enterprise Common Units and any Fractional Unit Payment as hereinabove provided. If any certificate for such Enterprise Common Units is to be issued to a person other than the registered holder of a Certificate surrendered for exchange, it shall be a condition of such exchange that the Certificate so surrendered shall be properly endorsed, with signature guaranteed, or otherwise in proper form for transfer and that the person requesting such exchange shall pay to Enterprise MLP or the Exchange Agent any transfer or other taxes required by reason of the issuance of certificates for such Enterprise Common Units in a name other than that of the registered holder of the Certificate(s) surrendered, or establish to the reasonable satisfaction of Enterprise MLP or the Exchange Agent that such tax has been paid or is not applicable. Until surrendered as contemplated by this Section 2.1(f), each Certificate shall be deemed at any time after the Closing Date to represent only the right to receive upon such surrender the Enterprise Common Units and Fractional Unit Payment, if any, as contemplated by this Section 2.1. No interest will be paid or will accrue on any Fractional Unit Payment.

(g) Distributions with Respect to Unexchanged Certificates. No dividends or other distributions with respect to Enterprise Common Units with a record date after the Effective Time shall be paid to the holder of any unsurrendered Certificate with respect to Enterprise Common Units issuable in respect thereof and no Fractional Unit Payment shall be paid to any such holder until the surrender of such Certificate in accordance with this Section 2.1. Subject to the effect of applicable Laws, there shall be paid to the holder of each Certificate, without interest, (i) at the time of surrender of any such Certificate, the amount of any Fractional Unit Payment to which such holder is entitled and the amount of dividends or other distributions

previously paid with respect to the whole Enterprise Common Units issuable with respect to such Certificate that have a record date after the Effective Time and a payment date on or prior to the time of surrender and (ii) at the appropriate payment date, the amount of dividends or other distributions payable with respect to such whole Enterprise Common Units with a record date after the Effective Time and prior to such surrender and a payment date subsequent to such surrender.

(h) No Further Ownership Rights in GulfTerra Units. All Enterprise Common Units issued upon the surrender for exchange of Certificates in accordance with the terms of this Section 2.1 (including any Fractional Unit Payment) shall be deemed to have been issued (and paid) in full satisfaction of all rights pertaining to the GulfTerra Common Units heretofore represented by such Certificates (including all rights to common units arrearages), subject, however, to Enterprise MLP's obligation, with respect to GulfTerra Common Units outstanding immediately prior to the Effective Time, to pay any distributions with a record date prior to the Effective Time which may have been declared or made by GulfTerra MLP on such GulfTerra Common Units in accordance with the terms of this Agreement on or prior to the Effective Time and which remain unpaid at the Closing Date.

(i) Termination of Exchange Fund. Any portion of the Exchange Fund which remains undistributed to the holders of the Certificates for twelve months after the Closing Date shall be delivered to Enterprise MLP, upon demand, and any holders of the Certificates who have not theretofore complied with this Section 2.1 shall thereafter look only to Enterprise MLP and only as general creditors thereof for payment of their claim for Enterprise Common Units, any Fractional Unit Payment and any distributions with respect to Enterprise Common Units to which such holders may be entitled.

(j) No Liability. None of Enterprise MLP, GulfTerra MLP or the Exchange Agent shall be liable to any person in respect of any Enterprise Common Units (or distributions with respect thereto) or Fractional Unit Payment delivered to a public official pursuant to any applicable abandoned property, escheat or similar Law. If any Certificates shall not have been surrendered prior to such date on which any Enterprise Common Units, any Fractional Unit Payment or any distributions with respect to Enterprise Common Units in respect of such Certificate would escheat to or become the property of any Governmental Entity, any such shares, cash, dividends or distributions in respect of such Certificates shall, to the extent permitted by applicable Laws, become the property of Enterprise MLP, free and clear of all claims or interest of any person previously entitled thereto other than the holder of such Certificate as specified in Section 2.1(h).

(k) Affiliates. Notwithstanding anything in this Agreement to the contrary, Certificates surrendered for exchange by any Rule 145 Affiliate (as determined pursuant to Section 5.6) of GulfTerra MLP shall not be exchanged until Enterprise MLP shall have received from such Rule 145 Affiliate the letter referred to in Section 5.6.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE GULFTERRA PARTIES

The GulfTerra Parties hereby represent and warrant, jointly and severally, to the Enterprise Parties that:

Section 3.1 Organization and Standing.

(a) Each of the GulfTerra Partnership Group Entities has been duly organized or formed and is validly existing under the Laws of its jurisdiction of organization or formation with full corporate or legal power and authority to own, lease and operate its properties and to conduct its businesses as currently owned and conducted except where, individually or in the aggregate, the failure of a GulfTerra Partnership Group Entity to be so organized, formed or existing or to have such power or authority could not reasonably be expected to have a GulfTerra Material Adverse Effect. Each of the GulfTerra Partnership Group Entities is duly qualified to do business in each jurisdiction in which the nature of the business conducted by it or the ownership or leasing of its properties requires it to so qualify, except where, individually or in the aggregate, the failure to be so qualified could not reasonably be expected to have a GulfTerra Material Adverse Effect. GulfTerra GP was formed on May 2, 2003.

(b) Section 3.1(b) of the GulfTerra Disclosure Letter sets forth, as of the Execution Date, a true and complete list of each of the GulfTerra Partnership Group Entities and GulfTerra Partially Owned Entities, together with (i) the nature of the legal organization of such person, (ii) the jurisdiction of organization or formation of such person, (iii) the name of each GulfTerra Partnership Group Entity that owns beneficially or of record any equity or similar interest in such person, and (iv) the percentage interest owned by such GulfTerra Partnership Group Entity in such person. Except as set forth in Section 3.1(b) of the GulfTerra Disclosure Letter, none of the GulfTerra Partnership Group Entities is subject to any obligation in excess of $10,000,000 to provide funds to or make any investment in (in the form of a loan, capital contribution or otherwise) any of their subsidiaries, Partially Owned Entities or other persons.

(c) Each of the GulfTerra Parties has heretofore made available to Enterprise MLP complete and correct copies of its governing documents as well as the governing documents of each of the GulfTerra Partially Owned Entities and the GulfTerra Partnership Group Entities, in each case as amended as permitted by this Agreement.

Section 3.2 Authority and No Conflicts.

(a) Each of the GulfTerra Parties has all requisite partnership or limited liability company power and authority to enter into this Agreement and to perform its obligations hereunder and to consummate the transactions contemplated by this Agreement, subject to the approval of GulfTerra MLP's unitholders as described in Section 5.4. The execution and delivery of this Agreement by the GulfTerra Parties and the consummation by the GulfTerra Parties of the transactions contemplated by this Agreement have been duly and validly authorized by all necessary limited liability company or partnership action and no other limited liability company or partnership proceedings on the part of the GulfTerra Parties are necessary to authorize this Agreement or to consummate the transactions contemplated by this Agreement

other than the approval of GulfTerra MLP's unitholders as described in Section 5.4. The affirmative vote of the holders of at least a majority of the outstanding GulfTerra Common Units and GulfTerra Series C Units, each voting separately as a class, approving the matters described in Section 5.4, is the only vote of the holders of any partnership interests in GulfTerra MLP necessary to approve this Agreement and the Merger Transactions.

(b) This Agreement has been duly executed and delivered by each of the GulfTerra Parties and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, except as the same may be limited by bankruptcy, insolvency and other applicable Laws affecting creditors' rights generally, and by general principles of equity.

(c) As of the Execution Date, each of the Board of Directors of GulfTerra GP and the GulfTerra Audit and Conflicts Committee at a meeting duly called and held has determined by the unanimous approval of all directors voting (for GulfTerra GP and on behalf of GulfTerra MLP) that this Agreement and the Merger Transactions are fair to, and in the best interests of, the holders of the GulfTerra Common Units and GulfTerra Series C Units and has recommended the Merger Transactions, specifically the items listed in Section 5.4 to be approved at the GulfTerra Unitholders' Meeting, for approval by the requisite vote of the holders of GulfTerra Common Units and GulfTerra Series C Units, and those recommendations have not been withdrawn, reversed or modified in any material respect.

(d) Neither the execution and delivery of this Agreement by any of the GulfTerra Parties nor the performance by any of them of their obligations hereunder and the completion of the transactions contemplated by this Agreement, will:

(i) conflict with, or violate any provision of, the governing documents of the GulfTerra Parties or the GulfTerra Partnership Group Entities;

(ii) other than (A) satisfying applicable requirements of the El Paso Parent Consent Decree and the HSR Act, (B) the filing of a certificate of merger with respect to the Merger as required by the Delaware Revised Uniform Limited Partnership Act and the Delaware Limited Liability Company Act, filings with the SEC under the Securities Act and the Exchange Act, applicable filings with the NYSE and any filings required or approvals necessary pursuant to any state securities or "blue sky" laws and (C) obtaining or making, as applicable, any other consents, approvals, orders, authorizations, registrations, declarations or filings which, if not obtained or made, could not, individually or in the aggregate, reasonably be expected to have a GulfTerra Material Adverse Effect, violate or breach any Laws or Environmental Laws applicable to any of the GulfTerra Partnership Group Entities;

(iii) except as set forth on Section 3.2(d)(iii) of the GulfTerra Disclosure Letter and other than obtaining or making, as applicable, any other consents, approvals, orders, authorizations, registrations, declarations or filings which, if not obtained or made, could not, individually or in the aggregate, reasonably be expected to have a GulfTerra Material Adverse Effect, violate or conflict with or result in the breach of, or constitute a default (or an event that with the giving of notice, the passage of time, or both would constitute a default) under, or entitle any party (with the giving of notice, the passage of time or both) to terminate, accelerate, modify or call any obligations or rights under any credit agreement, note,

bond, mortgage, indenture, deed of trust, contract, agreement, lease, license, franchise, permit, concession, easement or other instrument to which any of the GulfTerra Partnership Group Entities is a party or by which any of the GulfTerra Partnership Group Entities or their property is bound or subject; or

(iv) other than pursuant to the HSR Act and except as could not, individually or in the aggregate, reasonably be expected to have a GulfTerra Material Adverse Effect, result in the imposition of any Encumbrance upon or require the sale or give any person the right to acquire any of the assets of any of the GulfTerra Partnership Group Entities, or restrict, hinder, impair or limit the ability of any of the GulfTerra Partnership Group Entities to carry on their businesses as and where they are now being carried on.

Section 3.3 No Defaults. None of the GulfTerra Partnership Group Entities is in default under or violation of, and there has been no event, condition or occurrence which, after notice or lapse of time or both, would constitute such a default or violation of, or permit the termination of, any term, condition or provision of (a) their respective governing documents, (b) any credit agreement, note, bond, mortgage, indenture, contract, agreement, lease, license, franchise, permit, concession, easement or other instrument to which any of the GulfTerra Partnership Group Entities is a party or by which any of the GulfTerra Partnership Group Entities or any of their property is bound or subject, except, in the case of clause (b), defaults, violations and terminations which, individually or in the aggregate, could not reasonably be expected to have a GulfTerra Material Adverse Effect.

Section 3.4 Capitalization.

(a) GulfTerra GP is the sole general partner of GulfTerra MLP. GulfTerra GP is the sole record and beneficial owner of the general partner interest in GulfTerra MLP, and such general partner interest has been duly authorized and validly issued in accordance with the GulfTerra Partnership Agreement. Except for any Encumbrances arising under the governing documents of any GulfTerra Party, applicable securities Laws, the Exchange and Registration Rights Agreement or this Agreement, GulfTerra GP owns such general partner interest free and clear of any Encumbrances.

(b) As of the Execution Date, GulfTerra MLP has no limited partner interests issued and outstanding other than the following:

(i) 58,361,149 GulfTerra Common Units issued and outstanding, including:

(A) 8,262,902 GulfTerra Common Units issued to El Paso Sub 1, and with respect to which El Paso Sub 1 is the sole holder of record;

(B) 2,821,343 GulfTerra Common Units issued to El Paso Sub 2, and with respect to which El Paso Sub 2 is the sole holder of record; and

(C) 3,000,000 GulfTerra Common Units issued to Goldman, and with respect to which Goldman is the sole holder of record;

(ii) outstanding options to purchase 1,159,500 GulfTerra Common Units at the exercise prices and with the vesting schedules set forth on Section 3.4(b) of the GulfTerra Disclosure Letter;

(iii) outstanding awards for the issuance of 37,292 restricted GulfTerra Common Units having the vesting schedules set forth on Section 3.4(b) of the GulfTerra Disclosure Letter;

(iv) 10,937,500 GulfTerra Series C Units issued to El Paso Sub 3, and with respect to which El Paso Sub 3 is the sole holder of record;

(v) 80 GulfTerra Series F Units (consisting of 80 Series F1 Convertible Units and 80 Series F2 Convertible Units) issued to Fletcher International, Inc., and with respect to which Fletcher International, Inc. is the sole holder of record; and

(vi) Goldman's right to acquire GulfTerra Common Units from GulfTerra MLP under the Exchange and Registration Rights Agreement, which rights are being waived pursuant to the Goldman Agreement.

Each of such GulfTerra Units and the limited partner interests represented thereby have been duly authorized and validly issued in accordance with applicable Laws and the GulfTerra Partnership Agreement, and are fully paid (to the extent required under the GulfTerra Partnership Agreement) and non-assessable (except to the extent such non-assessability may be affected by Section 17-607 of the Delaware Revised Uniform Limited Partnership Act). Such GulfTerra Units were not issued in violation of pre-emptive or similar rights or any other agreement or understanding binding on GulfTerra MLP. All of the outstanding equity interests of the subsidiaries of GulfTerra MLP and the Partially Owned Entities which are held, directly or indirectly, by GulfTerra MLP, have been duly authorized and are validly issued, fully paid (to the extent required under the applicable governing documents) and non-assessable (except (1) with respect to general partner interests, (2) as set forth to the contrary in the applicable governing documents and (3) to the extent such non-assessability may be affected by the Delaware Revised Uniform Limited Partnership Act or the Delaware Limited Liability Company Act) and were not issued in violation of pre-emptive or similar rights; and all such shares and other equity interests are owned, directly or indirectly, by GulfTerra MLP, free and clear of all Encumbrances, except for applicable securities Laws, restrictions on transfers contained in governing documents and as set forth on Section 3.4(b) of the GulfTerra Disclosure Letter.

(c) Except as described in Section 3.4(b) and Section 3.4(c) of the GulfTerra Disclosure Letter: (i) there are no outstanding options, warrants, subscriptions, puts, calls or other rights, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) obligating any of the GulfTerra Partnership Group Entities to offer, issue, sell, redeem, repurchase, otherwise acquire or transfer, pledge or Encumber any equity interest in any of the GulfTerra Partnership Group Entities; (ii) there are no outstanding securities or obligations of any kind of any of the GulfTerra Partnership Group Entities which are convertible into or exercisable or exchangeable for any equity interest in any of the GulfTerra Partnership Group Entities or any other person, and none of the GulfTerra Partnership Group Entities has any obligation of any kind to issue any additional securities or to pay for or repurchase any securities;

(iii) there are not outstanding any stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based on the book value, income or any other attribute of any of the GulfTerra Partnership Group Entities; (iv) there are no outstanding bonds, debentures or other evidence of indebtedness of any of the GulfTerra Partnership Group Entities having the right to vote (or that are exchangeable for or convertible or exercisable into securities having the right to vote) with the holders of the GulfTerra Common Units on any matter; and (v) except as described in the GulfTerra Partnership Agreement, there are no unitholder agreements, proxies (other than the GulfTerra Proxy), voting trusts, rights to require registration under securities Laws or other arrangements or commitments to which any of the GulfTerra Partnership Group Entities is a party or by which any of their securities are bound with respect to the voting, disposition or registration of any outstanding securities of any of the GulfTerra Partnership Group Entities (provided that the foregoing shall not apply to any such restriction on voting or disposition that any holder of GulfTerra Common Units (other than the GulfTerra Parties) may have imposed upon such GulfTerra Common Units).

Section 3.5 Reports; Financial Statements.

(a) Since January 1, 2000, GulfTerra MLP has filed all forms, reports, schedules, statements and other documents required by Law to be filed with or furnished to the SEC by any of the GulfTerra Partnership Group Entities under the Exchange Act or the Securities Act (collectively, together with all other documents filed by GulfTerra MLP with the SEC since January 1, 2000, the "GulfTerra SEC Reports"), except in each case where the failure to file any such forms, reports, schedules, statements or other documents could not reasonably be expected to have a GulfTerra Material Adverse Effect. The GulfTerra SEC Reports at the time filed (x) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements contained therein not misleading in light of the circumstances under which they were made and (y) complied in all material respects with the requirements of applicable Laws (including the Securities Act, the Exchange Act and the rules and regulations thereunder). Other than filings in connection with Rule 144A offerings with respect to wholly-owned subsidiaries of GulfTerra MLP, no subsidiary of GulfTerra MLP is required to file periodic reports with the SEC, either pursuant to the requirements of the Exchange Act or by contract.

(b) GulfTerra MLP has heretofore furnished to Enterprise MLP complete and correct copies of (i) all contracts, agreements, documents and other instruments not yet filed by GulfTerra MLP with the SEC but that are currently in effect and that any of the GulfTerra Partnership Group Entities will be required to or expects to file with or furnish to the SEC as exhibits in an annual or periodic report after the Execution Date and (ii) all amendments and modifications that have not been filed by GulfTerra MLP with the SEC but are currently in effect to all agreements, documents and other instruments that have been filed by any of the GulfTerra Partnership Group Entities with the SEC since January 1, 2000.

(c) Attached as Section 3.5(c) of the GulfTerra Disclosure Letter are copies of the unaudited financial statements as of September 30, 2003 of GulfTerra GP (the "GulfTerra GP Financial Statements"). The consolidated financial statements (including, in each case, any related notes thereto) of GulfTerra MLP contained in any GulfTerra SEC Reports and the GulfTerra GP Financial Statements (i) have been prepared in accordance with GAAP (subject, in

the case of unaudited financial statements, to the absence of footnote disclosures required by GAAP), (ii) complied in all material respects with the requirements of applicable securities Laws, and (iii) fairly present, in all material respects, the consolidated financial positions, results of operations, cash flows, partners' capital and comprehensive income and changes in accumulated other comprehensive income, as applicable, of the applicable GulfTerra Partnership Group Entities as of the respective dates thereof and for the respective periods covered thereby, subject, in the case of unaudited financial statements, to normal, recurring audit adjustments none of which will be material. Except as disclosed on the GulfTerra MLP September 30, 2003 Balance Sheet or the GulfTerra GP September 30, 2003 Balance Sheet, none of the GulfTerra Partnership Group Entities has any indebtedness or liability, absolute or contingent, other than (i) liabilities as of September 30, 2003 that are not required by GAAP to be included in the GulfTerra MLP September 30, 2003 Balance Sheet or the GulfTerra GP September 30, 2003 Balance Sheet, (ii) liabilities incurred or accrued in the ordinary course of business consistent with past practice since September 30, 2003 (iii) liabilities disclosed in any GulfTerra SEC Reports filed since September 30, 2003 or (iv) liabilities incurred or accrued as permitted under Section 5.1(b).

Section 3.6 Absence of Certain Changes or Events.

(a) Except as set forth on Section 3.6 of the GulfTerra Disclosure Letter or as disclosed in any GulfTerra SEC Report filed before the Execution Date, between September 30, 2003 and the Execution Date, the business of the GulfTerra Partnership Group Entities, taken as a whole, has been conducted in the ordinary course consistent with past practices, and none of the GulfTerra Partnership Group Entities has taken any of the actions prohibited by Section 5.1(b), except in connection with entering into this Agreement.

(b) Since September 30, 2003, except as disclosed in Section 3.6(b) of the GulfTerra Disclosure Letter or in any GulfTerra SEC Report filed before the Execution Date, there have not been any events or conditions that have had and continue to have, or could reasonably be expected to have, a GulfTerra Material Adverse Effect.

Section 3.7 Compliance with Laws; Permits.

(a) The GulfTerra Partnership Group Entities are in compliance, and at all times since January 1, 2001 have complied, with all applicable Laws other than non-compliance which could not, individually or in the aggregate, reasonably be expected to have a GulfTerra Material Adverse Effect.

(b) The GulfTerra Partnership Group Entities are in possession of all franchises, grants, authorizations, licenses, permits, easements, variances, exemptions, consents, certificates, approvals and orders necessary to own, lease and operate their properties and to lawfully carry on their businesses as they are now being conducted (collectively, the "GulfTerra Permits"), except as disclosed in Section 3.7(b) of the GulfTerra Disclosure Letter, in the GulfTerra SEC Reports or where the failure to be in possession of such GulfTerra Permits could not, individually or in the aggregate, be reasonably expected to have a GulfTerra Material Adverse Effect. None of the GulfTerra Partnership Group Entities is in conflict with, or in default or

violation of any of the GulfTerra Permits, except for any such conflicts, defaults or violations which could not, individually or in the aggregate, reasonably be expected to have a GulfTerra Material Adverse Effect.

Section 3.8 Litigation. Except as disclosed in Section 3.8 of the GulfTerra Disclosure Letter, in the GulfTerra SEC Reports or for matters that could not reasonably be expected to have, individually or in the aggregate, a GulfTerra Material Adverse Effect, (a) there are no claims, actions, proceedings (public or private), investigations or reviews pending or, to the knowledge of the GulfTerra Parties, threatened against any of the GulfTerra Partnership Group Entities by or before any Governmental Entity, and (b) the GulfTerra Parties have no knowledge of any facts that such persons reasonably believe are likely to give rise to any such claim, action, proceeding, investigation or review. Other than the El Paso Parent Consent Decree, none of the GulfTerra Partnership Group Entities, nor any of their respective assets and properties, is subject to any outstanding judgment, order, writ, injunction or decree that has had or could reasonably be expected to have, individually or in the aggregate, a GulfTerra Material Adverse Effect.

Section 3.9 Environmental Matters. Except as disclosed in the GulfTerra SEC Reports or for matters that could not reasonably be expected to have, individually or in the aggregate, a GulfTerra Material Adverse Effect: (a) the GulfTerra Partnership Group Entities and their respective businesses, operations, and properties have been and are in compliance with all Environmental Laws and all permits, registrations, licenses, approvals, exemptions, variances, and other authorizations required of the GulfTerra Partnership Group Entities under Environmental Laws ("GulfTerra Environmental Permits"); (b) the GulfTerra Partnership Group Entities have obtained or filed for all GulfTerra Environmental Permits for their respective businesses, operations, and properties as they currently exist and all such GulfTerra Environmental Permits are currently in full force and effect; (c) the GulfTerra Partnership Group Entities and their respective businesses, operations, and properties are not subject to any pending or, to the GulfTerra Parties' knowledge, threatened claims, actions, suits, investigations, inquiries or proceedings under Environmental Laws; (d) there have been no Releases or, to the GulfTerra Parties' knowledge, threatened Releases of Hazardous Substances on, under or from the properties of the GulfTerra Partnership Group Entities; (e) none of the GulfTerra Partnership Group Entities have, to the knowledge of the GulfTerra Parties, received any written notice asserting an alleged liability or obligation under any Environmental Laws against the GulfTerra Partnership Group Entities with respect to the actual or alleged Hazardous Substance contamination of any property offsite of the properties of the GulfTerra Partnership Group Entities; (f) to the knowledge of the GulfTerra Parties, there has been no exposure of any person or property to Hazardous Substances in connection with the GulfTerra Partnership Group Entities' businesses, operations, or properties that could reasonably be expected to lead to tort claims by third parties for damages or compensation; and (g) the GulfTerra Partnership Group Entities have made available to the Enterprise Parties complete and correct information regarding compliance matters relating to Environmental Laws in the possession of the GulfTerra Partnership Group Entities and relating to their respective businesses, operations, or properties.

Section 3.10 Contracts. Except for contracts filed as exhibits to the GulfTerra SEC Reports, Section 3.10 of the GulfTerra Disclosure Letter lists as of the Execution Date all written or, to the knowledge of the GulfTerra Parties, oral contracts, agreements, guarantees, leases and executory commitments other than GulfTerra Plans to which any of the GulfTerra Partnership Group Entities are a party or by which their assets are bound and which fall within any of the

following categories: (a) contracts not entered into in the ordinary course of the GulfTerra Partnership Group Entities' business other than those that are not material to the business of the GulfTerra Partnership Group Entities, (b) contracts which after the Effective Time would have the effect of limiting the freedom of any of the Enterprise Partnership Group Entities (other than the GulfTerra Partnership Group Entities) to compete in any line of business in any geographic area, (c) contracts relating to any outstanding commitment for capital expenditures in excess of $10,000,000, (d) contracts with any labor union or organization, (e) except as reflected in the financial statements included in the GulfTerra SEC Reports, indentures, mortgages, liens, promissory notes, loan agreements, guarantees or other arrangements relating to the borrowing of money by any of the GulfTerra Partnership Group Entities, (f) contracts containing provisions triggered by change of control of any of the GulfTerra Partnership Group Entities or other similar provisions, (g) contracts in favor of directors or officers that provide rights to indemnification, and (h) contracts between one or more GulfTerra Partnership Group Entities and El Paso Parent or one or more affiliates of El Paso Parent (other than the GulfTerra Partnership Group Entities). All such contracts (including those filed as exhibits to the GulfTerra SEC Reports) and all other contracts that are individually material to the business or operations of the GulfTerra Partnership Group Entities taken as a whole are valid and binding obligations of the GulfTerra Partnership Group Entities that are parties thereto and, to the knowledge of the GulfTerra Parties, the valid and binding obligation of each other party thereto, except such contracts which if not so valid and binding could not, individually or in the aggregate, reasonably be expected to have a GulfTerra Material Adverse Effect. True and complete copies of all such contracts have been delivered or have been made available by GulfTerra MLP to Enterprise MLP. No GulfTerra Partnership Group Entity is in breach of or in default under any such contract except for such breaches and defaults that could not reasonably be expected to have, individually or in the aggregate, a GulfTerra Material Adverse Effect.

Section 3.11 Restrictions on Business Activities. Except as set forth on Section 3.11 of the GulfTerra Disclosure Letter, there is no agreement, judgment, injunction, order or decree binding upon any of the GulfTerra Partnership Group Entities that has or could be reasonably expected to have the effect of prohibiting, restricting or materially impairing any business practice of any of the GulfTerra Partnership Group Entities, any acquisition of property by any of the GulfTerra Partnership Group Entities, the purchase of goods or services from any party, or the conduct of business by any of the GulfTerra Partnership Group Entities as currently conducted other than such agreements, judgments, injunctions, orders or decrees which could not, individually or in the aggregate, reasonably be expected to have a GulfTerra Material Adverse Effect.

Section 3.12 Intellectual Property.

(a) Except for the items listed on Section 5.9 of the GulfTerra Disclosure Letter, the GulfTerra Partnership Group Entities, directly or indirectly, own, license or otherwise have legally enforceable rights to use all patents, patent rights, trademarks, trade names, service marks, copyrights and any applications therefore, technology, know-how, computer software and applications and tangible or intangible proprietary information or materials, that are used in the business of the GulfTerra Partnership Group Entities as presently conducted (the "GulfTerra Intellectual Property Rights") and each such ownership, license, and right to use will not be adversely affected by the transactions contemplated by this Agreement or the Parent Company

Agreement. Upon satisfaction of the obligations of El Paso Parent pursuant to Section 4.6 of the Parent Company Agreement, GulfTerra MLP will own, license or otherwise have legally enforceable rights to use intellectual property of the type described in this Section 3.12 sufficient to operate the businesses of the GulfTerra Partnership Group Entities consistent with past practices.

(b) In the case of GulfTerra Intellectual Property Rights owned by any of the GulfTerra Partnership Group Entities, such GulfTerra Partnership Group Entities own such GulfTerra Intellectual Property Rights free and clear of any Encumbrances (other than Permitted Encumbrances) except where the presence of any such Encumbrances could not reasonably be expected to have, individually or in the aggregate, a GulfTerra Material Adverse Effect. One or more of the GulfTerra Partnership Group Entities have an adequate right to the use of the GulfTerra Intellectual Property Rights or the material covered thereby in connection with the services or products in respect of which such GulfTerra Intellectual Property Rights are being used except where the lack of any such right could not reasonably be expected to have, individually or in the aggregate, a GulfTerra Material Adverse Effect. None of the GulfTerra Partnership Group Entities has received any written notice or claim, or any other information, stating that the manufacture, sale, licensing, or use of any of the services or products of any of the GulfTerra Partnership Group Entities as now manufactured, sold, licensed or used or proposed for manufacture, sale, licensing or use by any of the GulfTerra Partnership Group Entities in the ordinary course of their business as presently conducted infringes on any copyright, patent, trade mark, service mark or trade secret of a third party except where such infringement could not reasonably be expected to have, individually or in the aggregate, a GulfTerra Material Adverse Effect. None of the GulfTerra Partnership Group Entities has received any written notice or claim, or any other information, stating that the use by any of the GulfTerra Partnership Group Entities of any trademarks, service marks, trade names, trade secrets, copyrights, patents, technology or know-how and applications used in their business as presently conducted infringes on any other person's trademarks, service marks, trade names, trade secrets, copyrights, patents, technology or know-how and applications, except where such infringement could not reasonably be expected to have, individually or in the aggregate, a GulfTerra Material Adverse Effect. None of the GulfTerra Partnership Group Entities has received any written notice or claim, or any other information, challenging the ownership by any of the GulfTerra Partnership Group Entities or the validity of any of the GulfTerra Intellectual Property Rights except where the absence of any such ownership could not reasonably be expected to have, individually or in the aggregate, a GulfTerra Material Adverse Effect. All registered patents, trademarks, service marks and copyrights held by any of the GulfTerra Partnership Group Entities are subsisting, except to the extent any failure to be subsisting could not reasonably be expected to have, individually or in the aggregate, a GulfTerra Material Adverse Effect. To the knowledge of the GulfTerra Parties, there is no unauthorized use, infringement or misappropriation of any of the GulfTerra Intellectual Property Rights by any third party, including any employee or former employee of any of the GulfTerra Partnership Group Entities, except where any such unauthorized use, infringement or misappropriation would not have or would reasonably be expected not to have, individually or in the aggregate, a GulfTerra Material Adverse Effect. No GulfTerra Intellectual Property Right is subject to any known outstanding decree, order, judgment, or stipulation restricting in any manner the licensing thereof by any of the GulfTerra Partnership Group Entities, except to the extent any such

restriction could not reasonably be expected to have, individually or in the aggregate, a GulfTerra Material Adverse Effect.

Section 3.13 Property.

(a) Upon the satisfaction of the obligations of El Paso Parent pursuant to Section 4.6 of the Parent Company Agreement, GulfTerra MLP will own tangible personal property sufficient to operate the businesses of the GulfTerra Partnership Group Entities consistent with past practices.

(b) Upon the satisfaction of the obligations of El Paso Parent pursuant to Section 4.6 of the Parent Company Agreement, except for Permitted Encumbrances, failures that could not reasonably be expected to have, individually or in the aggregate, a GulfTerra Material Adverse Effect or as set forth in the GulfTerra SEC Reports, the GulfTerra Partnership Group Entities have defensible title or enforceable rights to use (or, with respect to pipelines, equipment and other tangible personal property used in connection with the GulfTerra Partnership Group Entities' pipeline operations (collectively, "GulfTerra Pipeline Assets"), title to or interest in the applicable GulfTerra Pipeline Assets sufficient to enable the GulfTerra Partnership Group Entities to conduct their businesses with respect thereto without interference as it is currently being conducted) to all their properties and assets, whether tangible or intangible, real, personal or mixed, free and clear of all liens.

(c) Except for violations that could not reasonably be expected to have, individually or in the aggregate, a GulfTerra Material Adverse Effect or as set forth in the GulfTerra SEC Reports or on Section 3.13(c) of the GulfTerra Disclosure Letter, the businesses of the GulfTerra Partnership Group Entities have been and are being operated in a manner which does not violate the terms of any easements, rights of way, permits, servitudes, licenses, leasehold estates and similar rights relating to real property (collectively, "GulfTerra Easements") used by the GulfTerra Partnership Group Entities in such businesses. All GulfTerra Easements are valid and enforceable, except as the enforceability thereof may be affected by bankruptcy, insolvency or other Laws of general applicability affecting the rights of creditors generally or principles of equity, and grant the rights purported to be granted thereby and all rights necessary thereunder for the current operation of such businesses, except where the failure of any such GulfTerra Easement to be valid and enforceable or to grant the rights purported to be granted thereby or necessary thereunder would have a GulfTerra Material Adverse Effect. Except as set forth in Section 3.13(c) of the GulfTerra Disclosure Letter, there are no special gaps in the GulfTerra Easements that would impair the conduct of such businesses in a manner that could reasonably be expected to have, individually or in the aggregate, a GulfTerra Material Adverse Effect, and no part of the GulfTerra Pipeline Assets is located on property that is not owned in fee by a GulfTerra Partnership Group Entity or subject to an Easement in favor of a GulfTerra Partnership Group Entity, where the failure of such GulfTerra Pipeline Asset to be so located could reasonably be expected to have, individually or in the aggregate, a GulfTerra Material Adverse Effect.

Section 3.14 Labor Matters. Except as set forth on Section 3.14 of the GulfTerra Disclosure Letter, none of the GulfTerra Partnership Group Entities (a) is a party to, or bound by, any collective bargaining agreement or other contract with a labor union or labor organization or

knows of any claims initiated by any labor organization to represent any of its employees not currently represented by a labor organization or (b) is the subject of any proceeding asserting that it has committed an unfair labor practice or knows of any threatened claims alleging that it has committed an unfair labor practice or (c) is the subject of any strike, work stoppage or other labor dispute.

Section 3.15 Employee Benefit Matters.

(a) Section 3.15 of the GulfTerra Disclosure Letter includes a correct and complete list of the GulfTerra Related Employees. Section 3.15 of the GulfTerra Disclosure Letter sets forth separately (i) the aggregate monetary liability that will be payable by any GulfTerra Partnership Group Entity under or with respect to each GulfTerra Plan and each El Paso Plan as a result of the consummation of the transactions contemplated by this Agreement (without giving effect to Enterprise MLP's or GulfTerra MLP's obligations under Section 7.3 and based on the assumption set forth in Section 3.15 of the GulfTerra Disclosure Letter) and (ii) the maximum aggregate monetary liability of El Paso Parent and its affiliates for severance obligations under all El Paso Plans relating to the GulfTerra Related Employees based on the assumptions set forth in Section 3.15 of the GulfTerra Disclosure Letter. The El Paso Plans described in the preceding sentence are listed in Section 3.15 of the GulfTerra Disclosure Letter and referred to herein as the "Designated Severance Plans." Except as set forth on Section 3.15 of the GulfTerra Disclosure Letter or otherwise required by Section 7.3, the transactions contemplated by this Agreement will not accelerate the time of payment or vesting, increase the amount of compensation due or result in a severance payment for any GulfTerra Related Employee or any current or former director, officer or employee (or any beneficiary thereof) for which any of the GulfTerra Partnership Group Entities or Enterprise Partnership Group Entities will be liable.

(b) None of the GulfTerra Partnership Group Entities or any entity required to be aggregated therewith pursuant to Section 414 of the Code has any liability with respect to or based upon any pension plan that is or was subject to the provisions of Title IV of ERISA or Section 412 of the Code, including a multiemployer pension plan as defined in Section 3(37) of ERISA, other than contingent joint and several liability pursuant to a GulfTerra Plan that is subject to Title IV of ERISA and which has not been terminated.

(c) Although GulfTerra Partnership Group Entities receive services from personnel on the payroll of El Paso Parent and its affiliates, on the Execution Date, none of the GulfTerra Partnership Group Entities has any employees.

Section 3.16 Insurance. Each of the GulfTerra Partnership Group Entities and their respective businesses and properties are, and have been continuously since January 1, 2000, insured by reputable and financially responsible insurers in amounts, against risks and losses, and with retentions as are customary for companies conducting their respective businesses. The insurance policies covering the GulfTerra Partnership Group Entities and their respective businesses and properties are in all material respects in full force and effect in accordance with their terms, no notice of cancellation or termination has been received, and there is no existing default or event which, with the giving of notice or lapse of time or both would constitute a default thereunder. Section 3.16 of the GulfTerra Disclosure Letter sets forth a correct and

complete list of all such policies and, with respect to each such policy, a correct and complete description of (a) the scope of coverage, (b) deductibles and similar amounts, (c) the aggregate limits and available coverage (if less than the aggregate limits) as of the Execution Date and (d) whether such policy is written on a "claims made" or "occurrence" basis. There are no outstanding claims made by any of the insured parties in excess of the deductibles identified on Section 3.16 of the GulfTerra Disclosure Letter that are not covered under such policies, and, to the knowledge of the GulfTerra Parties, there has not occurred any event that might reasonably form the basis of any claim in excess of the deductibles identified on Section 3.16 of the GulfTerra Disclosure Letter that is not covered under such policies.

Section 3.17 Taxes. Except as set forth in Section 3.17 of the GulfTerra Disclosure Letter: (i) all Tax Returns that were required to be filed by or with respect to any of the GulfTerra Partnership Group Entities have been duly and timely filed, (ii) all items of income, gain, loss, deduction and credit or other items required to be included in each such Tax Return have been so included, (iii) all Taxes owed by any of the GulfTerra Partnership Group Entities that are or have become due have been timely paid in full or an adequate reserve for the payment of such Taxes has been established, (iv) all Tax withholding and deposit requirements imposed on or with respect to any of the GulfTerra Partnership Group Entities have been satisfied in full in all respects, (v) there are no mortgages, pledges, liens, encumbrances, charges or other security interests on any of the assets of any of the GulfTerra Partnership Group Entities that arose in connection with any failure (or alleged failure) to pay any Tax, (vi) there is no written claim against the GulfTerra Partnership Group Entities for any Taxes, and no assessment, deficiency or adjustment has been asserted, proposed, or threatened in writing with respect to any Tax Return of or with respect to any of the GulfTerra Partnership Group Entities, (vii) there is not in force any extension of time with respect to the due date for the filing of any Tax Return of or with respect to any of the GulfTerra Partnership Group Entities or any waiver or agreement for any extension of time for the assessment or payment of any Tax of or with respect to any of the GulfTerra Partnership Group Entities, (viii) none of the GulfTerra Partnership Group Entities will be required to include any amount in income for any taxable period beginning after December 31, 2003 as a result of a change in accounting method for any taxable period ending on or before the Closing Date or pursuant to any agreement with any Tax authority with respect to any such taxable period, (ix) none of the GulfTerra Partnership Group Entities is a party to a Tax allocation or sharing agreement, and no payments are due or will become due by any of the GulfTerra Partnership Group Entities pursuant to any such agreement or arrangement or any Tax indemnification agreement, (x) none of the GulfTerra Partnership Group Entities has been a member of an affiliated group filing a consolidated federal income Tax Return or has any liability for the Taxes of any Person (other than a GulfTerra Partnership Group Entity) under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local, or foreign Law), as a transferee or successor, by contract, or otherwise, and (xi) at least 90% of the gross income of GulfTerra MLP for each taxable year since its formation has been from sources that GulfTerra MLP's counsel has opined will be treated as "qualifying income" within the meaning of section 7704(d) of the Code.

Section 3.18 Regulatory Proceedings. Except as set forth in the GulfTerra SEC Reports or in Section 3.18 of the GulfTerra Disclosure Letter, none of the GulfTerra Partnership Group Entities, all or part of whose rates or services are regulated by a Governmental Entity, is a party to any proceeding before a Governmental Entity which could reasonably be expected to result in

orders having a GulfTerra Material Adverse Effect, nor to the GulfTerra Parties' knowledge, has written notice of any such proceeding been received by any of the GulfTerra Partnership Group Entities.

Section 3.19 Regulation as a Utility. None of the GulfTerra Partnership Group Entities is (a) a "public-utility company" or a "holding company" or (b) a "subsidiary company" or an "affiliate" of a "public-utility company" or a "holding company," as such terms are defined in PUHCA.

Section 3.20 Futures Trading and Fixed Price Exposure. Prior to the Execution Date and in the ordinary course of business, GulfTerra MLP has established risk parameters to restrict the level of risk that the GulfTerra Partnership Group Entities are authorized to take with respect to the open position resulting from all physical commodity transactions, exchange traded futures and options and over-the-counter derivative instruments (the "Open GulfTerra Position") and monitors the compliance by the GulfTerra Partnership Group Entities with such risk parameters. Such risk parameters as of the Execution Date are set forth on Section 3.20 of the GulfTerra Disclosure Letter. Such risk parameters may be modified only by GulfTerra MLP. The Open GulfTerra Position is within such risk parameters.

Section 3.21 Solvency. Each of the GulfTerra Parties is, and (assuming that the representations and warranties set forth in Section 4.21 with respect to Enterprise Merger Sub are correct at the Effective Time) immediately after giving effect to the Merger Transactions will be, Solvent.

Section 3.22 Opinions of Financial Advisors. The GulfTerra Audit and Conflicts Committee has received the opinion of UBS Securities LLC (the "UBS Opinion"), the financial advisor to the GulfTerra Audit and Conflicts Committee, that the Exchange Ratio is fair to the holders of the GulfTerra Common Units from a financial point of view.

Section 3.23 Brokerage and Finders' Fees. Except for GulfTerra MLP's obligations to UBS Securities LLC set forth in the engagement letter dated December 10, 2003 from UBS Securities LLC to GulfTerra MLP (a correct and complete copy of which has been delivered to Enterprise MLP), none of the GulfTerra Partnership Group Entities has incurred or will incur on behalf of any of the GulfTerra Partnership Group Entities any brokerage, finders' or similar fee in connection with the transactions contemplated by this Agreement (it being understood that this representation does not apply to brokerage fee arrangements incurred in connection with the disposition of assets by GulfTerra MLP after the Execution Date as permitted or required under this Agreement).

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE ENTERPRISE PARTIES

The Enterprise Parties hereby represent and warrant, jointly and severally, to the GulfTerra Parties that:

Section 4.1 Organization and Standing.

(a) Each of the Enterprise Partnership Group Entities has been duly organized or formed and is validly existing under the Laws of its jurisdiction of organization or formation with full corporate or legal power and authority to own, lease and operate its properties and to conduct its businesses as currently owned and conducted except where, individually or in the aggregate, the failure of an Enterprise Partnership Group Entity to be so organized, formed or existing or to have such power or authority could not reasonably be expected to have an Enterprise Material Adverse Effect. Each of the Enterprise Partnership Group Entities is duly qualified to do business in each jurisdiction in which the nature of the business conducted by it or the ownership or leasing of its properties requires it to so qualify, except where, individually or in the aggregate, the failure to be so qualified could not reasonably be expected to have an Enterprise Material Adverse Effect.

(b) Section 4.1(b) of the Enterprise Disclosure Letter sets forth, as of the Execution Date, a true and complete list of each of the Enterprise Partnership Group Entities and Enterprise Partially Owned Entities, together with (i) the nature of the legal organization of such person, (ii) the jurisdiction of organization or formation of such person, (iii) the name of each Enterprise Partnership Group Entity that owns beneficially or of record any equity or similar interest in such person, and (iv) the percentage interest owned by such Enterprise Partnership Group Entity in such person. None of the Enterprise Parties or Enterprise Partnership Group Entities is subject to any obligation in excess of $10,000,000 to provide funds to or make any investment in (in the form of a loan, capital contribution or otherwise) any of their subsidiaries, Partially Owned Entities or other persons.

(c) Each of the Enterprise Parties has heretofore made available to GulfTerra MLP complete and correct copies of its governing documents as well as the governing documents of each of the Enterprise Partially Owned Entities and the Enterprise Partnership Group Entities, in each case as amended through the date hereof (and thereafter as permitted by this Agreement).

Section 4.2 Authority and No Conflicts.

(a) Each of the Enterprise Parties has all requisite partnership or limited liability company power and authority to enter into this Agreement and to perform its obligations hereunder and to consummate the transactions contemplated by this Agreement, subject to the approval of Enterprise MLP's unitholders as described in Section 5.5. The execution and delivery of this Agreement by the Enterprise Parties and the consummation by the Enterprise Parties of the transactions contemplated by this Agreement have been duly and validly authorized by all necessary limited liability company or partnership action and no other limited liability company or partnership proceedings on the part of the Enterprise Parties are necessary to authorize this Agreement or to consummate the transactions contemplated by this Agreement other than the approval of Enterprise MLP's unitholders as described in Section 5.5. The affirmative vote of the holders of at least a majority of the outstanding Enterprise Common Units and Enterprise Class B Units, each voting separately as a class, approving the matters described in Section 5.5 is the only vote of the holders of any partnership interests in Enterprise MLP necessary to approve this Agreement and the Merger Transactions.

(b) This Agreement has been duly executed and delivered by each of the Enterprise Parties and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, except as the same may be limited by bankruptcy, insolvency and other applicable Laws affecting creditors' rights generally, and by general principles of equity.

(c) As of the Execution Date, each of the Board of Directors of Enterprise GP and the Enterprise Audit and Conflicts Committee at a meeting duly called and held has determined by the unanimous approval of all directors voting (for Enterprise GP and on behalf of Enterprise MLP) that this Agreement and the Merger Transactions are fair to, and in the best interests of, the holders of the Enterprise Common Units and has recommended the Merger Transactions, specifically the items listed in Section 5.5 to be approved at the Enterprise Unitholders' Meeting, for approval by the requisite vote of the holders of Enterprise Common Units, and those recommendations have not been withdrawn, reversed or modified in any material respect.

(d) Neither the execution and delivery of this Agreement by any of the Enterprise Parties nor the performance by any of them of their obligations hereunder and the completion of the transactions contemplated by this Agreement, will:

(i) conflict with, or violate any provision of, the governing documents of the Enterprise Parties or the Enterprise Partnership Group Entities;

(ii) other than (A) satisfying applicable requirements of the El Paso Parent Consent Decree and the HSR Act, (B) the filing of a certificate of merger with respect to the Merger as required by the Delaware Revised Uniform Limited Partnership Act and the Delaware Limited Liability Company Act, filings with the SEC under the Securities Act and the Exchange Act, applicable filings with the NYSE and any filings required or approvals necessary pursuant to any state securities or "blue sky" laws and (C) obtaining or making, as applicable, any other consents, approvals, orders, authorizations, registrations, declarations or filings which, if not obtained or made, could not, individually or in the aggregate, reasonably be expected to have an Enterprise Material Adverse Effect, violate or breach any Laws or Environmental Laws applicable to any of or the Enterprise Partnership Group Entities;

(iii) except as set forth on Section 4.2(d)(iii) of the Enterprise Disclosure Letter and other than obtaining or making, as applicable, any other consents, approvals, orders, authorizations, registrations, declarations or filings which, if not obtained or made, could not, individually or in the aggregate, reasonably be expected to have an Enterprise Material Adverse Effect, violate or conflict with or result in the breach of, or constitute a default (or an event that with the giving of notice, the passage of time, or both would constitute a default) under, or entitle any party (with the giving of notice, the passage of time or both) to terminate, accelerate, modify or call any obligations or rights under any credit agreement, note, bond, mortgage, indenture, deed of trust, contract, agreement, lease, license, franchise, permit, concession, easement or other instrument to which any of the Enterprise Parties or the Enterprise Partnership Group Entities is a party or by which any of the Enterprise Partnership Group Entities or their property is bound or subject; or

(iv) other than pursuant to the HSR Act and except as could not, individually or in the aggregate, reasonably be expected to have an Enterprise Material Adverse Effect, result in the imposition of any Encumbrance upon or require the sale or give any person the right to acquire any of the assets of any of the Enterprise Partnership Group Entities, or restrict, hinder, impair or limit the ability of any of the Enterprise Parties or the Enterprise Partnership Group Entities to carry on their businesses as and where they are now being carried on.

Section 4.3 No Defaults. None of the Enterprise Partnership Group Entities is in default under or violation of, and there has been no event, condition or occurrence which, after notice or lapse of time or both, would constitute such a default or violation of, or permit the termination of, any term, condition or provision of (a) their respective governing documents, (b) any credit agreement, note, bond, mortgage, indenture, contract, agreement, lease, license, franchise, permit, concession, easement or other instrument to which any of the Enterprise Partnership Group Entities is a party or by which any of the Enterprise Partnership Group Entities or any of their property is bound or subject, except, in the case of clause (b), defaults, violations and terminations which, individually or in the aggregate, could not reasonably be expected to have an Enterprise Material Adverse Effect.

Section 4.4 Capitalization.

(a) Enterprise GP is the sole general partner of Enterprise MLP. Enterprise GP is the sole record and beneficial owner of the general partner interest in Enterprise MLP, and such general partner interest has been duly authorized and validly issued in accordance with the Enterprise Partnership Agreement. Except for any Encumbrances arising under the governing documents of any Enterprise Party, applicable securities Laws, the Exchange and Registration Rights Agreement or this Agreement, Enterprise GP owns such general partner interest free and clear of any Encumbrances.

(b) As of the Execution Date, Enterprise MLP has no limited partner interests issued and outstanding other than the following:

(i) 116,689,954 Enterprise Common Units issued to affiliates of Enterprise Parent 1, including:

(A) 112,100,118 Enterprise Common Units issued to Enterprise Products Delaware Holdings L.P.;

(B) 4,278,200 Enterprise Common Units issued to the Duncan Family 1998 Trust;

(C) 200,036 Enterprise Common Units issued to the Duncan Family 2000 Trust; and

(D) 111,600 Enterprise Common Units issued to Dan L. Duncan;

(ii) 41,000,000 Enterprise Common Units issued to Shell US Gas & Power LLC;

(iii) 50,716,954 Enterprise Common Units issued to third parties and the general public; and

(iv) outstanding options to purchase 1,963,000 Enterprise Common Units at the exercise prices and with the vesting and expiration schedules set forth on Section 4.4(b) of the Enterprise Disclosure Letter.

Each of such Enterprise Common Units and the limited partner interests represented thereby have been duly authorized and validly issued in accordance with applicable Laws and the Enterprise Partnership Agreement, and are fully paid (to the extent required under the Enterprise Partnership Agreement) and non-assessable (except to the extent such non-assessability may be affected by Section 17-607 of the Delaware Revised Uniform Limited Partnership Act). Such Enterprise Common Units were not issued in violation of pre-emptive or similar rights or any other agreement or understanding binding on Enterprise MLP. All of the outstanding equity interests of the subsidiaries of Enterprise MLP and the Partially Owned Entities which are held, directly or indirectly, by Enterprise MLP, have been duly authorized and are validly issued, fully paid (to the extent required under the applicable governing documents) and non-assessable (except (1) with respect to general partner interests, (2) as set forth to the contrary in the applicable governing documents and (3) to the extent such non-assessability may be affected by the Delaware Revised Uniform Limited Partnership Act or the Delaware Limited Liability Company Act) and were not issued in violation of pre-emptive or similar rights; and all such shares and other equity interests are owned, directly or indirectly, by Enterprise MLP, free and clear of all Encumbrances, except for applicable securities Laws, restrictions on transfers contained in governing documents and as set forth on Section 4.4(b) of the Enterprise Disclosure Letter.

(c) Except as described on Section 4.4(c) of the Enterprise Disclosure Letter: (i) there are no outstanding options, warrants, subscriptions, puts, calls or other rights, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) obligating any of the Enterprise Partnership Group Entities to offer, issue, sell, redeem, repurchase, otherwise acquire or transfer, pledge or Encumber any equity interest in any of the Enterprise Partnership Group Entities; (ii) there are no outstanding securities or obligations of any kind of any of the Enterprise Partnership Group Entities which are convertible into or exercisable or exchangeable for any equity interest in any of the Enterprise Partnership Group Entities or any other person, and none of the Enterprise Partnership Group Entities has any obligation of any kind to issue any additional securities or to pay for or repurchase any securities; (iii) there are not outstanding any stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based on the book value, income or any other attribute of any of the Enterprise Partnership Group Entities; (iv) there are no outstanding bonds, debentures or other evidence of indebtedness of any of the Enterprise Partnership Group Entities having the right to vote (or that are exchangeable for or convertible or exercisable into securities having the right to vote) with the holders of the Enterprise Common Units on any matter; (v) except as described in the Enterprise Partnership Agreement, there are no unitholder agreements, proxies (other than the Enterprise Proxy), voting trusts, rights to require registration under securities Laws or other

arrangements or commitments to which any of the Enterprise Partnership Group Entities is a party or by which any of their securities are bound with respect to the voting, disposition or registration of any outstanding securities of any of the Enterprise Partnership Group Entities (provided that the foregoing shall not apply to any such restriction on voting or disposition that any holder of Enterprise Common Units (other than the Enterprise Parties) may have imposed upon such Enterprise Common Units).

Section 4.5 Reports; Financial Statements.

(a) Since January 1, 2000, Enterprise MLP has filed all forms, reports, schedules, statements and other documents required by Law to be filed with or furnished to the SEC by any of the Enterprise Partnership Group Entities under the Exchange Act or the Securities Act (collectively, together with all other documents filed by Enterprise MLP with the SEC since January 1, 2000, the "Enterprise SEC Reports"), except in each case where the failure to file any such forms, reports, schedules, statements or other documents could not reasonably be expected to have an Enterprise Material Adverse Effect. The Enterprise SEC Reports at the time filed (x) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements contained therein not misleading in light of the circumstances under which they were made and (y) complied in all material respects with the requirements of applicable Laws (including the Securities Act, the Exchange Act and the rules and regulations thereunder). Other than Enterprise OLP and filings in connection with Rule 144A offerings with respect to wholly-owned subsidiaries of Enterprise MLP, no subsidiary is required to file periodic reports with the SEC, either pursuant to the requirements of the Exchange Act or by contract.

(b) Enterprise MLP has heretofore furnished to GulfTerra MLP complete and correct copies of (i) all contracts, agreements, documents and other instruments not yet filed by Enterprise MLP with the SEC but that are currently in effect and that any of the Enterprise Partnership Group Entities will be required to or expects to file with or furnish to the SEC as exhibits in an annual or periodic report after the Execution Date and (ii) all amendments and modifications that have not been filed by Enterprise MLP with the SEC but are currently in effect to all agreements, documents and other instruments that have been filed by any of the Enterprise Partnership Group Entities with the SEC since January 1, 2000.

(c) Attached as Section 4.5(c) of the Enterprise Disclosure Letter are copies of the unaudited financial statements as of September 30, 2003 of Enterprise GP (the "Enterprise GP Financial Statements"). The consolidated financial statements (including, in each case, any related notes thereto) of Enterprise MLP contained in any Enterprise SEC Reports and the Enterprise GP Financial Statements (i) have been prepared in accordance with GAAP (subject, in the case of unaudited financial statements, to the absence of footnote disclosures required by GAAP), (ii) complied in all material respects with the requirements of applicable securities Laws, and (iii) fairly present, in all material respects, the consolidated financial positions, results of operations, cash flows, partners' capital and comprehensive income and changes in accumulated other comprehensive income, as applicable, of the applicable Enterprise Partnership Group Entities as of the respective dates thereof and for the respective periods covered thereby, subject, in the case of unaudited financial statements, to normal, recurring audit adjustments none of which will be material. Except as disclosed on the Enterprise MLP September 30, 2003

Balance Sheet or the Enterprise GP September 30, 2003 Balance Sheet, none of the Enterprise Partnership Group Entities has any indebtedness or liability, absolute or contingent, other than (i) liabilities as of September 30, 2003 that are not required by GAAP to be included in the Enterprise MLP September 30, 2003 Balance Sheet or the Enterprise GP September 30, 2003 Balance Sheet, (ii) liabilities incurred or accrued in the ordinary course of business consistent with past practice, since September 30, 2003, (iii) liabilities disclosed in any Enterprise SEC Reports filed since September 20, 2003, or (iv) liabilities incurred or accrued as permitted under Section 5.1(b).

Section 4.6 Absence of Certain Changes or Events.

(a) Except as set forth on Section 4.6 of the Enterprise Disclosure Letter or as disclosed in any Enterprise SEC Report filed before the Execution Date, between September 30, 2003 and the Execution Date, the business of the Enterprise Partnership Group Entities, taken as a whole, has been conducted in the ordinary course consistent with past practices, and none of the Enterprise Partnership Group Entities has taken any of the actions described in Section 5.1(b), except in connection with entering into this Agreement.

(b) Since September 30, 2003, except as disclosed in any Enterprise SEC Report filed before the Execution Date, there have not been any events or conditions that have had, or could reasonably be expected to have, an Enterprise Material Adverse Effect.

Section 4.7 Compliance with Laws.

(a) The Enterprise Partnership Group Entities are in compliance, and at all times since January 1, 2001 have complied, with all applicable Laws other than non-compliance which could not, individually or in the aggregate, reasonably be expected to have an Enterprise Material Adverse Effect.

(b) The Enterprise Partnership Group Entities are in possession of all franchises, grants, authorizations, licenses, permits, easements, variances, exemptions, consents, certificates, approvals and orders necessary to own, lease and operate their properties and to lawfully carry on their businesses as they are now being conducted (collectively, the "Enterprise Permits"), except as disclosed in the Enterprise SEC Reports or where the failure to be in possession of such Enterprise Permits could not, individually or in the aggregate, be reasonably expected to have an Enterprise Material Adverse Effect. None of the Enterprise Partnership Group Entities is in conflict with, or in default or violation of any of the Enterprise Permits, except for any such conflicts, defaults or violations which could not, individually or in the aggregate, reasonably be expected to have an Enterprise Material Adverse Effect.

Section 4.8 Litigation. Except as disclosed in the Enterprise SEC Reports or for matters that could not reasonably be expected to have, individually or in the aggregate, an Enterprise Material Adverse Effect, (a) there are no claims, actions, proceedings (public or private), investigations or reviews pending or, to the knowledge of the Enterprise Parties, threatened against any of the Enterprise Parties or Enterprise Partnership Group Entities by or before any Governmental Entity, and (b) the Enterprise Parties have no knowledge of any facts that such persons reasonably believe are likely to give rise to any such claim, action, proceeding,

investigation or review. Other than the Enterprise Parent Consent Decree, none of the Enterprise Partnership Group Entities, nor any of their respective assets and properties, is subject to any outstanding judgment, order, writ, injunction or decree that has had or could reasonably be expected to have, individually or in the aggregate, an Enterprise Material Adverse Effect.

Section 4.9 Environmental Matters. Except as disclosed in the Enterprise SEC Reports or for matters that could not reasonably be expected to have, individually or in the aggregate, an Enterprise Material Adverse Effect: (a) the Enterprise Partnership Group Entities and their respective businesses, operations, and properties have been and are in compliance with all Environmental Laws and all permits, registrations, licenses, approvals, exemptions, variances, and other authorizations required of the Enterprise Partnership Group Entities under Environmental Laws ("Enterprise Environmental Permits"); (b) the Enterprise Partnership Group Entities have obtained or filed for all Enterprise Environmental Permits for their respective businesses, operations, and properties as they currently exist and all such Enterprise Environmental Permits are currently in full force and effect; (c) the Enterprise Partnership Group Entities and their respective businesses, operations, and properties are not subject to any pending or, to the Enterprise Parties' knowledge, threatened claims, actions, suits, investigations, inquiries or proceedings under Environmental Laws; (d) there have been no Releases or, to the Enterprise Parties' knowledge, threatened Releases of Hazardous Substances on, under or from the properties of the Enterprise Partnership Group Entities; (e) none of the Enterprise Partnership Group Entities have, to the knowledge of the Enterprise Parties, received any written notice asserting an alleged liability or obligation under any Environmental Laws against the Enterprise Partnership Group Entities with respect to the actual or alleged Hazardous Substance contamination of any property offsite of the properties of the Enterprise Partnership Group Entities; (f) to the knowledge of the Enterprise Parties, there has been no exposure of any person or property to Hazardous Substances in connection with the Enterprise Partnership Group Entities' businesses, operations, or properties that could reasonably be expected to lead to tort claims by third parties for damages or compensation; and (g) the Enterprise Partnership Group Entities have made available to the GulfTerra Parties complete and correct information regarding compliance matters relating to Environmental Laws in the possession of the Enterprise Partnership Group Entities and relating to their respective businesses, operations or properties.

Section 4.10 Contracts. Except for contracts filed as exhibits to the Enterprise SEC Reports, Section 4.10 of the Enterprise Disclosure Letter lists as of the Execution Date all written or, to the knowledge of the Enterprise Parties, oral contracts, agreements, guarantees, leases and executory commitments other than Enterprise Plans to which any of the Enterprise Partnership Group Entities are a party or by which their assets are bound and which fall within any of the following categories: (a) contracts not entered into in the ordinary course of the Enterprise Partnership Group Entities' business other than those that are not material to the business of the Enterprise Partnership Group Entities, (b) contracts which after the Effective Time would have the effect of limiting the freedom of any of the GulfTerra Partnership Group Entities (other than the Enterprise Partnership Group Entities) to compete in any line of business in any geographic area, (c) contracts relating to any outstanding commitment for capital expenditures in excess of $10,000,000, (d) contracts with any labor union or organization, (e) except as reflected in the financial statements included in the Enterprise SEC Reports, indentures, mortgages, liens, promissory notes, loan agreements, guarantees or other arrangements relating to the borrowing of money by any of the Enterprise Partnership Group Entities, (f) contracts containing provisions

triggered by change of control of any of the Enterprise Partnership Group Entities or other similar provisions, (g) contracts in favor of directors or officers that provide rights to indemnification, and (h) contracts between one or more Enterprise Partnership Group Entities and Enterprise Parent 1, Enterprise Parent 2 or one or more affiliates of Enterprise Parent 1 or Enterprise Parent 2 (other than the Enterprise Partnership Group Entities). All such contracts (including those filed as exhibits to the Enterprise SEC Reports) and all other contracts that are individually material to the business or operations of the GulfTerra Partnership Group Entities taken as a whole are valid and binding obligations of the Enterprise Partnership Group Entities that are parties thereto and, to the knowledge of the Enterprise Parties, the valid and binding obligation of each other party thereto, except such contracts which if not so valid and binding could not, individually or in the aggregate, reasonably be expected to have an Enterprise Material Adverse Effect. True and complete copies of all such contracts have been delivered or have been made available by Enterprise MLP to GulfTerra MLP. No Enterprise Partnership Group Entity is in breach of or in default under any such material contract except for such breaches and defaults that could not reasonably be expected to have, individually or in the aggregate, an Enterprise Material Adverse Effect.

Section 4.11 Restrictions on Business Activities. Except as set forth on Section 4.11 of the Enterprise Disclosure Letter, there is no agreement, judgment, injunction, order or decree binding upon any of the Enterprise Partnership Group Entities that has or could be reasonably expected to have the effect of prohibiting, restricting or materially impairing any business practice of any of the Enterprise Partnership Group Entities, any acquisition of property by any of the Enterprise Partnership Group Entities, the purchase of goods or services from any party, or the conduct of business by any of the Enterprise Partnership Group Entities as currently conducted other than such agreements, judgments, injunctions, orders or decrees which could not, individually or in the aggregate, reasonably be expected to have an Enterprise Material Adverse Effect.

Section 4.12 Intellectual Property.

(a) Except as set forth on Section 4.12 of the Enterprise Disclosure Letter, the Enterprise Partnership Group Entities, directly or indirectly, own, license or otherwise have legally enforceable rights to use all patents, patent rights, trademarks, trade names, service marks, copyrights and any applications therefore, technology, know-how, computer software and applications and tangible or intangible proprietary information or materials, that are used in the business of the Enterprise Partnership Group Entities as presently conducted (the "Enterprise Intellectual Property Rights"). Each such ownership, license, and right to use is sufficient to operate the businesses of the Enterprise Partnership Group Entities consistent with past practices and will not be adversely affected by the transactions contemplated by this Agreement or the Parent Company Agreement.

(b) In the case of Enterprise Intellectual Property Rights owned by any of the Enterprise Partnership Group Entities, such Enterprise Partnership Group Entities own such Enterprise Intellectual Property Rights free and clear of any Encumbrances (other than Permitted Encumbrances) except where the presence of any such Encumbrances could not reasonably be expected to have, individually or in the aggregate, an Enterprise Material Adverse Effect. One or more of the Enterprise Partnership Group Entities have an adequate right to the use of the

Enterprise Intellectual Property Rights or the material covered thereby in connection with the services or products in respect of which such Enterprise Intellectual Property Rights are being used except where the lack of any such right could not reasonably be expected to have, individually or in the aggregate, an Enterprise Material Adverse Effect. None of the Enterprise Partnership Group Entities has received any written notice or claim, or any other information, stating that the manufacture, sale, licensing, or use of any of the services or products of any of the Enterprise Partnership Group Entities as now manufactured, sold, licensed or used or proposed for manufacture, sale, licensing or use by any of the Enterprise Partnership Group Entities in the ordinary course of their business as presently conducted infringes on any copyright, patent, trade mark, service mark or trade secret of a third party except where such infringement could not reasonably be expected to have, individually or in the aggregate, an Enterprise Material Adverse Effect. None of the Enterprise Partnership Group Entities has received any written notice or claim, or any other information, stating that the use by any of the Enterprise Partnership Group Entities of any trademarks, service marks, trade names, trade secrets, copyrights, patents, technology or know-how and applications used in their business as presently conducted infringes on any other person's trademarks, service marks, trade names, trade secrets, copyrights, patents, technology or know-how and applications, except where such infringement could not reasonably be expected to have, individually or in the aggregate, an Enterprise Material Adverse Effect. None of the Enterprise Partnership Group Entities has received any written notice or claim, or any other information, challenging the ownership by any of the Enterprise Partnership Group Entities or the validity of any of the Enterprise Intellectual Property Rights except where the absence of any such ownership could not reasonably be expected to have, individually or in the aggregate, an Enterprise Material Adverse Effect. All registered patents, trademarks, service marks and copyrights held by any of the Enterprise Partnership Group Entities are subsisting, except to the extent any failure to be subsisting could not reasonably be expected to have, individually or in the aggregate, an Enterprise Material Adverse Effect. To the knowledge of the Enterprise Parties, there is no unauthorized use, infringement or misappropriation of any of the Enterprise Intellectual Property Rights by any third party, including any employee or former employee of any of the Enterprise Partnership Group Entities, except where any such unauthorized use, infringement or misappropriation would not have or would reasonably be expected not to have, individually or in the aggregate, an Enterprise Material Adverse Effect. No Enterprise Intellectual Property Right is subject to any known outstanding decree, order, judgment, or stipulation restricting in any manner the licensing thereof by any of the Enterprise Partnership Group Entities, except to the extent any such restriction could not reasonably be expected to have, individually or in the aggregate, an Enterprise Material Adverse Effect.

Section 4.13 Property.

(a) The Enterprise Partnership Group Entities own tangible personal property sufficient to operate the businesses of the Enterprise Partnership Group Entities consistent with past practices.

(b) Except for Permitted Encumbrances, failures that could not reasonably be expected to have, individually or in the aggregate, an Enterprise Material Adverse Effect or as set forth in the Enterprise SEC Reports or on Section 4.13(b) of the Enterprise Disclosure Letter, the Enterprise Partnership Group Entities have defensible title or enforceable rights to use (or,

with respect to pipelines, equipment and other tangible personal property used in connection with the Enterprise Partnership Group Entities' pipeline operations (collectively, "Enterprise Pipeline Assets"), title to or interest in the applicable Enterprise Pipeline Assets sufficient to enable the Enterprise Partnership Group Entities to conduct their businesses with respect thereto without interference as it is currently being conducted) to all their properties and assets, whether tangible or intangible, real, personal or mixed, free and clear of all liens.

(c) Except for violations that could not reasonably be expected to have, individually or in the aggregate, an Enterprise Material Adverse Effect or as set forth in the Enterprise SEC Reports or on Section 4.13(c) of the Enterprise Disclosure Letter, the businesses of the Enterprise Partnership Group Entities have been and are being operated in a manner which does not violate the terms of any easements, rights of way, permits, servitudes, licenses, leasehold estates and similar rights relating to real property (collectively, "Enterprise Easements") used by the Enterprise Partnership Group Entities in such businesses. All Enterprise Easements are valid and enforceable, except as the enforceability thereof may be affected by bankruptcy, insolvency or other Laws of general applicability affecting the rights of creditors generally or principles of equity, and grant the rights purported to be granted thereby and all rights necessary thereunder for the current operation of such businesses, except where the failure of any such Enterprise Easement to be valid and enforceable or to grant the rights purported to be granted thereby or necessary thereunder would have an Enterprise Material Adverse Effect. Except as set forth on Section 4.13(c) of the Enterprise Disclosure Letter, there are no special gaps in the Enterprise Easements that would impair the conduct of such businesses in a manner that would, or that could reasonably be expected to, have an Enterprise Material Adverse Effect, and no part of the Enterprise Pipeline Assets is located on property that is not owned in fee by an Enterprise Partnership Group Entity or subject to an Easement in favor of an Enterprise Partnership Group Entity, where the failure of such Enterprise Pipeline Assets to be so located would have an Enterprise Material Adverse Effect.

Section 4.14 Labor Matters. Except as set forth on Section 4.14 of the Enterprise Disclosure Letter, none of the Enterprise Partnership Group Entities (a) is a party to, or bound by, any collective bargaining agreement or other contract with a labor union or labor organization or knows of any claims initiated by any labor organization to represent any of its employees not currently represented by a labor organization or (b) is the subject of any proceeding asserting that it has committed an unfair labor practice or knows of any threatened claims alleging that it has committed an unfair labor practice or (c) is the subject of any strike, work stoppage or other labor dispute.

Section 4.15 Employee Benefit Matters.

(a) Section 4.15 of the Enterprise Disclosure Letter contains a true and complete list of each employee benefit plan (as defined in Section 3(3) of ERISA), all employment and severance agreements (or consulting agreements with natural persons) and any employee compensation plan, including without limitation, any pension, retirement, profit sharing, stock or unit option, stock or unit purchase, restricted stock or unit, bonus, health, life, disability or fringe benefit plan sponsored or maintained by, participated in or contributed to by or required to be contributed to by any of the Enterprise Partnership Group Entities or, with respect to any Enterprise Related Employees, by any of the Enterprise Parties or by any other

entity required to be aggregated with an Enterprise Party pursuant to Section 414 of the Code) (each a "Enterprise Plan"). Section 4.15 of the Enterprise Disclosure Letter also sets forth separately the aggregate monetary liability that will be payable under or with respect to such Enterprise Plans as a result of the consummation of the transactions contemplated by this Agreement. Except as set forth on Section 4.15 of the Enterprise Disclosure Letter, the transactions contemplated by this Agreement will not accelerate the time of payment or vesting, increase the amount of compensation due or result in a severance payment for any Enterprise Related Employee or any current or former director, officer or employee (or any beneficiary thereof) of any of the Enterprise Partnership Group Entities.

(b) None of the Enterprise Partnership Group Entities or any entity required to be aggregated therewith pursuant to Section 414 of the Code has any liability with respect to or based upon any pension plan that is or was subject to the provisions of Title IV of ERISA or Section 412 of the Code, including a multiemployer pension plan as defined in Section 3(37) of ERISA, other than contingent joint and several liability pursuant to an Enterprise Plan that is subject to Title IV of ERISA and which has not been terminated.

(c) Although Enterprise Partnership Group Entities receive services from personnel on the payroll of Enterprise Parent 1 and its affiliates, on the Execution Date, none of the Enterprise Partnership Group Entities has any employees.

Section 4.16 Insurance. Each of the Enterprise Partnership Group Entities and their respective businesses and properties are, and have been continuously since January 1, 2000, insured by reputable and financially responsible insurers in amounts, against risks and losses, and with retentions as are customary for companies conducting their respective businesses. The insurance policies covering the Enterprise Partnership Group Entities and their respective businesses and properties are in all material respects in full force and effect in accordance with their terms, no notice of cancellation or termination has been received, and there is no existing default or event which, with the giving of notice or lapse of time or both would constitute a default thereunder. Section 4.16 of the Enterprise Disclosure Letter sets forth a correct and complete list of all such policies and, with respect to each such policy, a correct and complete description of (a) the scope of coverage, (b) deductibles and similar amounts, (c) the aggregate limits and available coverage (if less than the aggregate limits) as of the Execution Date and (d) whether such policy is written on a "claims made" or "occurrence" basis. There are no outstanding claims made by any of the insured parties in excess of the deductibles identified on Section 4.16 of the Enterprise Disclosure Letter that are not covered under such policies, and, to the knowledge of the Enterprise Parties, there has not occurred any event that might reasonably form the basis of any claim in excess of the deductibles identified on Schedule 4.16 of the Enterprise Disclosure Letter that is not covered under such policies.

Section 4.17 Taxes. Except as set forth in Section 4.17 of the Enterprise Disclosure Letter: (i) all Tax Returns that were required to be filed by or with respect to any of the Enterprise Partnership Group Entities have been duly and timely filed, (ii) all items of income, gain, loss, deduction and credit or other items required to be included in each such Tax Return have been so included, (iii) all Taxes owed by any of the Enterprise Partnership Group Entities that are or have become due have been timely paid in full or an adequate reserve for the payment of such Taxes has been established, (iv) all Tax withholding and deposit requirements imposed

on or with respect to any of the Enterprise Partnership Group Entities have been satisfied in full in all respects, (v) there are no mortgages, pledges, liens, encumbrances, charges or other security interests on any of the assets of any of the Enterprise Partnership Group Entities that arose in connection with any failure (or alleged failure) to pay any Tax, (vi) there is no written claim against the Enterprise Partnership Group Entities for any Taxes, and no assessment, deficiency or adjustment has been asserted, proposed, or threatened in writing with respect to any Tax Return of or with respect to any of the Enterprise Partnership Group Entities, (vii) there is not in force any extension of time with respect to the due date for the filing of any Tax Return of or with respect to any of the Enterprise Partnership Group Entities or any waiver or agreement for any extension of time for the assessment or payment of any Tax of or with respect to any of the Enterprise Partnership Group Entities, (viii) none of the Enterprise Partnership Group Entities will be required to include any amount in income for any taxable period beginning after December 31, 2003 as a result of a change in accounting method for any taxable period ending on or before the Closing Date or pursuant to any agreement with any Tax authority with respect to any such taxable period, (ix) none of the Enterprise Partnership Group Entities is a party to a Tax allocation or sharing agreement, and no payments are due or will become due by any of the Enterprise Partnership Group Entities pursuant to any such agreement or arrangement or any Tax indemnification agreement, (x) none of the Enterprise Partnership Group Entities has been a member of an affiliated group filing a consolidated federal income Tax Return or has any liability for the Taxes of any Person (other than an Enterprise Partnership Group Entity) under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local, or foreign Law), as a transferee or successor, by contract, or otherwise, and (xi) at least 90% of the gross income of Enterprise MLP for each taxable year since its formation has been from sources that Enterprise MLP's counsel has opined will be treated as "qualifying income" within the meaning of section 7704(d) of the Code.

Section 4.18 Regulatory Proceedings. None of the Enterprise Partnership Group Entities, all or part of whose rates or services are regulated by a Governmental Entity, is a party to any proceeding before a Governmental Entity which could reasonably be expected to result in orders having an Enterprise Material Adverse Effect, nor to the Enterprise Parties' knowledge, has written notice of any such proceeding been received by any of the Enterprise Partnership Group Entities.

Section 4.19 Regulation as a Utility. None of the Enterprise Partnership Group Entities is (a) a "public-utility company" or a "holding company" or (b) a "subsidiary company" or an "affiliate" of a "public-utility company" or a "holding company," as such terms are defined in PUHCA.

Section 4.20 Futures Trading and Fixed Price Exposure. Prior to the Execution Date and in the ordinary course of business, the Board of Directors of Enterprise GP has established risk parameters to restrict the level of risk that the Enterprise Partnership Group Entities are authorized to take with respect to the open position resulting from all physical commodity transactions, exchange traded futures and options and over-the-counter derivative instruments (the "Open Enterprise Position") and monitors the compliance by the Enterprise Partnership Group Entities with such risk parameters. Such risk parameters as of the Execution Date are set forth on Section 4.20 of the Enterprise Disclosure Letter. Such risk parameters may be modified

only by the Board of Directors of Enterprise GP. The Open Enterprise Position is within such risk parameters.

Section 4.21 Solvency. Each of the Enterprise Parties and Enterprise Merger Sub is, and (assuming that the representations and warranties set forth in Section 3.21 with respect to GulfTerra MLP are correct at the Effective Time) immediately after giving effect to the Merger Transactions will be, Solvent.

Section 4.22 Opinions of Financial Advisors. The Board of Directors of Enterprise GP and the Enterprise Audit and Conflicts Committee have received the opinion of Lehman Brothers Inc. (the "Lehman Opinion") that the aggregate consideration to be paid by Enterprise MLP pursuant to the transactions contemplated by (a) ARTICLE II of this Agreement and (b) ARTICLE II of the Parent Company Agreement is fair to Enterprise MLP from a financial point of view.

Section 4.23 Brokerage and Finder's Fee. Except for Enterprise OLP's obligations to Lehman Brothers Inc. set forth in the engagement letter dated January 23, 2003 from Lehman Brothers Inc. to Enterprise MLP (a correct and complete copy of which has been delivered to GulfTerra MLP), none of the Enterprise Partnership Group Entities has incurred or will incur on behalf of any of the Enterprise Partnership Group Entities any brokerage, finders' or similar fee in connection with the transactions contemplated by this Agreement (it being understood that this representation does not apply to brokerage fee arrangements entered into in connection with the disposition of assets by Enterprise MLP after the Execution Date as permitted or required under this Agreement).

Section 4.24 Available Equity. At the Closing, Enterprise MLP will have authorized Enterprise Common Units available for issuance sufficient to enable it to effect the Merger Transactions without encumbrance or delay. At the Closing (as defined in the Parent Company Agreement), Enterprise MLP will have cash sufficient to satisfy its obligations pursuant to Section 2.1 of the Parent Company Agreement.

ARTICLE V
ADDITIONAL AGREEMENTS, COVENANTS, RIGHTS AND OBLIGATIONS

Section 5.1 Conduct of Business.

(a) Ordinary Course. From the Execution Date until the Closing Date, each Party Group with respect to the business of its Partnership Group shall, except as permitted under Section 5.1(b), (i) conduct the business of such Partnership Group in the ordinary course consistent with past practices, (ii) use its commercially reasonable efforts to preserve intact the present business organizations and material rights and franchises of such Partnership Group, to keep available the services of the GulfTerra Related Employees or the Enterprise Related Employees, as applicable, and the current officers and employees of such Partnership Group, and to preserve the relationships of such Partnership Group with customers, suppliers and others having business dealings with them, (iii) maintain and keep the material properties and assets of such Partnership Group (or in the case of the GulfTerra Partnership Group Entities, used for the benefit of such Partnership Group) in as good repair and condition as at the Execution Date,

subject to ordinary wear and tear, and (iv) comply with the risk parameters described in Section 3.20 or Section 4.20, as applicable.

(b) Certain Covenants. Without limiting the generality of Section 5.1(a), except (1) as otherwise contemplated by this Agreement, (2) as otherwise required by Law or Environmental Law or (3) as set forth on Section 5.1(b) of the GulfTerra Disclosure Letter with respect to the GulfTerra Parties and Section 5.1(b) of the Enterprise Disclosure Letter with respect to the Enterprise Parties, without the prior written consent of the other Party Group (which consent will not be unreasonably withheld, delayed or conditioned), each Party Group will not (and the corresponding Party Group agrees that it will cause all of its respective Partnership Group not to):

(i) make any material change in the conduct of its business and operations;

(ii) only with respect to Enterprise MLP (other than changes to add the Enterprise Class B Units and changes that would not be adverse to the GulfTerra Parties), Enterprise GP, GulfTerra MLP (other than changes that would not be adverse to the Enterprise Parties) and GulfTerra GP, make any change in its governing documents;

(iii) issue, deliver or sell or authorize or propose the issuance, delivery or sale of, any of its equity securities or securities convertible into its equity securities, or subscriptions, rights, warrants or options to acquire or other agreements or commitments of any character obligating it to issue any such securities (other than sales (A) by Enterprise MLP of Enterprise Common Units and Enterprise Class B Units (on the terms described in the NYSE letter referenced in the definition of "Enterprise Class B Units") up to an aggregate of $900,000,000, (B) pursuant to employee benefit plans, options and warrants (including the GulfTerra Series F Units and pursuant to the Exchange and Registration Rights Agreement) in existence on the Execution Date, (C) by Enterprise MLP pursuant to Enterprise MLP's Distribution Reinvestment Plan and (D) by GulfTerra MLP (with Enterprise MLP's consent, which will not be unreasonably withheld) of GulfTerra Common Units up to an aggregate of $100,000,000);

(iv) except for (A) distributions to the holders of GulfTerra Common Units or Enterprise Common Units and Enterprise Class B Units, as applicable, of no more than $0.71 per GulfTerra Common Unit (except to the extent such limitation would violate the distribution provisions of the GulfTerra Partnership Agreement) or $0.395 per Enterprise Common Unit or Enterprise Class B Unit (except to the extent such limitation would violate the distribution provisions of the Enterprise Partnership Agreement) per quarter, including the proportionate distribution on the general partner interests in GulfTerra MLP or in Enterprise MLP, as applicable, (B) any distributions from the subsidiaries of GulfTerra MLP to GulfTerra MLP, and (C) distributions from Enterprise OLP to Enterprise MLP necessary for Enterprise MLP to make such distributions to the holders of Enterprise Common Units or Enterprise Class B Units, declare, set aside or pay any distributions in respect of its equity securities, or split, combine or reclassify any of its equity securities or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for any of its equity securities, or purchase, redeem or otherwise acquire, directly or indirectly, any of its equity securities; provided that, in

the case of distributions in respect of equity securities, consent to such distributions shall not be unreasonably withheld, delayed or conditioned;

(v) merge into or with any other person (other than (A) mergers among wholly owned subsidiaries of the same person, (B) mergers between a GulfTerra Party and its wholly owned subsidiaries, (C) mergers between an Enterprise Party and its wholly owned subsidiaries or (D) as permitted by clause (vi) or (x));

(vi) acquire, through merger, consolidation or otherwise, all or substantially all of the business or assets of any person, or acquire any interest in or contribute any assets to any partnership or joint venture (other than contributions to Partially Owned Entities of such Partnership Group as required under the governing documents of such Partially Owned Entities) or enter into any similar arrangement, for consideration not to exceed $50,000,000, or $100,000,000 in the aggregate;

(vii) except as permitted by exclusions under other clauses of this Section 5.1(b), other than in the ordinary course of business consistent with past practices, enter into any material contract or agreement or terminate or amend in any material respect any material contract or agreement to which it is a party, waive any material rights under any material contract or agreement to which it is a party, or be in default in any material respect under any material contract or agreement to which it is a party;

(viii) purchase any securities of or make any investment in any person (other than (A) ordinary-course overnight investments consistent with cash management practices of such Partnership Group, (B) investments in wholly owned subsidiaries, (C) investments in Partially Owned Entities owned by such Partnership Group as of the Execution Date as required under the governing documents of such Partially Owned Entities, (D) investments by GulfTerra GP in GulfTerra MLP and Enterprise GP in Enterprise MLP pursuant to the GulfTerra Partnership Agreement or Enterprise Partnership Agreement, as applicable (E) purchases and investments in addition to those contemplated by (A) through (D) above up to an aggregate amount of $25,000,000 and (F) as permitted pursuant to clause (vi));

(ix) incur, assume or guarantee any indebtedness for borrowed money, issue, assume or guarantee any debt securities, grant any option, warrant or right to purchase any debt securities, or issue any securities convertible into or exchangeable for any debt securities (other than in connection with (A) borrowings in the ordinary course of business by GulfTerra MLP under its existing bank credit facility or by Enterprise OLP under its existing bank credit facilities, (B) as contemplated by Section 5.7, the refinancing by Enterprise MLP or Enterprise OLP of the Existing GulfTerra Indebtedness and GulfTerra MLP's existing bank credit facility in an aggregate principal amount not to exceed $1,200,000,000, (C) the financing of the acquisition of the Acquired Company Assets (as defined in that certain Purchase and Sale Agreement dated December 15, 2003 by and between El Paso Parent, Enterprise OLP and the other parties thereto) by Enterprise MLP or Enterprise OLP, (D) the refinancing by Enterprise MLP or Enterprise OLP of existing indebtedness of Enterprise MLP or Enterprise OLP, (E) other than as permitted by (A) through (D) above, the incurrence by GulfTerra MLP of up to $100,000,000 in principal amount of Indebtedness with a maturity of no more than three years and no prepayment penalty, (F) other than as permitted by (A) through (D) above, the incurrence by Enterprise MLP or

Enterprise OLP of up to $100,000,000 in principal amount of Indebtedness, and (G) in connection with a transaction permitted by clause (vi));

(x) other than Encumbrances of the type described in clauses (i) and (v) of the definition of Permitted Encumbrances, sell, assign, transfer, abandon, lease, pledge, Encumber or otherwise dispose of assets having a fair market value in excess of $10,000,000, or $25,000,000 in the aggregate, except for dispositions of inventory or worn-out or obsolete equipment for fair value in the ordinary course of business consistent with past practices;

(xi) (A) settle any claim, demand, lawsuit or state or federal regulatory proceeding for damages to the extent such settlement in the aggregate assesses damages in excess of $1,000,000 or (B) settle any claim, demand, lawsuit or state or federal regulatory proceeding seeking an injunction or other equitable relief where such settlement could reasonably be expected to have a GulfTerra Material Adverse Effect or an Enterprise Material Adverse Effect, as applicable;

(xii) except as required on an emergency basis, make any capital expenditure in excess of $5,000,000, or $25,000,000 in the aggregate (other than as set forth on Section 3.10 of the GulfTerra Disclosure Letter or Section 4.10 of the Enterprise Disclosure Letter, as applicable, or as permitted by clause (vi));

(xiii) fail to use commercially reasonable efforts to maintain with financially responsible insurance companies insurance in such amounts and against such risks and losses as are customary for such Partnership Group consistent with past practices;

(xiv) make any material change in its tax methods, principles or elections;

(xv) make any material change to its financial reporting and accounting methods other than as required by a change in GAAP;

(xvi) fail to file on a timely basis all material notices, reports, returns and other filings required to be filed with or reported to any Governmental Entity;

(xvii) fail to file on a timely basis all applications and other documents necessary to maintain, renew or extend any material permit, license, variance or any other approval required by any Governmental Entity for the continuing operation of its business;

(xviii) (A) grant any material increases in the compensation of any of its officers or employees, except in the ordinary course of business consistent with past practices, (B) pay or agree to pay to any officer or employee, whether past or present, any pension, retirement allowance, severance or other employee benefit not required or contemplated by any of the GulfTerra Plans or Enterprise Plans, as applicable, as of the Execution Date, (C) enter into any new, or materially amend any existing, employment or severance or termination contract with any officer or employee or (D) become obligated under any new pension plan, welfare plan, multiemployer plan, employee benefit plan, severance plan, benefit arrangement or similar plan or arrangement, or amend any GulfTerra Plan or Enterprise Plan, as applicable, if such amendment would have the effect of materially enhancing any benefits thereunder;

(xix) enter into a swap, futures or derivatives transaction except hedging activities in the ordinary course of business consistent with past practices and the risk parameters described in Section 3.20 or Section 4.20, as applicable;

(xx) adopt or vote to adopt a plan of complete or partial dissolution or liquidation;

(xxi) with respect to GulfTerra MLP (and any of its subsidiaries) and Enterprise MLP (and any of its subsidiaries) only, enter into any contract or other arrangement with its general partner or any affiliate of its general partner (excluding subsidiaries or Partially Owned Entities of GulfTerra MLP or Enterprise MLP, as applicable) other than (A) the contracts listed in the applicable Party Group's Disclosure Letter, (B) transportation, gathering, processing, fractionation and buy/sell agreements entered into in the ordinary course of business consistent with past practice and on terms no less favorable to GulfTerra MLP or Enterprise MLP, as applicable, than those obtainable in a similar transaction between non-affiliated persons, (C) contracts approved by the Enterprise Audit and Conflicts Committee) and (D) contracts approved by the GulfTerra Conflicts and Audit Committee;

(xxii) (A) take or permit any action to be taken by the corresponding Partnership Group that would make any representation or warranty of the corresponding Party Group under this Agreement (without regard to Materiality Requirements therein) inaccurate in any material respect or (B) omit or cause to omit to take any action necessary to prevent any such representation or warranty (without regard to Materiality Requirements therein) from being inaccurate in any material respect;

(xxiii) amend any contract with one of its affiliates (excluding subsidiaries of Partially Owned Entities of GulfTerra MLP or Enterprise MLP, as applicable) (other than (A) amendments of the administrative services fee under the EPCO Agreement, subject to approval by the Enterprise Audit and Conflicts Committee and (B) termination, immediately prior to Closing, of the G&A Agreement to which GulfTerra GP is party); or

(xxiv) commit to do any of the foregoing.

(c) Notification of Certain Events. From the Execution Date until the Closing Date, each Party Group shall promptly notify the other Party Group in writing of (i) any event, condition or circumstance that could reasonably be expected to cause any representation or warranty of the notifying Party Group contained in this Agreement (without regard to Materiality Requirements therein) to be inaccurate in any material respect on the Effective Date (or, in the case of any representation or warranty made as of a specified date, as of such specified date), (ii) any GulfTerra Material Adverse Effect or Enterprise Material Adverse Effect, as applicable, or any event, occurrence or development that could reasonably be expected to have a GulfTerra Material Adverse Effect or Enterprise Material Adverse Effect, as applicable, and (iii) any material breach by the notifying Party Group of any covenant, obligation or agreement contained in this Agreement; provided, however, that the delivery of any notice pursuant to this Section 5.1(c) shall not limit or otherwise affect the remedies available hereunder to the notifying Party Group.

Section 5.2 Access to Information.

(a) Subject to Section 5.2(b) and applicable Laws, upon reasonable notice to Michael A. Creel or John E. Smith II with respect to the Enterprise Parties and Bill Manias or Greg Jones with respect to the GulfTerra Parties, such Party Group shall (and shall cause its Partnership Group to) afford the officers, employees, counsel, accountants and other authorized representatives and advisors of the requesting Party Group reasonable access, during normal business hours from the Execution Date until the Closing Date, to its properties, books, contracts and records as well as to its management personnel; provided that such access shall be provided on a basis that minimizes the disruption to the operations of the disclosing Party Group and its Partnership Group. Subject to Section 5.2(b) and applicable Laws, during such period, each Party Group shall (and shall cause its Partnership Group to) furnish promptly to the other Party Group all information concerning the disclosing Party Group's business, properties and personnel as the requesting Party Group may reasonably request. Notwithstanding the foregoing, a Party Group shall have no obligation to disclose or provide access to any information the disclosure of which such Party Group has concluded may jeopardize any privilege available to such Party Group or its Partnership Group relating to such information or would be in violation of a confidentiality obligation binding on such Party Group or Partnership Group.

(b) The parties acknowledge that certain information received pursuant to Section 5.2(a) will be non-public or proprietary in nature and as such will be deemed to be "Confidential Information" for purposes of the Confidentiality Agreement. Each party further agrees to be bound by the terms and conditions of the Confidentiality Agreement (except that the term of the Confidentiality Agreement set forth in Section 13 thereof shall be two years from the Execution Date) and to maintain the confidentiality of such Confidential Information in accordance with the Confidentiality Agreement.

Section 5.3 Certain Filings. As promptly as practicable following the Execution Date (a) the parties shall prepare and file with the Federal Trade Commission and the U.S. Department of Justice the appropriate filings and any supplemental information which may be reasonably requested in connection therewith under the HSR Act, it being agreed that Enterprise MLP is the primary "Acquiring Person" for purposes of the HSR Act and shall pay the required filing fee (subject to 50% reimbursement pursuant to Section 5.12), (b) GulfTerra MLP and Enterprise MLP shall prepare and file with or furnish to the SEC a joint proxy statement/prospectus to be distributed to the holders of GulfTerra Common Units and the holders of Enterprise Common Units in connection with the GulfTerra Unitholders' Meeting and Enterprise Unitholders' Meeting (the "Joint Proxy Statement/Prospectus") and to be part of the Registration Statement described below, (c) Enterprise MLP shall prepare and file with or furnish to the SEC a registration statement on Form S-4 (the "Registration Statement") with respect to the issuance of Enterprise Common Units in connection with the Merger, (d) Enterprise MLP shall use its commercially reasonable efforts to cause the Enterprise Common Units to be issued in the Merger to be listed on the NYSE, and (e) the parties hereto shall make all required filings under applicable state securities and blue sky Laws; provided, however, that no such filings shall be required in any jurisdiction where, as a result thereof, Enterprise MLP would become subject to general service of process or to taxation or qualification to do business as a foreign partnership doing business in such jurisdiction solely as a result of such filing. Each of the GulfTerra Parties and Enterprise Parties further agrees that if it shall become aware prior to the date of the

GulfTerra Unitholders' Meeting or the Enterprise Unitholders' Meeting of any information that would cause any of the statements in the Joint Proxy Statement/Prospectus to become false or misleading with respect to any material fact, or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not false or misleading, it will promptly inform the other parties thereof and take the necessary steps to correct the Joint Proxy Statement/Prospectus. Each of Enterprise MLP and GulfTerra MLP will provide the other with reasonable opportunity to review and comment on the Joint Proxy Statement/Prospectus and any amendment or supplement thereto prior to filing the Joint Proxy Statement/Prospectus or any such amendment or supplement, and further agree that each of them will be provided with such number of copies of all filings made with the SEC as such party shall reasonably request. Enterprise MLP will provide GulfTerra MLP with reasonable opportunity to review and comment on the Registration Statement and any amendment or supplement thereto prior to filing any such document with the SEC. No filings of the Registration Statement or the Joint Proxy Statement/Prospectus (or any amendments or supplements to either of them) shall be made without the consent of GulfTerra MLP and Enterprise MLP (which consent shall not be unreasonably withheld, delayed or conditioned).

Section 5.4 GulfTerra Unitholders' Meeting. GulfTerra MLP shall, in accordance with applicable Law and the GulfTerra Partnership Agreement, cause a meeting of the holders of GulfTerra Common Units (the "GulfTerra Unitholders' Meeting") to be duly called and held as soon as practicable after the Execution Date to consider and vote upon the adoption and approval of this Agreement (it being agreed that such a meeting shall be called and held even if the GulfTerra Special Committee shall have made the determination described in Section 5.8(b)(iii). Subject to the withdrawal by the Board of Directors of GulfTerra GP of its recommendation pursuant to Section 5.8(b), the recommendation of the Board of Directors of GulfTerra GP that holders of GulfTerra Common Units adopt and approve this Agreement, together with a copy of the UBS Opinion, shall be included in the Joint Proxy Statement/Prospectus. The GulfTerra Parties shall use their reasonable best efforts, and shall work with the Enterprise Parties, to hold the GulfTerra Unitholders' Meeting and the Enterprise Unitholders' Meeting on the same day. Notwithstanding any withdrawal of the recommendation of its Board of Directors, GulfTerra GP hereby approves the Merger Transactions as required by Section 16.2 of the GulfTerra MLP Limited Partnership Agreement and shall not withdraw or modify such approval except as permitted by Section 5.8 when the GulfTerra GP Board of Directors has made the determination described in Section 5.8(b)(iii).

Section 5.5 Enterprise Unitholders' Meeting. Enterprise MLP shall, in accordance with applicable Law and the Enterprise Partnership Agreement, cause a meeting of the holders of Enterprise Common Units (the "Enterprise Unitholders' Meeting") to be duly called and held as soon as practicable after the Execution Date to consider and vote upon the issuance of Enterprise Common Units pursuant to this Agreement. Subject to the withdrawal by the Board of Directors of Enterprise GP of its recommendation pursuant to Section 5.8(b), the recommendation of the Board of Directors of Enterprise GP that holders of Enterprise Common Units approve the items listed in this Section 5.5, together with a copy of the Lehman Opinion, shall be included in the Joint Proxy Statement/Prospectus. The Enterprise Parties shall use their reasonable best efforts, and shall work with the GulfTerra Parties, to hold the Enterprise Unitholders' Meeting and the GulfTerra Unitholders' Meeting on the same day. Upon an Enterprise Withdrawal, the Enterprise Parties will be released from their obligations under this Section 5.5.

Section 5.6 Affiliates. Prior to the Effective Time, GulfTerra MLP shall cause to be prepared and delivered to Enterprise MLP a list identifying all persons who, at the time of the meeting of the GulfTerra Unitholders pursuant to Section 5.4, GulfTerra MLP reasonably believes may be deemed to be "affiliates" of GulfTerra MLP, as that term is used in paragraphs (c) and (d) of Rule 145 under the Securities Act (the "Rule 145 Affiliates"). Enterprise MLP shall be entitled to place restrictive legends on any shares of Enterprise Common Units received by such Rule 145 Affiliates. GulfTerra MLP shall use its commercially reasonable efforts to cause each person who is identified as a Rule 145 Affiliate in such list to deliver to Enterprise MLP on or prior to the Closing Date a letter substantially in the form attached as Exhibit 5.6.

Section 5.7 Debt Tender Offers and New Debt Offering.

(a) If prior to the Closing Enterprise MLP determines to make a cash tender offer for any of the Existing GulfTerra Indebtedness or to solicit consents to amend the related indentures so as to eliminate financial or other covenants or events of default therefrom, then the GulfTerra Parties shall assist Enterprise MLP with the preparation and distribution of offering materials and provide such other cooperation as Enterprise MLP may reasonably request in connection with any such tender offer or consent solicitation, it being understood that Enterprise MLP shall fund the consummation of any such tender offer. Enterprise MLP shall not launch a tender offer for the Existing GulfTerra Indebtedness before 30 Business Days prior to the Closing.

(b) If Enterprise MLP shall determine to fund any tender offer referred to in this Section 5.7 with the proceeds of an offering of debt securities to be issued on or after the Closing Date that is to be guaranteed by one or more of GulfTerra MLP and its subsidiaries, then the GulfTerra Parties shall provide such cooperation as Enterprise MLP may reasonably request in connection with any such offering, including participating in (i) the preparation of the offering documentation and, if the offering is registered under the Securities Act, joining with Enterprise MLP in preparing and filing the related registration statement with the SEC, (ii) due diligence or other meetings with any underwriters or initial purchasers of such indebtedness, (iii) meetings with rating agencies and (iv) road show presentations. Enterprise MLP will provide GulfTerra MLP with a reasonable opportunity to review and comment on any such offering documentation, registration statement, meeting presentation materials and road show presentation materials.

Section 5.8 No Solicitation.

(a) Subject to Section 5.8(b), each Party Group agrees that from and after the Execution Date, it shall terminate all discussions and negotiations with others regarding a sale or other transaction involving (i) 5% or more of any class of equity securities in GulfTerra MLP or Enterprise MLP, as applicable, (ii) any of the membership interests in GulfTerra GP or Enterprise GP, as applicable, (iii) 5% or more of the assets, business (as measured by either net income or revenue) or securities of any of such Party Group's Partnership Group (other than those permitted under Section 5.1(b)), or (iv) any other transaction similar to the transactions contemplated by this Agreement (each, a "Possible Alternative"), and shall enforce any confidentiality or similar agreement relating to any side discussions or negotiations regarding the foregoing, except for any offerings and sales of securities by GulfTerra MLP or Enterprise MLP, or any offerings of options, warrants, convertible securities, exchangeable securities, subscription

rights, conversion rights, exchange rights or other contracts that are otherwise permitted by the terms of this Agreement and that could require such person to issue, redeem, purchase or sell any of its equity interests with respect thereto. From and after the Execution Date, each Party Group shall not, directly or indirectly, nor shall they authorize or permit any of their officers, directors or employees, or any investment banker, financial advisor, attorney, accountant or other representative (a "Representative") retained by them, (A) to solicit, initiate, encourage (including by way of furnishing information or assistance), conduct discussions regarding or engage in negotiations regarding or take any other action to facilitate, any inquiries, or the making of any proposal (including any offer or proposal to its unitholders) which constitutes or may reasonably be expected to lead to a Possible Alternative, (B) to enter into an agreement (including any letter of intent or similar document) with any person, other than the other Party Group, providing for or relating to a Possible Alternative, (C) to make or authorize any statement, recommendation or solicitation in support of any Possible Alternative by any person, other than by the other Party Group, or (D) subject to the fiduciary duties of Enterprise GP or GulfTerra GP, as applicable, and their respective boards of directors under applicable Law, to withdraw or qualify the recommendation for approval of the Merger Transactions by such board of directors.

(b) Notwithstanding the provisions of Section 5.8(a), each Party Group and its Representatives shall be entitled, prior to the Enterprise Unitholders' Meeting in the case of the Enterprise Parties and prior to the GulfTerra Unitholders' Meeting in the case of the GulfTerra Parties, to take any action otherwise prohibited by Section 5.8(a) in response to any third party proposal with respect to a Possible Alternative received by any or all of them if (i) the initial proposal from any third party was not received in violation of Section 5.8(a) and contains no financing condition (unless the GulfTerra GP Board of Directors or the Enterprise GP Board of Directors, as applicable, determines in good faith upon advice of counsel that its fiduciary duties require it to consider an applicable proposal where the initial proposal contained a financing condition), (ii) the GulfTerra GP Board of Directors or the Enterprise GP Board of Directors, as applicable, shall have determined, in its good faith judgment, that the proposal, if accepted, is reasonably likely to be consummated taking into account all legal, financial, regulatory and other aspects of the proposal, and that such proposal would, in its good faith judgment, if consummated, result in a transaction more favorable to the holders of GulfTerra Common Units (other than the GulfTerra Purchased Units) or Enterprise Common Units, as applicable, than the transactions contemplated hereby (a "Superior Transaction"), and (iii) the GulfTerra GP Board of Directors or the Enterprise GP Board of Directors, as applicable, shall have determined, in its good faith judgment, after consultation with and based on the advice of its legal counsel, that the failure to take such action would be inconsistent with GulfTerra GP's or its Board of Directors' or Enterprise GP's or its Board of Directors', as applicable, fiduciary duties to holders of GulfTerra Common Units or Enterprise Common Units, as applicable, under applicable Law; provided, that neither Party Group may enter into negotiations or discussions or supply any information in connection with a Possible Alternative unless it shall have first entered into a confidentiality agreement at least as restrictive as the Confidentiality Agreement, and provided, further, that neither Party Group shall take any action prohibited by Section 5.8(B)-(D) (except as expressly required by the immediately preceding proviso) unless this Agreement has first been (or is contemporaneously) terminated as provided in Section 8.1, Section 8.2, Section 8.3 or Section 8.4. Each Party Group agrees that it will notify the other Party Group promptly if any inquiry, contact or proposal is received by, any such information is requested from, or any such discussions or negotiations are sought to be initiated or continued with, it or any of its

Representatives, and thereafter shall keep the other Party Group informed in writing, on a current basis, regarding the status of any such inquiry, contact or proposal and the status of any such negotiations or discussions. Nothing contained in this Agreement shall prevent GulfTerra GP's or Enterprise GP's Board of Directors from complying with Rule 14e-2 under the Exchange Act with respect to a Possible Alternative proposal. In addition, for the avoidance of doubt, if such Board of Directors reasonably believes that its fiduciary duties so require, Enterprise GP's Board of Directors or GulfTerra GP's Board of Directors, as applicable, may continue to consider any Possible Alternative or Superior Transaction notwithstanding any Enterprise Reaffirmation or GulfTerra Reaffirmation, as applicable, with respect to such Possible Alternative or Superior Transaction.

Section 5.9 GulfTerra Asset Separation. Commencing on the Execution Date, the GulfTerra Parties shall execute and deliver, or cause to be executed and delivered, such instruments of assignment, transfer, conveyance, endorsement, direction or authorization and take such other action as may be necessary on the part of the GulfTerra Partnership Group Entities to transfer no later than the Closing Date to one of the GulfTerra Partnership Group Entities title to the assets described in Section 5.9 of the GulfTerra Disclosure Letter.

Section 5.10 Commercially Reasonable Efforts; Further Assurances. From and after the Execution Date, upon the terms and subject to the conditions hereof, each of the parties hereto shall use its commercially reasonable efforts to take, or cause to be taken, all appropriate action, and to do or cause to be done, all things necessary, proper or advisable under applicable Laws to consummate and make effective the transactions contemplated by this Agreement. Without limiting the foregoing but subject to the other terms of this Agreement, the parties hereto agree that, from time to time, whether before, at or after the Closing Date, each of them will execute and deliver, or cause to be executed and delivered, such instruments of assignment, transfer, conveyance, endorsement, direction or authorization as may be necessary to consummate and make effective the transactions contemplated by this Agreement. The Enterprise Parties shall cause the Enterprise Partnership Group Entities to sell to any of one or more persons (other than El Paso Parent, Enterprise Parent 1 or Enterprise Parent 2 or any affiliate of any of them to the extent doing so would violate the El Paso Parent Consent Decree) all of the El Paso Parent Consent Decree Assets; provided that such sales may be conditioned on the closing of the Merger.

Section 5.11 No Public Announcement. On the Execution Date, the parties hereto shall issue a joint press release with respect to the execution of this Agreement and the Merger Transactions, which press release shall be reasonably satisfactory to Enterprise MLP and GulfTerra MLP. No party hereto shall issue any other press release or make any other public announcement concerning this Agreement or the transactions contemplated by this Agreement (other than public announcements at industry road shows and conferences and otherwise as may be required by Law or by obligations pursuant to any listing agreement with the NYSE, in which event the party making the public announcement or press release shall, to the extent practicable, notify Enterprise MLP or GulfTerra MLP, as applicable, in advance of such public announcement or press release) without the prior approval of Enterprise MLP or GulfTerra MLP, as applicable, which approval shall not be unreasonably withheld, delayed or conditioned. Notwithstanding the foregoing, the Enterprise Parties and the GulfTerra Parties may respond to

inquiries from securities analysts and the news media to the extent necessary to respond to such inquiries, provided that such responses are in compliance with applicable securities Laws.

Section 5.12 Expenses. Whether or not the Merger Transactions are consummated, all costs and expenses incurred in connection with this Agreement, including legal fees, accounting fees, financial advisory fees and other professional and non-professional fees and expenses, shall be paid by the party hereto incurring such expenses, except as expressly provided in Section 8.5 and except that GulfTerra MLP shall reimburse Enterprise MLP for one-half of (a) any filing fees under the HSR Act, (b) any filing fees with respect to the Registration Statement and the Joint Proxy Statement/Prospectus and (c) the costs of printing and mailing of the Joint Proxy Statement/Prospectus and the offer or solicitation documentation described in Section 5.7.

Section 5.13 Letter of GulfTerra MLP's Accountants. In connection with the information regarding the GulfTerra Partnership Group Entities or the transactions contemplated by this Agreement provided by the GulfTerra Parties specifically for inclusion in, or incorporation by reference into, the Joint Proxy Statement/Prospectus and the Registration Statement, the GulfTerra Parties shall use their commercially reasonable efforts to cause to be delivered to Enterprise MLP a letter of PricewaterhouseCoopers LLP, dated the date on which the Registration Statement shall become effective and addressed to Enterprise MLP, in form and substance reasonably satisfactory to Enterprise MLP and customary in scope and substance for letters delivered by independent public accountants in connection with registration statements similar to the Registration Statement.

Section 5.14 Letter of Enterprise MLP's Accountants. In connection with the information regarding the Enterprise Partnership Group Entities or the transactions contemplated by this Agreement provided by the Enterprise Parties specifically for inclusion in, or incorporation by reference into, the Joint Proxy Statement/Prospectus and the Registration Statement, the Enterprise Parties shall use their commercially reasonable efforts to cause to be delivered to GulfTerra MLP a letter of Deloitte & Touche LLP, dated the date on which the Registration Statement shall become effective and addressed to GulfTerra MLP, in form and substance reasonably satisfactory to GulfTerra MLP and customary in scope and substance for letters delivered by independent public accountants in connection with registration statements similar to the Registration Statement.

Section 5.15 Authority on Bank Accounts. The GulfTerra Parties shall have, as of the Closing Date, caused the GulfTerra Partnership Group Entities to cancel the authority of each person to draw checks on or withdraw funds from any of the bank accounts maintained by the GulfTerra Partnership Group Entities, except for any person designated by Enterprise MLP in writing prior to the Closing, and shall provide Enterprise MLP evidence of such cancellation.

Section 5.16 Post-Closing Distribution Policy. Subject to the requirements of the Enterprise Partnership Agreement, if the Merger has occurred, Enterprise GP and Enterprise MLP shall increase the quarterly distribution of Enterprise MLP for the next regular quarterly distribution date after the Closing to $0.395 per Enterprise Common Unit and Enterprise Class B Unit.

Section 5.17 Regulatory Issues. Unless otherwise agreed to by El Paso Parent and Enterprise MLP, if as a condition to obtaining an agreement from any Governmental Entity not to seek an injunction preventing or delaying the consummation of the Merger Transactions or to satisfy any condition to a consent or approval of any Governmental Entity necessary for the consummation of the Merger Transactions, such Governmental Entity shall require the divestiture (or the execution of a consent decree that contemplates such a divestiture) of any asset of (x) any of the El Paso Field Services Entities (a "Required FS Divestiture"), (y) Enterprise MLP or any of its Subsidiaries other than the El Paso Parent Consent Decree Assets (a "Required Enterprise Divestiture") or (z) GulfTerra MLP or any of its Subsidiaries (a "Required GulfTerra Divestiture" and, together with the Required Enterprise Divestitures, the "Required MLP Divestitures"), or any combination thereof, then the following provisions shall apply:

(a) If requested by Enterprise GP, El Paso Parent is required pursuant to the Parent Company Agreement to cause (or to agree in the consent decree to cause) any Required FS Divestiture to be consummated;

(b) Enterprise GP agrees to cause (or to agree in the consent degree to cause) an aggregate amount of Required MLP Divestitures up to $150,000,000 in value;

(c) notwithstanding Section 5.17(b), if the Governmental Entity permits the consummation of either a Required FS Divestiture or a Required MLP Divestiture, then El Paso Parent is required pursuant to the Parent Company Agreement to cause the consummation of the Required FS Divestiture; and

(d) if the Governmental Entity permits the consummation of either a Required GulfTerra Divestiture or a Required Enterprise Divestiture, then Enterprise GP shall have the right in its sole discretion to select the divestiture to be consummated.

Notwithstanding anything to the contrary in this Agreement (i) Enterprise MLP and (with Enterprise MLP's consent) GulfTerra MLP shall have the right to divest any assets as may be required to prevent an injunction preventing or delaying the consummation of the Merger Transactions or to satisfy any condition to a consent or approval of any Governmental Entity necessary for the consummation of the Merger Transactions, (ii) subject to clause (iii) immediately below, GulfTerra MLP agrees to effect promptly any GulfTerra Required Divestitures recommended by Enterprise MLP, (iii) unless otherwise agreed by GulfTerra MLP, all Required GulfTerra Divestitures shall be conditioned on the closing of the Merger, and (iv) unless otherwise agreed by Enterprise MLP, all Required Enterprise Divestitures shall be conditioned on the closing of the Merger.

Section 5.18 SEC Reports. GulfTerra MLP shall deliver or make available to Enterprise MLP each GulfTerra SEC Report filed by GulfTerra MLP after the Execution Date in the form filed with or furnished to the SEC. Enterprise shall deliver or make available to GulfTerra each Enterprise SEC Report filed by Enterprise MLP or Enterprise OLP after the Execution Date in the form filed with or furnished to the SEC.

Section 5.19 Tax Matters.

(a) The Enterprise Parties shall, to the extent permissible by applicable Law, treat the combined businesses of GulfTerra MLP and Enterprise MLP as a single activity for purposes of Section 469 of the Code.

(b) The Enterprise Parties and the GulfTerra Parties agree and consent to treat the purchase of GulfTerra Units pursuant to Section 2.2(d) of the Parent Company Agreement as a sale of such GulfTerra Units as described in Treasury Regulation Section 1.708-1(c)(4).

Section 5.20 Section 16(b). No fewer than 18 Business Days prior to the Effective Time, GulfTerra MLP shall prepare and cause to be delivered to Enterprise MLP a schedule (a) identifying each individual that, for purposes of Section 16(b) under the Exchange Act, (i) is an officer or director of a GulfTerra Party or (ii) will, at the Effective Time (to the extent so identified to GulfTerra MLP by Enterprise GP), be an officer or director of an Enterprise Party and who owns securities issued by GulfTerra MLP, (b) the number of securities of GulfTerra MLP owned by each such individual and (c) the number of securities to be issued to each such person as a result of the Merger. Enterprise GP, on behalf of Enterprise MLP, and GulfTerra GP, on behalf of GulfTerra MLP, will adopt or cause to be adopted a resolution satisfying the requirements of Rules 16b-3(d) and 16b-3(e) under the Exchange Act, as applicable, and will otherwise cooperate with each other to cause the conversion and issuance of Enterprise Common Units and GulfTerra Common Units, to the extent they involve such officers and directors, to be exempt under Rule 16b-3(a) under the Exchange Act.

Section 5.21 D&O Insurance.

(a) For a period of three years after the Effective Time, Enterprise MLP shall maintain officers' and directors' liability insurance covering each person who is immediately prior to the Effective Time, or has been at any time prior to the Effective Time, an officer or director of any of the GulfTerra Partnership Group Entities and each person who immediately prior to the Effective Time is serving or prior to the Effective Time has served at the request of any of the GulfTerra Partnership Group Entities as a director, officer, trustee or fiduciary of another corporation, partnership, joint venture, trust, pension or other employee benefit plan or enterprise (collectively, the "GulfTerra D&O Indemnified Parties") who are or at any time prior to the Effective Time were covered by the existing officers' and directors' liability insurance applicable to the GulfTerra Partnership Group Entities ("D&O Insurance") policies on terms substantially no less advantageous to the GulfTerra D&O Indemnified Parties than such existing insurance with respect to acts or omissions, or alleged acts or omissions, prior to the Effective Time (whether claims, actions or other proceedings relating thereto are commenced, asserted or claimed before or after the Effective Time). Enterprise MLP shall have the right to cause coverage to be extended under the D&O Insurance by obtaining a three-year "tail" policy on terms and conditions no less advantageous than the existing D&O Insurance, and such "tail" policy shall satisfy the provisions of this Section 5.21.

(b) The rights of each GulfTerra D&O Indemnified Party hereunder shall be in addition to any other rights such GulfTerra D&O Indemnified Party may have under the governing documents of any GulfTerra Partnership Group Entity, under applicable Delaware

Law, or otherwise. The provisions of this Section 5.21 shall survive the consummation of the Merger and expressly are intended to benefit each of the GulfTerra D&O Indemnified Parties.

(c) In the event Enterprise MLP or any of its successors or assigns (i) consolidates with or merges into any other person and shall not be the continuing or surviving entity in such consolidation or merger or (ii) transfers all or substantially all of its properties and assets to any person, then and in either such case, Enterprise MLP shall cause proper provision to be made so that its successors and assigns, as the case may be, shall assume the obligations set forth in this Section 5.21.

Section 5.22 Distributions. The Enterprise Parties and the GulfTerra Parties shall coordinate with each other the declaration of, and the setting of record dates and payment dates for, distributions in respect of their respective Common Units (and Class B Units and Series C Units, as applicable) so that, in respect of any fiscal quarter, holders of GulfTerra Common Units do not (a) receive more than one distribution in respect of both (i) GulfTerra Common Units and (ii) Enterprise Common Units received pursuant to the Merger in exchange therefor or (b) fail to receive a distribution in respect of both (i) GulfTerra Common Units and (ii) Enterprise Common Units received pursuant to the Merger.

Section 5.23 Governance Matters. Enterprise GP (and its Board of Directors) shall take all limited liability company action necessary so that at the Effective Time (a) subject to his willingness to serve, O.S. Andras shall hold the position of Chief Executive Officer of Enterprise GP and (b) subject to his willingness to serve, Robert G. Phillips shall hold the positions of President and Chief Operational Officer of Enterprise GP.

Section 5.24 Registration Rights. At the Effective Time, Enterprise MLP shall enter into a registration rights agreement with El Paso Parent that provides El Paso Parent with registration rights covering its Enterprise Common Units substantially similar to those possessed by Tejas Energy, LLC ("Tejas") under that certain Registration Rights Agreement dated as of September 17, 1999 by and among Tejas and Enterprise MLP, except that, such registration rights agreement will provide that El Paso Parent (i) will have one demand registration right or shelf registration right and (ii) will be subordinated to the rights of Tejas in connection with exercising piggyback registration rights.

Section 5.25 Allocation of Partnership Liabilities Among Partners. From and after the Closing, for purposes of allocating Nonrecourse Liabilities of Enterprise MLP (including for this purpose any subsidiary or Partially Owned Entity of Enterprise MLP) after the Merger among the partners of Enterprise MLP, Enterprise MLP will to the extent permissible under Treasury Regulation Section 1.752-3 cause such Nonrecourse Liabilities to be allocated among the properties of Enterprise MLP (including for this purpose any subsidiary or Partially Owned Entity of Enterprise MLP) in such a manner so as to cause the amount of Nonrecourse Liabilities of Enterprise MLP (including for this purpose any subsidiary or Partially Owned Entity of Enterprise MLP) allocated under Treasury Regulation Section 1.752-3(a)(2) to a partner (or a transferee of such partner) to equal the Nonrecourse Liabilities allocated to such partner as a partner of Enterprise MLP or GulfTerra MLP prior to the Merger pursuant to Treasury Regulation Section 1.752-3(a)(2).

ARTICLE VI
CONDITIONS TO CLOSING

Section 6.1 Conditions to Each Party's Obligations. The obligation of the parties hereto to proceed with the Closing is subject to the satisfaction on or prior to the Closing Date of all of the following conditions, any one or more of which may be waived in writing, in whole or in part, as to a party by such party:

(a) Enterprise MLP's Unitholders. Each of the items described in Section 5.5 to be submitted to the unitholders of Enterprise MLP at the Enterprise Unitholders' Meeting shall have been approved by the affirmative vote or consent of the holders of at least a majority of the outstanding Enterprise Common Units.

(b) GulfTerra MLP's Unitholders. Each of the items described in Section 5.4 to be submitted to the holders of GulfTerra Common Units at the GulfTerra Unitholders' Meeting shall have been approved by the affirmative vote or consent of the holders of at least a majority of the outstanding GulfTerra Common Units and the outstanding GulfTerra Series C Units, voting as separate classes.

(c) Governmental Approvals. The applicable waiting periods under the HSR Act shall have expired or been terminated (including any extended waiting period arising as a result of a request for additional information). The parties hereto shall have received all other governmental consents and approvals, the absence of which could reasonably be expected to have, individually or in the aggregate, a GulfTerra Material Adverse Effect or an Enterprise Material Adverse Effect.

(d) Registration Statement. The Registration Statement shall have become effective under the Securities Act, no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose shall have been initiated or threatened by the SEC or any other Governmental Entity.

(e) NYSE Listing. The Enterprise Common Units to be issued in the Merger shall have been approved for listing on the NYSE subject to official notice of issuance.

(f) No Governmental Restraint. No order, decree or injunction of any Governmental Entity shall be in effect, and no Law or Environmental Law shall have been enacted or adopted, that enjoins, prohibits or makes illegal the consummation of any of the transactions contemplated by this Agreement, and no action, proceeding or investigation by any Governmental Entity with respect to the Merger or the other transactions contemplated by this Agreement shall be pending that seeks to restrain, enjoin, prohibit or delay consummation of the Merger or such other transactions or to impose any material restrictions or requirements thereon or on the Enterprise Parties or the GulfTerra Parties with respect thereto; provided, however, that prior to invoking this condition, each party hereto shall have used its commercially reasonable efforts to cause the consummation of the transactions contemplated by this Agreement.

(g) Other Transactions. The closing of the transactions described in Section 2.2 of the Parent Company Agreement shall have occurred, and all of the GulfTerra Units purchased pursuant to Section 2.2(d) of the Parent Company Agreement and all of the

membership interests in GulfTerra GP shall be owned directly by Enterprise MLP or by persons that are wholly-owned by Enterprise MLP and which are disregarded for federal income tax purposes.

Section 6.2 Conditions to the Enterprise Parties' Obligations. The obligation of the Enterprise Parties to proceed with the Closing is subject to the satisfaction on or prior to the Closing Date of all of the following conditions, any one or more of which may be waived in writing, in whole or in part, by the Enterprise Parties (in their sole discretion):

(a) Representations and Warranties; Performance. (i) The representations and warranties of the GulfTerra Parties set forth in ARTICLE III (without regard to Materiality Requirements therein) other than those set forth in Section 3.6(b) shall be correct as of the Closing, as if remade on the date thereof (except for representations and warranties made as of a specific date, which shall be correct as of such specific date), and each of the GulfTerra Parties shall have performed all of the obligations of such party hereunder (without regard to Materiality Requirements therein) except where the failure of such representations and warranties to be correct and the failure of such obligations to be performed could not, in the aggregate, reasonably be expected to result in (A) an adverse effect on the GulfTerra Parties involving $100,000,000 or more or (B) a GulfTerra Material Adverse Effect and (ii) Enterprise MLP shall have received a certificate, dated as of the Closing Date, of an executive officer of GulfTerra GP certifying to the matters set forth in this Section 6.2(a) and Section 6.2(e).

(b) Tax Opinion. Enterprise MLP shall have received an opinion of Vinson & Elkins L.L.P. or another nationally-recognized tax counsel dated as of the Closing Date to the effect that (i) no Enterprise Partnership Group Entity will recognize any income or gain as a result of the Merger Transactions (other than any gain resulting from any decrease in partnership liabilities pursuant to section 752 of the Code or cancellation of indebtedness under section 108(e)(4) of the Code), (ii) no gain or loss will be recognized by holders of Enterprise Common Units as a result of the Merger Transactions (other than any gain resulting from any decrease in partnership liabilities pursuant to section 752 of the Code or cancellation of indebtedness under section 108(e)(4) of the Code), and (iii) 90% of the combined gross income of GulfTerra MLP and Enterprise MLP for the most recent four complete calendar quarters ending before the Closing Date for which the necessary financial information is available are from sources treated as "qualifying income" within the meaning of section 7704(d) of the Code. In rendering such opinion, such counsel shall be entitled to receive and rely upon representations of officers of the Enterprise Parties, Enterprise Parent 1 and Enterprise Parent 2 and any of their respective affiliates as to such matters as such counsel may reasonably request.

(c) Non-Contravention Opinions. Enterprise MLP shall have received (i) a legal opinion from Akin Gump Strauss Hauer & Feld LLP, counsel to GulfTerra MLP, substantially in the form of Exhibit 6.2(c)(i) and (ii) a legal opinion from Andrews Kurth LLP, counsel to El Paso Parent, substantially in the form of Exhibit 6.2(c)(ii).

(d) Resignations of Directors. The directors of GulfTerra GP and GulfTerra MLP and the directors of such other GulfTerra Partnership Group Entities designated by Enterprise MLP shall tender to Enterprise MLP their resignations as such directors effective as of the Closing.

(e) No GulfTerra Material Adverse Effect. The representations and warranties of the GulfTerra Parties set forth in Section 3.6(b) shall be correct as of the Closing as if remade on the date thereof.

Section 6.3 Conditions to the GulfTerra Parties' Obligations. The obligation of the GulfTerra Parties to proceed with the Closing is subject to the satisfaction on or prior to the Closing Date of all of the following conditions, any one or more of which may be waived in writing, in whole or in part, by the GulfTerra Parties (in their sole discretion):

(a) Representations and Warranties; Performance. (i) The representations and warranties of the Enterprise Parties set forth in ARTICLE IV (without regard to Materiality Requirements therein) other than those set forth in Section 4.6(b) shall be correct as of the Closing, as if remade on the date thereof (except for representations and warranties made as of a specific date, which shall be correct as of such specific date), and each of the Enterprise Parties shall have performed all of the obligations of such party hereunder (without regard to Materiality Requirements therein) except where the failure of such representations and warranties to be correct and the failure of such obligations to be performed could not, in the aggregate, reasonably be expected to result in (A) an adverse effect on the Enterprise Parties involving $100,000,000 or more or (B) an Enterprise Material Adverse Effect and (ii) GulfTerra MLP shall have received a certificate, dated as of the Closing Date, of an executive officer of Enterprise GP certifying to the matters set forth in this Section 6.3(a)and Section 6.3(d).

(b) Tax Opinion. The GulfTerra MLP shall have received an opinion dated as of the Closing Date of Akin Gump Strauss Hauer & Feld LLP or another nationally-recognized tax counsel to the effect that, except with respect to fractional units, (i) no GulfTerra Partnership Group Entity will recognize any income or gain as a result of the Merger (other than any gain resulting from any decrease in partnership liabilities pursuant to section 752 of the Code or cancellation of indebtedness under section 108(e)(4) of the Code), and (ii) no gain or loss will be recognized by holders of GulfTerra Common Units as a result of the Merger (other than any gain resulting from any decrease in partnership liabilities pursuant to section 752 of the Code or cancellation of indebtedness under section 108(e)(4) of the Code). In rendering such opinion, such counsel shall be entitled to receive and rely upon representations of officers of the GulfTerra Parties and El Paso Parent and any of their respective affiliates as to such matters as such counsel may reasonably request.

(c) Non-Contravention Opinions. GulfTerra MLP shall have received a legal opinion from Vinson & Elkins LLP, counsel to Enterprise MLP, substantially in the form of Exhibit 6.3(d).

(d) No Enterprise Material Adverse Effect. The representations and warranties of the Enterprise Parties set forth in Section 4.6(b) shall be correct as of the Closing as if remade on the date thereof.

ARTICLE VII
EMPLOYEES AND EMPLOYEE BENEFITS

Section 7.1 GulfTerra Employees. Enterprise Parent 1 or an affiliate thereof shall have the right to offer employment effective on the Closing Date to such GulfTerra Related Employees, if any, as it may choose, in its sole discretion, and GulfTerra MLP shall, and shall use commercially reasonable efforts to cause El Paso Parent and its affiliates to, cooperate fully with Enterprise Parent 1 in its attempt to employ such individuals, including providing such information as may reasonably be requested by Enterprise Parent 1. No GulfTerra Related Employee shall be transferred to a GulfTerra Partnership Group Entity on or prior to the Closing. The GulfTerra Related Employees who become employees of Enterprise Parent 1 or an affiliate thereof on the Closing shall be the "Continuing Employees."

Section 7.2 Enterprise Employment. Enterprise Parent 1 shall provide, or shall cause its affiliates to provide, the Continuing Employees with compensation and benefits on substantially the same basis as provided to similarly situated employees of Enterprise Parent 1. Enterprise Parent 1 shall grant, or shall cause its affiliates to grant, each Continuing Employee credit under Enterprise Parent 1's benefit plans for his or her service with El Paso Parent and its affiliates as of the Closing Date for all purposes for which such service was recognized by El Paso Parent and its affiliates under a similar plan or program. With respect to Enterprise Parent 1's benefit plans that provide group health benefits, Enterprise Parent 1 shall cause each such plan to (a) waive any exclusions, restrictions or limitations with respect to pre-existing conditions or waiting periods thereunder to the extent that the same were waived or satisfied by the Continuing Employee on the Closing Date under such analogous plan of El Paso Parent and its affiliates and (b) credit any health expenses paid by a Continuing Employee or his or her covered dependents during the year in which the Closing Date occurs for purposes of satisfying any applicable deductible, coinsurance and maximum out-of-pocket provisions under such Enterprise Parent 1 PPO group health and indemnity benefit plan.

Section 7.3 GulfTerra Plans. Immediately prior to the Closing, the GulfTerra Partnership Group Entities shall (a) withdraw from and cease participating in all employee benefit plans (as defined in Section 3(3) of ERISA), all employment and severance agreements (or consulting agreements with natural persons) and any employee compensation plan, including any pension, retirement, profit sharing, stock or unit option, stock or unit purchase, restricted stock or unit, bonus, health, life, disability or fringe benefit plan sponsored or maintained by, participated in or contributed to by or required to be contributed to by any of the GulfTerra Partnership Group Entities or, with respect to any GulfTerra Related Employees, by any of the GulfTerra Parties or by any other entity required to be aggregated with a GulfTerra Party pursuant to Section 414 of the Code (each a "GulfTerra Plan"), and (b) transfer the sponsorship of all GulfTerra Plans they may sponsor, if any, to El Paso Parent or an affiliate thereof (other than a GulfTerra Partnership Group Entity). Prior to the Effective Time, GulfTerra MLP shall take all such actions as are necessary to cause any outstanding options to purchase GulfTerra Common Units under the GulfTerra Plans to be exercised or cancelled, including through the repurchase, at reasonable purchase prices, of outstanding options from the holders thereof.

Section 7.4 Retention Policy. The parties shall cooperate to create mutually acceptable retention policies that treat GulfTerra Related Employees and Enterprise Related Employees to the same extent and in a similar manner.

ARTICLE VIII
TERMINATION

Section 8.1 Termination By Mutual Consent. This Agreement may be terminated at any time prior to the Effective Time by the mutual written agreement of the parties hereto.

Section 8.2 Termination by GulfTerra MLP or Enterprise MLP. At any time prior to the Effective Time, this Agreement may be terminated by GulfTerra MLP or Enterprise MLP if:

(a) the Merger shall not have been consummated by 5:00 p.m., Houston, Texas time on March 31, 2005; provided, however, that the right to terminate this Agreement pursuant to this Section 8.2(a) shall not be available to any party hereto whose failure to perform or observe in any material respect any of its obligations under this Agreement in any manner shall have been the principal cause of, or resulted in, the failure of the Merger to occur on or before such date; or

(b) a Governmental Entity shall have issued an order, decree or ruling or taken any other action (including the enactment of any statute, rule, regulation, decree or executive order) permanently restraining, enjoining or otherwise prohibiting the Merger and such order, decree, ruling or other action (including the enactment of any statute, rule, regulation, decree or executive order) shall have become final and non-appealable; provided, however, that the person seeking to terminate this Agreement pursuant to this Section 8.2(b) shall have complied with Section 5.3 and Section 5.10.

Section 8.3 Termination by GulfTerra MLP. This Agreement may be terminated by GulfTerra MLP at any time prior to the Effective Time:

(a) (notwithstanding any approval of the unitholders of GulfTerra MLP or Enterprise MLP) if the condition set forth in Section 6.3(a) can not be satisfied; provided, that the right to terminate this Agreement pursuant to this Section 8.3 shall not be available to GulfTerra MLP if, at such time, the condition set forth in Section 6.2(a) will not be satisfied;

(b) if the affirmative vote of the holders of at least a majority of the outstanding Enterprise Common Units with respect to the issuance of Enterprise Common Units pursuant to this Agreement (the "Enterprise MLP Requisite Vote") shall not have been obtained at the Enterprise Unitholders' Meeting or if the Enterprise Unitholder's Meeting is cancelled; or

(c) if the affirmative vote of the holders of at least a majority of the outstanding GulfTerra Common Units and of the outstanding GulfTerra Series C Units, each voting separately as a class, on the issue of the adoption and approval of this Agreement and the Merger Transactions (the "GulfTerra MLP Requisite Vote") shall not have been obtained at or prior to the GulfTerra Unitholders' Meeting.

Section 8.4 Termination by Enterprise MLP. This Agreement may be terminated by Enterprise MLP at any time prior to the Effective Time:

(a) (notwithstanding any approval of the unitholders of GulfTerra MLP or Enterprise MLP) if the condition set forth in Section 6.2(a) can not be satisfied; provided, that the right to terminate this Agreement pursuant to this Section 8.3 shall not be available to Enterprise MLP if, at such time, the condition set forth in Section 6.3(a) will not be satisfied;

(b) if the Enterprise MLP Requisite Vote shall not have been obtained at the Enterprise Unitholders' Meeting or the Enterprise Unitholder's Meeting is cancelled; or

(c) if the GulfTerra MLP Requisite Vote shall not have been obtained at the GulfTerra Unitholders' Meeting.

Section 8.5 Effect of Certain Terminations.

(a) If this Agreement is terminated pursuant to Section 8.3(b) or Section 8.4(b), (i) if an Enterprise Withdrawal occurred, Enterprise MLP shall pay GulfTerra MLP $112,000,000, (ii) if Enterprise has materially and willfully breached its covenant set forth in Section 5.8(a), Enterprise MLP shall pay GulfTerra MLP $112,000,000, or (iii) if a Possible Alternative or a Superior Transaction was publicly announced and Enterprise GP's Board of Directors failed to publicly reaffirm its recommendation of the transactions contemplated by this Agreement by the earlier of (x) seven Business Days following such announcement or (y) two business days prior to the Enterprise Unitholders' Meeting (any such reaffirmation, a "Enterprise Reaffirmation"), Enterprise MLP shall pay GulfTerra MLP $112,000,000, in any case by wire transfer of immediately available funds within ten days after GulfTerra MLP or Enterprise MLP, as applicable, delivers notice of such termination to Enterprise MLP or GulfTerra MLP, as applicable.

(b) If this Agreement is terminated pursuant to Section 8.3(c) or Section 8.4(c), (i) if a GulfTerra Withdrawal occurred, GulfTerra MLP shall pay Enterprise MLP $112,000,000, (ii) if GulfTerra has materially and willfully breached its covenant set forth in Section 5.8(a), GulfTerra MLP shall pay Enterprise MLP $112,000,000, (iii) if a Possible Alternative or a Superior Transaction was publicly announced and GulfTerra GP's Board of Directors failed to publicly reaffirm its recommendation of the transactions contemplated by this Agreement by the earlier of (x) seven Business Days following such announcement or (y) two Business Days prior to the GulfTerra Unitholders' Meeting (any such reaffirmation, a "GulfTerra Reaffirmation"), GulfTerra MLP shall pay Enterprise MLP $112,000,000, (iv) if a Possible Alternative or a Superior Transaction was publicly announced and a GulfTerra Reaffirmation occurred, GulfTerra MLP shall pay Enterprise MLP $15,000,000, or (v) if a Possible Alternative or a Superior Transaction was not publicly announced and a GulfTerra Withdrawal did not occur, GulfTerra MLP shall pay Enterprise MLP $15,000,000, in any case by wire transfer of immediately available funds within ten days after Enterprise MLP or GulfTerra MLP, as applicable, delivers notice of such termination to GulfTerra MLP or Enterprise MLP, as applicable.

Section 8.6 Effect of Vote. Any right to terminate this Agreement under Section 8.1, Section 8.2, Section 8.3(a) or Section 8.4(a) shall be effective notwithstanding whether the GulfTerra MLP Requisite Vote or the Enterprise MLP Requisite Vote has been obtained.

Section 8.7 Survival.

(a) In the event of termination of this Agreement pursuant to ARTICLE VIII, all rights and obligations of the parties hereto under this Agreement shall terminate, except the provisions of Section 5.2(b), Section 5.11, Section 5.12, ARTICLE VIII and ARTICLE IX shall survive such termination; provided that nothing herein shall relieve any party hereto from any liability for any material breach by such party of any of its representations, warranties, covenants or agreements set forth in this Agreement and, subject to Section 8.10, all rights and remedies of a nonbreaching party under this Agreement in the case of such a material breach, at law or in equity, shall be preserved. Except to the extent otherwise provided in the immediately preceding sentence and Section 8.8, the GulfTerra Parties and the Enterprise Parties agree that, if this Agreement has been terminated, any amount payable pursuant to Section 8.5 shall be the sole and exclusive remedy of the Party Group receiving payment thereunder.

(b) None of the representations, warranties, agreements, covenants or obligations in this Agreement (other than Section 5.16, Section 5.19, Section 5.21, Section 5.25, Section 7.2 and Section 7.3, which shall survive the Merger) or in any instrument delivered pursuant to this Agreement shall survive the consummation of the Merger.

Section 8.8 No Waiver Relating to Claims for Fraud/Willful Misconduct. The liability of any party under this ARTICLE VIII shall be in addition to, and not exclusive of, any other liability that such party may have at law or in equity based on such party's (a) fraudulent acts or omissions or (b) willful misconduct. None of the provisions set forth in this Agreement shall be deemed to be a waiver by or release of any party of any right or remedy which such party may have at law or equity based on any other party's fraudulent acts or omissions or willful misconduct nor shall any such provisions limit, or be deemed to limit, (i) the amounts of recovery sought or awarded in any such claim for fraud or willful misconduct, (ii) the time period during which a claim for fraud or willful misconduct may be brought, or (iii) the recourse which any such party may seek against another party with respect to a claim for fraud or willful misconduct.

Section 8.9 Enforcement of this Agreement. The parties hereto acknowledge and agree that an award of money damages would be inadequate for any breach of this Agreement by any party and any such breach would cause the non-breaching parties irreparable harm. Accordingly, the parties hereto agree that prior to the termination of this Agreement, in the event of any breach or threatened breach of this Agreement by one of the parties, the parties will also be entitled, without the requirement of posting a bond or other security, to equitable relief, including injunctive relief and specific performance, provided such party is not in material default hereunder. Such remedies will not be the exclusive remedies for any breach of this Agreement but will be in addition to all other remedies available at law or equity to each of the parties.

Section 8.10 General Limitation of Damages. WITHOUT MODIFYING THE RIGHTS UNDER SECTION 8.5, BUT NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT TO THE CONTRARY, EXCEPT AS SET FORTH IN SECTION 8.8, THE ENTERPRISE PARTIES SHALL NOT BE LIABLE TO THE GULFTERRA PARTIES, NOR SHALL THE GULFTERRA PARTIES BE LIABLE TO THE ENTERPRISE PARTIES, FOR ANY EXEMPLARY, PUNITIVE, SPECIAL, INDIRECT, CONSEQUENTIAL, REMOTE OR SPECULATIVE DAMAGES (INCLUDING ANY DAMAGES ON ACCOUNT OF LOST PROFITS OR OPPORTUNITIES) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

ARTICLE IX
MISCELLANEOUS

Section 9.1 Notices. Any notice, request, instruction, correspondence or other document to be given hereunder by any party to another party (each, a "Notice") shall be in writing and delivered in person or by courier service requiring acknowledgment of receipt of delivery or mailed by U.S. registered or certified mail, postage prepaid and return receipt requested, or by telecopier, as follows; provided, that copies to be delivered below shall not be required for effective notice and shall not constitute notice:

If to any of the GulfTerra Parties, addressed to:

GulfTerra Energy Company, L.L.C.
4 Greenway Plaza
Houston, TX 77046
Attention: Chief Executive Officer
Telecopy: 832-676-1665

with a copy to:

Akin Gump Strauss Hauer & Feld LLP
711 Louisiana Street, Suite 1900
Houston, TX 77002
Attention: J. Vincent Kendrick
Telecopy: 713-236-0822

with a copy to:

El Paso Corporation
El Paso Building
1001 Louisiana
Houston, TX 77002
Attention: General Counsel
Telecopy: 713-420-2813

with a copy to:

Andrews Kurth LLP
4200 JPMorgan Chase Tower
Houston, TX 77002
Attention: G. Michael O'Leary
Telecopy: 713-220-4285

If to any of the Enterprise Parties, addressed to:

Enterprise Products Partners L.P.
c/o Enterprise Products GP, LLC
2727 North Loop West
Houston, Texas 77008
Attention: President
Telecopy: (713) 880-6570

with a copy to:

Enterprise Products Partners L.P.
c/o Enterprise Products GP, LLC
2727 North Loop West
Houston, Texas 77008
Attention: Chief Legal Officer
Telecopy: (713) 880-6570

Notice given by personal delivery, courier service or mail shall be effective upon actual receipt. Notice given by telecopier shall be confirmed by appropriate answer back and shall be effective upon actual receipt if received during the recipient's normal business hours, or at the beginning of the recipient's next business day after receipt if not received during the recipient's normal business hours. All Notices by telecopier shall be confirmed promptly after transmission in writing by certified mail or personal delivery. Any party may change any address to which Notice is to be given to it by giving Notice as provided above of such change of address.

Section 9.2 Governing Law; Jurisdiction; Waiver of Jury Trial. To the maximum extent permitted by applicable Law, the provisions of this Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware, without regard to principles of conflicts of law. Each party hereto hereby irrevocably and unconditionally (a) consents and submits to the exclusive jurisdiction of any federal or state court located in the State of Delaware (the "Delaware Courts") for any actions, suits or proceedings arising out of or relating to this Agreement or the transactions contemplated by this Agreement (and agrees not to commence any litigation relating thereto except in such courts), (b) waives any objection to the laying of venue of any such litigation in the Delaware Courts and agrees not to plead or claim in any Delaware Court that such litigation brought therein has been brought in any inconvenient forum and (c) acknowledges and agrees that any controversy which may arise under this Agreement is likely to involve complicated and difficult issues, and therefore each such party

hereby irrevocably and unconditionally waives any right such party may have to a trial by jury in respect of any litigation directly or indirectly arising or relating to this Agreement or the transactions contemplated by this Agreement.

Section 9.3 Entire Agreement; Amendments and Waivers. Except for the Confidentiality Agreement, this Agreement constitutes the entire agreement between and among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties, and there are no warranties, representations or other agreements between or among the parties in connection with the subject matter hereof except as set forth specifically herein or contemplated hereby. This Agreement may be amended by the parties hereto, by or pursuant to action taken by their (or their general partner's) respective boards of directors, at any time before or after approval of the matters presented in connection with the Merger Transactions by the holders of Enterprise Common Units and GulfTerra Common Units, but, after any such approval, no amendment shall be made which by Law requires further approval by such unitholders without such further approval. No supplement, modification or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. The failure of a party to exercise any right or remedy shall not be deemed or constitute a waiver of such right or remedy in the future. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (regardless of whether similar), nor shall any such waiver constitute a continuing waiver unless otherwise expressly provided.

Section 9.4 Binding Effect and Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns. Nothing in this Agreement, express or implied, is intended to confer upon any person other than the parties hereto and their respective permitted successors and assigns, any rights, benefits or obligations hereunder. No party hereto may assign, transfer, dispose of or otherwise alienate this Agreement or any of its rights, interests or obligations under this Agreement (whether by operation of law or otherwise) Any attempted assignment, transfer, disposition or alienation in violation of this Agreement shall be null, void and ineffective.

Section 9.5 Severability. If any term or other provision of this Agreement is invalid, illegal, or incapable of being enforced by any rule of applicable Law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated by this Agreement are not affected in any manner materially adverse to any party hereto. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties hereto as closely as possible in a mutually acceptable manner in order that the transactions contemplated by this Agreement are consummated as originally contemplated to the fullest extent possible.

Section 9.6 Execution. This Agreement may be executed in multiple counterparts each of which shall be deemed an original and all of which shall constitute one instrument.

Section 9.7 Disclosure Letters. Each disclosure identified in the GulfTerra Disclosure Letter and the Enterprise Disclosure Letter or elsewhere in this Agreement constitutes a

disclosure by the disclosing party with respect to the specific Section of this Agreement identified in the GulfTerra Disclosure Letter or Enterprise Disclosure Letter, as applicable.

[THE REMAINDER OF THIS PAGE IS BLANK.]

EXECUTED as of the Execution Date.

GULFTERRA ENERGY PARTNERS, L.P.

By: /s/ ROBERT G. PHILLIPS

Name: Robert G. Phillips
Title: Chief Executive Officer

GULFTERRA ENERGY COMPANY, L.L.C.

By: /s/ ROBERT G. PHILLIPS

Name: Robert G. Phillips
Title: Chief Executive Officer

Signature Page to Merger Agreement

ENTERPRISE PRODUCTS PARTNERS L.P.

By: Enterprise Products GP, LLC
its General Partner

By: /s/ MICHAEL A. CREEL

Name: Michael A. Creel
Title: Executive Vice President

ENTERPRISE PRODUCTS GP, LLC

By: /s/ MICHAEL A. CREEL

Name: Michael A. Creel
Title: Executive Vice President

ENTERPRISE PRODUCTS MANAGEMENT LLC

By: Enterprise Products Partners, L.P.,
its sole member

By: Enterprise Products GP, LLC,
general partner of Enterprise Products
Partners L.P.

By: /s/ RICHARD H. BACHMANN

Name: Richard H. Bachmann
Title: Executive Vice President

EXHIBIT 2.1(b)(ii)

ASSUMPTION AGREEMENT

THIS ASSUMPTION AGREEMENT (this "Agreement"), dated as of ________, 2004, is entered into by and between Enterprise Products Partners L.P., a Delaware limited partnership ("Enterprise MLP"), and GulfTerra Energy Partners, L.P., a Delaware limited partnership ("GulfTerra MLP").

RECITALS

WHEREAS, pursuant to a Merger Agreement dated December 15, 2003 by and among Enterprise MLP, GulfTerra MLP, GulfTerra GP, Enterprise GP, and Enterprise Products Management LLC ("Acquisition LLC"), Acquisition LLC will be merged with and into GulfTerra MLP, with GulfTerra MLP as the sole surviving entity (the "Merger"); and

WHEREAS, in connection with the Merger, GulfTerra MLP's Series A Common Units will be converted into Enterprise MLP's Common Units; and

WHEREAS, GulfTerra MLP issued and there remain outstanding certain Series F Convertible Units which are convertible into GulfTerra MLP's Series A Common Units on the terms and subject to the conditions set forth in a Statement of Rights, Privileges and Limitations of Series F Convertible Units, dated May 16, 2003 (as amended, the "Statement"); and

WHEREAS, Section 3.3(e) of the Statement requires that Enterprise MLP, in connection with the Merger, assume all of GulfTerra MLP's obligations in respect of any Series F Convertible Units that remain outstanding following the Merger;

NOW, THEREFORE, in consideration of their mutual undertakings and agreements hereunder, the parties to this Agreement undertake and agree as follows:

1. ASSUMPTION BY ENTERPRISE. Enterprise MLP hereby assumes and agrees to duly and timely perform and discharge all obligations and liabilities of GulfTerra MLP under the Statement in respect of any Series F Convertible Units that remain outstanding following the Merger. (A) All references in the Statement to the Partnership shall hereafter be references to Enterprise MLP, (B) all references in the Statement to the Series A Common Units shall hereafter be references to Enterprise MLP's Common Units, (C) all references in the Statement to the Measuring Date Unit Price shall hereafter mean $_____, subject to adjustment pursuant to Section 3 of the Statement, and (D) all references in the Statement to the Prevailing Unit Price, Cashless Conversion Trigger Price, Daily Market Unit Price and Conversion Unit Price shall hereafter be references to such prices with respect to Enterprise. GulfTerra MLP confirms and agrees that, except to the extent expressly assumed by Enterprise MLP pursuant to this Section 1, GulfTerra MLP shall remain solely liable for all obligations under the Statement and in respect of the Series F Convertible Units.

2. ASSURANCES. From time to time after the date hereof, and without any further consideration, each of the parties to this Agreement shall execute, acknowledge and deliver all such additional instruments, notices and other documents, and will do all such other acts and things, all in accordance with applicable law, as may be necessary or appropriate to more fully and effectively carry out the purposes and intent of this Agreement.

3. GOVERNING LAW. The provisions of this Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Texas, excluding any conflict of laws rule or principle that might refer the construction or interpretation hereof to the laws of another jurisdiction.

4. ENTIRE AGREEMENT; AMENDMENTS AND WAIVERS. This Agreement together with the Statement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties, and there are no other agreements between the parties in connection with the subject matter hereof except as set forth specifically herein or contemplated hereby. No supplement, modification or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. The failure of a party to exercise any right or remedy shall not be deemed or constitute a waiver of such right or remedy in the future. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (regardless of whether similar), nor shall any such waiver constitute a continuing waiver unless otherwise expressly provided.

5. BINDING EFFECT AND ASSIGNMENT. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns. This Agreement shall not be assignable by either party hereto without the written consent of the other party hereto. Nothing in this Agreement, express or implied, is intended to confer upon any person other than the parties hereto and their respective permitted successors and assigns, any rights, benefits or obligations hereunder.

6. SEVERABILITY. If any term or other provision of this Agreement is invalid, illegal, or incapable of being enforced by any rule of applicable law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect.

7. EXECUTION. This Agreement may be executed in multiple counterparts each of which shall be deemed an original and all of which shall constitute one instrument.

[The remainder of this page is blank.]

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties hereto as of the date first above written.

GULFTERRA ENERGY PARTNERS, L.P.

By: --

Name: --------------------------------------

Title: -------------------------------------

ENTERPRISE PRODUCT PARTNERS L.P.

By: Enterprise Products GP, LLC
Its: General Partner

By: --

Name: --------------------------------------

Title: -------------------------------------

Signature Page to Assumption Agreement

EXHIBIT 2.2

PARENT COMPANY AGREEMENT

BY AND AMONG

ENTERPRISE PRODUCTS PARTNERS L.P.
ENTERPRISE PRODUCTS GP, LLC
ENTERPRISE PRODUCTS GTM, LLC

AND

SABINE RIVER INVESTORS I, L.L.C.
SABINE RIVER INVESTORS II, L.L.C.
EL PASO EPN INVESTMENTS, L.L.C.
EL PASO CORPORATION
GULFTERRA GP HOLDING COMPANY

DECEMBER 15, 2003

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EXHIBITS

Exhibit 2.1(d)(i) Form of Legal Opinion from Andrews Kurth LLP
Exhibit 2.1(d)(ii) Form of Legal Opinion from Akin Gump Strauss Hauer & Feld LLP
Exhibit 2.2(c) Form of Second Amended and Restated Limited Liability Company Agreement of Enterprise Products GP, LLC

SCHEDULES

Schedule 1 GulfTerra MLP's Equity Interests

PARENT COMPANY AGREEMENT

This PARENT COMPANY AGREEMENT (this "Agreement"), dated as of December 15, 2003 (the "Execution Date"), is entered into by and among (a) El Paso Corporation, a Delaware corporation ("El Paso Parent"), Sabine River Investors I, L.L.C., a Delaware limited liability company ("El Paso Sub 1"), Sabine River Investors II, L.L.C., a Delaware limited liability company ("El Paso Sub 2"), El Paso EPN Investments, L.L.C., a Delaware limited liability company ("El Paso Sub 3," and collectively with El Paso Sub 1 and El Paso Sub 2, the "Unitholders"), and GulfTerra GP Holding Company, a Delaware corporation ("El Paso GP Holdco," and collectively with the Unitholders, the "El Paso Parent Parties"), and (b) Enterprise Products GP, LLC, a Delaware limited liability company ("Enterprise GP"), Enterprise Products Partners L.P., a Delaware limited partnership ("Enterprise MLP"), and Enterprise Products GTM, LLC ("Enterprise GTM," and collectively with Enterprise MLP and Enterprise GP, the "Enterprise Parties").

WITNESSETH:

WHEREAS, El Paso Parent owns, directly or indirectly, 100% of the outstanding equity interests in each of the El Paso Parent Parties; and

WHEREAS, El Paso GP Holdco owns 100% of the Class B Membership Interest in GulfTerra Energy Company, L.L.C. ("GulfTerra GP"), and GulfTerra GP is the sole general partner of, and owns 100% of the 1% general partner interest in, GulfTerra Energy Partners, L.P. ("GulfTerra MLP"); and

WHEREAS, subject to the terms and conditions set forth herein, El Paso GP Holdco desires to sell to Enterprise GTM, and Enterprise GTM desires to purchase from El Paso GP Holdco, a Class C Membership Interest in GulfTerra GP having a 50% Sharing Ratio; and

WHEREAS, El Paso GP Holdco is and, on the date hereof, El Paso GP Holdco and Enterprise GTM will be, parties to that certain Second Amended and Restated Limited Liability Company Agreement of GulfTerra Energy Company, L.L.C., of even date herewith (the "Second Amended and Restated GulfTerra GP LLC Agreement"); and

WHEREAS, pursuant to the Merger Agreement (the "Merger Agreement"), of even date herewith, by and among (a) Enterprise MLP, Enterprise GP and Enterprise Products Management LLC, a Delaware limited liability company ("Enterprise Merger Sub"), and (b) GulfTerra MLP and GulfTerra GP, Enterprise Merger Sub will, on the terms and conditions set forth in the Merger Agreement, merge with and into GulfTerra MLP, with GulfTerra MLP surviving such merger; and

WHEREAS, the Conflicts and Audit Committee and the Board of Directors of GulfTerra GP has approved and adopted the Merger Agreement and has recommended that the holders of outstanding units of GulfTerra MLP vote "for" approval and adoption of the Merger Agreement; and

WHEREAS, approval of the Merger Agreement by a majority of the holders of the outstanding GulfTerra Common Units and GulfTerra Series C Units, each voting separately as a class, is a condition to the consummation of the Merger; and

WHEREAS, the Unitholders own (beneficially and of record) the number of GulfTerra Units (as defined below) listed on Schedule 1 hereto; and

WHEREAS, the 10,937,500 GulfTerra Series C Units owned by El Paso Sub 3 constitute all of the units of that class issued and outstanding on the date hereof; and

WHEREAS, as a condition to entering into the Merger Agreement, Enterprise GP has required that the Unitholders agree, and the Unitholders have so agreed, to enter into this Agreement and the GulfTerra Proxy (as defined below); and

WHEREAS, subject to the terms and conditions hereof, the Unitholders desire to sell, and Enterprise MLP desires to purchase, certain of the GulfTerra Units owned by the Unitholders; and

WHEREAS, subject to the terms and conditions hereof, El Paso GP Holdco and Enterprise GP desire to have El Paso GP Holdco contribute its remaining membership interest with a 50% Sharing Ratio in GulfTerra GP to Enterprise GP in exchange for a newly issued 50% membership interest in Enterprise GP; and

WHEREAS, Enterprise GP desires to contribute such remaining membership interest having a 50% Sharing Ratio in GulfTerra GP to Enterprise MLP;

NOW, THEREFORE, in consideration of the premises and the respective representations, warranties, covenants, agreements and conditions contained herein, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Definitions. In this Agreement, unless the context otherwise requires, the following terms shall have the following meanings respectively:

"affiliate" has the meaning set forth in Rule 405 of the rules and regulations under the Securities Act, unless otherwise expressly stated herein.

"Agreement" has the meaning set forth in the Preamble.

"Business Day" means any day on which commercial banks are generally open for business in New York, New York other than a Saturday, a Sunday or a day observed as a holiday in New York, New York under the Laws of the State of New York or the federal Laws of the United States of America.

"Class A Membership Interest" has the meaning set forth in the GulfTerra GP LLC Agreement.

"Class A Transaction Agreements" means the Transaction Agreements (as defined in the Purchase and Sale Agreement by and between the El Paso Sub 1 and Goldman, dated October 2, 2003).

"Class B Membership Interest" has the meaning set forth in the GulfTerra GP LLC Agreement or, as applicable, the Second Amended and Restated GulfTerra GP LLC Agreement.

"Class C Membership Interest" has the meaning set forth in the Second Amended and Restated GulfTerra GP LLC Agreement.

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

"Confidentiality Agreement" means that certain Confidentiality Agreement dated April 4, 2002 between Enterprise Products Company, Enterprise MLP, El Paso Parent and GulfTerra MLP.

"Continuing Employees" has the meaning set forth in Section 4.20.

"Damages" means claims, liabilities, damages, penalties, judgments, assessments, losses, costs, expenses, including reasonable attorneys' fees and expenses, incurred by the party seeking indemnification under this Agreement.

"Delaware Courts" has the meaning set forth in Section 6.2.

"Designated Severance Plans" has the meaning set forth in Section 3.4(p)(i).

"Direct Costs" has the meaning set forth in Section 4.15(c).

"Effective Time" has the meaning assigned to such term in the Merger Agreement.

"El Paso Disclosure Letter" means the disclosure letter for this Agreement and the Merger Agreement dated the Execution Date.

"El Paso Field Services Entities" means El Paso Field Operations Company, El Paso Field Services Holding Company, CFS Louisiana Midstream Company, El Paso Dauphin Island Company, LLC and El Paso Gas Gathering & Processing Company.

"El Paso GP Holdco" has the meaning set forth in the Preamble.

"El Paso Parent" has the meaning set forth in the Preamble.

"El Paso Parent Consent Decree" means the Decision and Order of the Federal Trade Commission, Docket No. C-3996, issued to El Paso Parent on March 19, 2001.

"El Paso Parent Consent Decree Assets" means the assets owned by any of the Enterprise Partnership Group Entities that were purchased pursuant to the El Paso Parent Consent Decree.

"El Paso Parent Parties" has the meaning set forth in the Preamble.

"El Paso Parties" means El Paso Parent and the El Paso Parent Parties.

"El Paso Plans" means all employee benefit plans (as defined in Section 3(3) of ERISA), all employment and severance agreements (or consulting agreements with natural persons) and any employee compensation plan, including any pension, retirement, profit sharing, stock or unit option, stock or unit purchase, restricted stock or unit, bonus, health, life, disability or fringe benefit plan sponsored or maintained by, participated in or contributed to by or required to be contributed to by, El Paso Parent or any subsidiary of El Paso Parent.

"El Paso Sub 1" has the meaning set forth in the Preamble.

"El Paso Sub 2" has the meaning set forth in the Preamble.

"El Paso Sub 3" has the meaning set forth in the Preamble.

"El Paso Unitholders' Meeting" has the meaning set forth in Section 4.3.

"Encumbrances" means pledges, restrictions on transfer, proxies and voting or other agreements, liens, claims, charges, mortgages, security interests or other legal or equitable encumbrances, limitations or restrictions of any nature whatsoever.

"Enterprise Common Units" means the Common Units of Enterprise MLP issued pursuant to the Enterprise Partnership Agreement.

"Enterprise Disclosure Letter" means the disclosure letter for this Agreement and the Merger Agreement dated the Execution Date.

"Enterprise GP" has the meaning set forth in the Preamble.

"Enterprise GP Interests" has the meaning set forth in Section 2.2(c).

"Enterprise GP LLC Agreement" has the meaning set forth in Section 2.2(c).

"Enterprise GTM" has the meaning set forth in the Preamble.

"Enterprise Material Adverse Effect" means any change, effect, event or occurrence with respect to the condition (financial or otherwise), properties, assets, earnings, financial condition, liabilities, obligations (whether absolute, accrued, conditional or otherwise), businesses, operations or results of operations of the Enterprise Partnership Group Entities (taken as a whole), that is, or could reasonably be expected to be material and adverse to the Enterprise Partnership Group Entities (taken as a whole) or materially and adversely affects the ability of the Enterprise Parties to consummate the transactions contemplated by this Agreement and the Merger Agreement; provided, however, that an Enterprise Material Adverse Effect shall not include any change, effect, event or occurrence with respect to the condition (financial or otherwise), properties, assets, earnings, financial condition, liabilities, obligations (whether absolute, accrued, conditional or otherwise), businesses, operations or results of operations of any Enterprise Partnership Group Entity (or any Enterprise Partially Owned Entity) directly or indirectly arising out of or attributable to (a) any decrease in the market price of Enterprise

MLP's publicly traded securities (but not any change or effect underlying such decrease to the extent such change or effect would otherwise constitute an Enterprise Material Adverse Effect), (b) the general state of the industries in which the Enterprise Partnership Group Entities and the Enterprise Partially Owned Entities operate, (c) changes in general economic conditions (including changes in commodity prices) that would have the same general effect on companies engaged in the same lines of business as those conducted by the Enterprise Partnership Group Entities and the Enterprise Partially Owned Entities, or (d) the announcement or proposed consummation of this Agreement and the Merger Transactions.

"Enterprise Merger Sub" has the meaning set forth in the Preamble.

"Enterprise MLP" has the meaning set forth in the Preamble.

"Enterprise Parent 1" means EPC Partners II, Inc., a Delaware corporation.

"Enterprise Parent 2" means Dan Duncan LLC, a Texas limited liability company.

"Enterprise Parties" has the meaning set forth in the Preamble.

"Enterprise Partnership Agreement" means that certain Third Amended and Restated Limited Partnership Agreement of Enterprise Products Partners L.P. dated as of May 15, 2002, as amended by that certain Amendment No. 1 dated as of August 7, 2002, that certain Amendment No. 2 dated as of December 17, 2002, and that certain Reorganization Agreement dated December 10, 2003, and as amended from time to time after the Execution Date in accordance with the Merger Agreement.

"Enterprise Partnership Group Entities" has the meaning set forth in the Merger Agreement.

"Enterprise Unitholders" means the holders of Enterprise Common Units.

"Enterprise Unitholders' Meeting" means the meeting of the holders of Enterprise Common Units to be called and held pursuant to the Merger Agreement at which such holders will vote upon the issuance of Enterprise Common Units in the Merger.

"Environmental Laws" means any and all applicable laws, statutes, regulations, rules, orders, ordinances, and legally enforceable directives of and agreements between a person that is subject to the applicable representation and any Governmental Entity and rules of common law pertaining to protection of human health (to the extent arising from exposure to Hazardous Substances) or the environment (including any generation, use, storage, treatment, or Release of Hazardous Substances into the environment) including the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., the Clean Air Act, 42 U.S.C. Section 7401 et seq., the Federal Water Pollution Control Act, 33 U.S.C. Section 1251 et seq., the Oil Pollution Act of 1990, 33 U.S.C. Section 2701 et seq., the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq., the Safe Drinking Water Act, 42 U.S.C. Section 300f et seq., the Occupational Safety and Health Act, 29 U.S.C. Section 651 et seq., the Atomic Energy Act, 42 U.S.C. Section 2014 et seq., the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C.

Section 136 et seq., and the Federal Hazardous Materials Transportation Law, 49 U.S.C. Section 5101 et seq., as each has been amended from time to time, and all other environmental conservation and protection laws.

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

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

"Exchange and Registration Rights Agreement" means the Exchange and Registration Rights Agreement dated as of October 2, 2003 among GulfTerra GP, GulfTerra MLP and Goldman.

"Execution Date" has the meaning set forth in the Preamble.

"Existing GulfTerra Indebtedness" means the indebtedness of GulfTerra MLP consisting of its 10 3/8% Senior Subordinated Notes due 2009, its 8 1/2% Senior Subordinated Notes due 2010, its 6 1/4% Senior Notes due 2010, its 8 1/2% Senior Subordinated Notes due 2011 and its 10 5/8% Senior Subordinated Notes due 2012, in each case as issued and outstanding on the Execution Date.

"Fletcher" has the meaning set forth in Section 3.4(d)(v).

"GAAP" has the meaning set forth in Section 1.2.

"Gas Plant Purchase and Sale Agreement" means the Purchase and Sale Agreement (Gas Plants), of even date herewith, by and between El Paso Parent, El Paso Field Services Management, Inc., El Paso Transmission, L.L.C., El Paso Field Service Holding Company and Enterprise Products Operating L.P.

"Global El Paso Entities" means El Paso Parent and all of its subsidiaries and Partially Owned Entities.

"Goldman" means Goldman Sachs & Co., a New York limited partnership.

"Goldman Agreement" has the meaning assigned to such term in Section 2.1(b).

"governing documents" means, with respect to any person, the certificate or articles of incorporation, by-laws, articles of organization, limited liability company agreement, partnership agreement, formation agreement, joint venture agreement, unanimous shareholder agreement or declaration or other similar governing documents of such person.

"Governmental Entity" means any (a) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign, (b) subdivision, agent, commission, board, or authority of any of the foregoing, or (c) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing.

"GulfTerra Common Units" means the Series A Common Units issued pursuant to the GulfTerra Partnership Agreement.

"GulfTerra Conflicts and Audit Committee" means the Conflicts and Audit Committee of the Board of Directors of GulfTerra GP.

"GulfTerra Designated Account" means the account designated by GulfTerra GP in writing to Enterprise GP on the day prior to the Step One Closing Date and to which the Purchase Price will be wired.

"GulfTerra Disclosure Letter" means the disclosure letter for this Agreement and the Merger Agreement dated the Execution Date.

"GulfTerra Easements" has the meaning set forth in Section 3.4(n)(iii).

"GulfTerra Environmental Permits" has the meaning set forth in Section 3.4(j).

"GulfTerra GP" has the meaning set forth in the Preamble.

"GulfTerra GP Financial Statements" has the meaning set forth in Section 3.4(f)(iii).

"GulfTerra GP LLC Agreement" means that certain First Amended and Restated Limited Liability Company Agreement of GulfTerra GP, dated as of October 2, 2003.

"GulfTerra GP September 30, 2003 Balance Sheet" has the meaning set forth in Section 3.4(f)(iii).

"GulfTerra Guaranty Agreement" has the meaning set forth in Section 2.1(e).

"GulfTerra Intellectual Property Rights" has the meaning set forth in Section 3.4(m)(i).

"GulfTerra Material Adverse Effect" means any change, effect, event or occurrence with respect to the condition (financial or otherwise), properties, assets, earnings, financial condition, liabilities, obligations (whether absolute, accrued, conditional or otherwise), businesses, operations or results of operations of the GulfTerra Partnership Group Entities (taken as a whole), that is, or could reasonably be expected to be, material and adverse to the GulfTerra Partnership Group Entities (taken as a whole), material and averse to GulfTerra GP or materially and adversely affects the ability of El Paso Parent, El Paso GP Holdco, the Unitholders, or GulfTerra GP to consummate the transactions contemplated hereby or on the ability of GulfTerra GP and GulfTerra MLP to consummate the Merger Transactions; provided, however, that a GulfTerra Material Adverse Effect shall not include any change, effect, event or occurrence with respect to the condition (financial or otherwise), properties, assets, earnings, financial condition, liabilities, obligations (whether absolute, accrued, conditional or otherwise), businesses, operations or results of operations of any GulfTerra Partnership Group Entity (or any GulfTerra Partially Owned Entity) directly or indirectly arising out of or attributable to (a) any decrease in the market price of GulfTerra MLP's publicly traded securities (but not any change or effect underlying such decrease to the extent such change or effect would otherwise constitute a GulfTerra Material Adverse Effect), (b) the general state of the industries in which the GulfTerra

Partnership Group Entities and the GulfTerra Partially Owned Entities operate, (c) changes in general economic conditions (including changes in commodity prices) that would have the same general effect on companies engaged in the same lines of business as those conducted by the GulfTerra Partnership Group Entities and the GulfTerra Partially Owned Entities, or (d) the announcement or proposed consummation of this Agreement and the Merger Transactions.

"GulfTerra MLP" has the meaning set forth in the Preamble.

"GulfTerra MLP September 30, 2003 Balance Sheet" means the unaudited condensed consolidated balance sheet of GulfTerra MLP as of September 30, 2003 included as part of the GulfTerra SEC Reports.

"GulfTerra Parties" means GulfTerra MLP and GulfTerra GP.

"GulfTerra Partnership Agreement" means that certain Second Amended and Restated Agreement of Limited Partnership of GulfTerra MLP dated as of February 19, 1993, amended and restated effective as of August 31, 2000, as further amended by amendments dated November 27, 2002, May 5, 2003, May 16, 2003, July 23, 2003 and August 21, 2003, as amended from time to time after Execution Date.

"GulfTerra Partnership Group Entities" has the meaning set forth in the Merger Agreement.

"GulfTerra Permits" has the meaning set forth in Section 3.4(h)(ii).

"GulfTerra Pipeline Assets" has the meaning set forth in Section 3.4(n)(ii).

"GulfTerra Plan" means any employee benefit plan (as defined in Section 3(3) of ERISA), all employment and severance agreements (or consulting agreements with natural persons) and any employee compensation plan, including any pension, retirement, profit sharing, stock or unit option, stock or unit purchase, restricted stock or unit, bonus, health, life, disability or fringe benefit plan sponsored or maintained by, participated in or contributed to by or required to be contributed to by any of the GulfTerra Partnership Group Entities or, with respect to any GulfTerra Related Employees, by any of the GulfTerra Parties or by any other entity required to be aggregated with a GulfTerra Party pursuant to Section 414 of the Code.

"GulfTerra Proxy" means that certain Voting Agreement and Irrevocable Proxy of even date herewith among the Unitholders and Enterprise MLP attached as Annex I hereto.

"GulfTerra Reaffirmation" shall have the meaning set forth in the Merger Agreement.

"GulfTerra Related Employees" means employees of El Paso Parent or an affiliate of El Paso Parent that work primarily for the benefit of the GulfTerra Partnership Group Entities.

"GulfTerra SEC Reports" has the meaning set forth in Section 3.4(f)(i).

"GulfTerra Series C Units" means the GulfTerra MLP securities issued as "Series C Units" pursuant to the GulfTerra Partnership Agreement.

"GulfTerra Series F Units" means those certain Series F Convertible Units of GulfTerra MLP, more fully described in the Statement of Rights, Privileges and Limitations of Series F Convertible Units of the GulfTerra MLP dated May 16, 2003.

"GulfTerra Unitholders" means the holders of GulfTerra Common Units, the holders of GulfTerra Series C Units and the holders of GulfTerra Series F Units, collectively.

"GulfTerra Unitholders' Meeting" means the meeting of the holders of GulfTerra Common Units to be called and held pursuant to the Merger Agreement at which such holders will vote upon the adoption and approval of the Merger Agreement.

"GulfTerra Units" means the GulfTerra Common Units, the GulfTerra Series C Units and the GulfTerra Series F Units.

"Hazardous Substances" means any (a) chemical, product, substance, waste, material, pollutant, or contaminant that is defined or listed as hazardous or toxic or that is otherwise regulated under any Environmental Law; (b) asbestos containing materials, whether in a friable or non-friable condition, polychlorinated biphenyls, naturally occurring radioactive materials or radon; and (c) any oil or gas exploration or production waste or any petroleum, petroleum hydrocarbons, petroleum products or crude oil and any components, fractions, or derivatives thereof.

"holders" means, when used with reference to the GulfTerra Common Units and the GulfTerra Series C Units, the holders of such units shown from time to time in the registers maintained by or on behalf of GulfTerra MLP, as applicable.

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

"Joint Proxy Statement/Prospectus" has the meaning set forth in Section 4.3.

"knowledge" means (a) with respect to El Paso Parties, the actual knowledge of each person listed on Section 1.1(a) of the El Paso Disclosure Letter, and (b) with respect to the Enterprise Parties, the actual knowledge of the officers and directors of the Enterprise Parties.

"Laws" means all statutes, regulations, statutory rules, orders, judgments, decrees and terms and conditions of any grant of approval, permission, authority, permit or license of any court, Governmental Entity, statutory body (including the NYSE) or self-regulatory authority, but does not include Environmental Laws.

"Materiality Requirement" means any requirement in a representation or warranty that a condition, event or state of fact be "material," correct or true in "all material respects," have a "Material Adverse Effect" or be or not be "reasonably expected to have a Material Adverse Effect" (or other words or phrases of similar effect or impact) in order for such condition, event or state of facts to cause such representation or warranty to be inaccurate.

"Merger" has the meaning set forth in the Merger Agreement.

"Merger Agreement" has the meaning set forth in the Preamble.

"Merger Transactions" has the meaning set forth in the Merger Agreement.

"Notice" has the meaning set forth in Section 6.1.

"NYSE" means the New York Stock Exchange.

"Open GulfTerra Position" has the meaning set forth in Section 3.4(u).

"Partially Owned Entity" means, with respect to a specified person, any other person that is not a subsidiary of such specified person but in which such specified person, directly or indirectly, owns 30% or more of the equity interests thereof (whether voting or non-voting and including beneficial interests).

"Permitted Encumbrances" means any liens, title defects, preferential rights or other encumbrances upon any of the relevant person's property, assets or revenues, whether now owned or hereafter acquired, that are (i) carriers', warehousemens', mechanics', materialmen's, repairmen's or other like liens arising in the ordinary course of business which are not overdue for a period of more than 60 days or which are being contested in good faith by appropriate proceeding, (ii) pledges or deposits in connection with workers' compensation, unemployment insurance and other social security legislation and deposits securing liability to insurance carriers under insurance or self-insurance arrangements, (iii) for taxes not yet due or which are being contested in good faith by appropriate proceedings (provided that adequate reserves with respect thereto are maintained on the books of such person or its subsidiaries, as the case may be, in conformity with GAAP), (iv) deposits to secure the performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business, (v) easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business which, in the aggregate, are not substantial in amount and which do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business by such person and its subsidiaries and (vi) created pursuant to construction, operating and maintenance agreements, space lease agreements and other similar agreements, in each case having ordinary and customary terms and entered into in the ordinary course of business by such person and its subsidiaries.

"person" includes any individual, firm, partnership, joint venture, venture capital fund, limited liability company, association, trust, estate, group, body corporate, corporation, unincorporated association or organization, Governmental Entity, syndicate or other entity, whether or not having legal status.

"Possible Alternative" has the meaning set forth in Section 4.5(a).

"Prudent Industry Practices" has the meaning set forth in Section 4.15(d).

"PUHCA" means the Public Utility Holding Company Act of 1935, as amended.

"Purchase Price" has the meaning set forth in Section 2.1(c).

"Registration Statement" has the meaning set forth in the Merger Agreement.

"Release" means any depositing, spilling, leaking, pumping, pouring, placing, emitting, discarding, abandoning, emptying, discharging, migrating, injecting, escaping, leaching, dumping, or disposing.

"Remaining Interest" has the meaning set forth in Section 2.2(c).

"Representative" has the meaning set forth in Section 4.5(a).

"Required Enterprise Divestiture" has the meaning set forth in Section 4.14.

"Required FS Divestiture" has the meaning set forth in Section 4.14.

"Required GulfTerra Divestiture" has the meaning set forth in Section 4.14.

"Required MLP Divestiture" has the meaning set forth in Section 4.14.

"Restricted Damages" has the meaning set forth in Section 5.4.

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

"Second Amended and Restated GulfTerra GP LLC Agreement" has the meaning set forth in the Preamble.

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

"Service Standard" has the meaning set forth in Section 4.15(b).

"Sharing Ratio" has the meaning assigned to such term in the GulfTerra GP LLC Agreement or the Second Amended and Restated GulfTerra GP LLC Agreement, as applicable.

"Solvent" means, with respect to the applicable person on any date of determination, that on such date (a) such applicable person's property, at a fair valuation, exceeds the sum of such applicable person's debts, (b) the present fair saleable value of the assets of such applicable person is not less than the amount that will be required to pay its debts as they become absolute and matured, (c) such applicable person does not intend to incur, or believes that such applicable person has not incurred, debts that would be beyond such applicable person's ability to pay as such debts matured, and (d) such applicable person is not engaged in business or a transaction and does not intend to engage in business or a transaction, for which such applicable person's property remaining after such transaction would constitute unreasonably small capital.

"Step One Closing" has the meaning set forth in Section 2.1(a).

"Step One Closing Date" has the meaning set forth in Section 2.1(a).

"Step Two Closing" has the meaning set forth in Section 2.2(a).

"Step Two Closing Date" has the meaning set forth in Section 2.2(a).

"Subject Interest" has the meaning set forth in Section 2.1(c).

"subsidiary" means with respect to a specified person, any other person (a) that is a subsidiary as defined in Rule 405 of the Rules and Regulations under the Securities Act of such specified person and (b) of which such specified person or another of its subsidiaries owns beneficially more than 50% of the equity interests.

"Superior Transaction" has the meaning set forth in Section 4.5(b).

"Tax" or "Taxes" means any taxes, assessments, fees and other governmental charges imposed by any Governmental Entity, including without limitation income, profits, gross receipts, net proceeds, alternative or add-on minimum, ad valorem, value added, turnover, sales, use, property, personal property (tangible and intangible), environmental, stamp, leasing, lease, user, excise, duty, franchise, capital stock, transfer, registration, license, withholding, social security (or similar), unemployment, disability, payroll, employment, fuel, excess profits, occupational, premium, windfall profit, severance, estimated, or other charge of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

"Tax Return" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"Transaction Documents" means this Agreement, the Second Amended and Restated GulfTerra GP LLC Agreement, the Merger Agreement, the GulfTerra Guaranty Agreement and the officer's certificate of El Paso Parent attached as Exhibit A, and the agreements, certificates and documents listed as Annex I to such Exhibit A, to the opinion of Andrews Kurth LLP delivered at the Step One Closing in accordance with Section 2.1(d).

"Transaction Parties" means El Paso Parent, GulfTerra GP, GulfTerra MLP, El Paso GP Holdco and the Unitholders.

"Transition Services" has the meaning set forth in Section 4.15(a).

"Unitholders" has the meaning set forth in the Preamble.

Section 1.2 Rules of Construction. The division of this Agreement into articles, sections and other portions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof. Unless otherwise indicated, all references to an "Article" or "Section" followed by a number or a letter refer to the specified Article or Section of this Agreement. The terms "this Agreement," "hereof," "herein" and "hereunder" and similar expressions refer to this Agreement (including the Disclosure Letters hereto) and not to any particular Article, Section or other portion hereof. Unless otherwise specifically indicated or the context otherwise requires, (a) all references to "dollars" or "$" mean United States dollars, (b) words importing the singular shall include the plural and vice versa and words importing any gender shall include all genders, (c) "include," "includes" and "including" shall be deemed to be followed by the words "without limitation," and (d) all words used as accounting terms shall have the meanings assigned to them under United States generally accepted accounting principles applied on a consistent basis during the periods involved

("GAAP"). In the event that any date on which any action is required to be taken hereunder by any of the parties hereto is not a Business Day, such action shall be required to be taken on the next succeeding day that is a Business Day. Reference to any party hereto is also a reference to such party's permitted successors and assigns. The Exhibits attached to this Agreement are hereby incorporated by reference into this Agreement and form part hereof. Unless otherwise indicated, all references to an "Exhibit" followed by a number or a letter refer to the specified Exhibit to this Agreement. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party hereto by virtue of the authorship of any of the provisions of this Agreement.

ARTICLE II

PURCHASE AND SALE

Section 2.1 Step One Closing.

(a) Closing Date. The closing (the "Step One Closing") of the transactions contemplated under this Section 2.1 shall be held at the offices of Vinson & Elkins L.L.P. at 1001 Fannin Street, Houston, Texas 77002 on the Execution Date. The "Step One Closing Date," as referred to herein, shall mean the date of the Step One Closing.

(b) Transaction with Goldman. On the Step One Closing Date, the following shall occur: (i) El Paso GP Holdco shall pay to Goldman the consideration required to be paid to Goldman pursuant to Section 3.11(b) of the GulfTerra GP LLC Agreement as a result of the Proposed Drag-Along Transfer (as defined in the GulfTerra GP LLC Agreement), and (ii) Goldman shall convey its Class A Membership Interest in GulfTerra GP to El Paso GP Holdco, and the Class A Membership Interest in GulfTerra GP then owned by El Paso GP Holdco shall automatically be converted into a Class B Membership Interest in GulfTerra GP pursuant to the terms of the Second Amended and Restated GulfTerra GP LLC Agreement. The transactions between El Paso GP Holdco and Goldman shall be effected pursuant to that certain Transfer of Class A Membership Interest of even date herewith among Goldman, El Paso Parent and El Paso GP Holdco (the "Goldman Agreement").

(c) Purchase of Class C Membership Interest. On the Step One Closing Date, after consummation of the transactions described in Section 2.1(b), El Paso GP Holdco shall convey to Enterprise GTM a portion of the Class B Membership Interest in GulfTerra GP (such conveyance or assignment to be in a form mutually acceptable to El Paso GP Holdco and Enterprise GTM), with such portion having a Sharing Ratio (as defined in the Second Amended and Restated GulfTerra GP LLC Agreement) of 50% (the "Subject Interest"), free and clear of all Encumbrances (other than those set forth in the Second Amended and Restated GulfTerra GP LLC Agreement), for an aggregate cash amount equal to $425,000,000 (the "Purchase Price"). Concurrently with such conveyance, (i) such portion of the Class B Membership Interest of GulfTerra GP shall automatically be converted into the Class C Membership Interest pursuant to the terms of the Second Amended and Restated GulfTerra GP LLC Agreement, (ii) Enterprise GTM shall be admitted as a Member (as defined in the Second Amended and Restated GulfTerra GP LLC Agreement) in GulfTerra GP, and (iii) El Paso GP Holdco and Enterprise GTM shall

execute and deliver a counterpart of the Second Amended and Restated GulfTerra GP LLC Agreement. Enterprise GTM shall pay the Purchase Price by wire transfer in immediately available funds to the GulfTerra Designated Account.

(d) El Paso GP Holdco Non-Contravention Opinions. On the Step One Closing Date, Enterprise GTM shall receive (i) a legal opinion from Andrews Kurth LLP, counsel to El Paso GP Holdco, substantially in the form of Exhibit 2.1(d)(i) and (ii) a legal opinion from Akin Gump Strauss Hauer & Feld LLP, counsel to GulfTerra MLP, substantially in the form of Exhibit 2.1(d)(ii).

(e) Guaranties. On the Step One Closing Date, each of El Paso Parent and Enterprise MLP shall execute and deliver a guaranty of the obligations of El Paso GP Holdco (the guaranty of the obligations of El Paso GP Holdco being referred to herein as the "GulfTerra Guaranty Agreement") and Enterprise GTM, respectively, under the Second Amended and Restated GulfTerra GP LLC Agreement, in a form reasonably acceptable to each of El Paso Parent and Enterprise MLP.

Section 2.2 Step Two Closing.

(a) Closing Date. The closing of the transactions contemplated by this Section 2.2 (the "Step Two Closing") shall take place at the offices of Vinson & Elkins L.L.P., 1001 Fannin, Suite 2300, Houston, Texas 77002, on the date of the Merger, but immediately prior to the consummation of the Merger (such date the "Step Two Closing Date").

(b) Conditions to Closing.

(i) The obligation of the El Paso Parties to proceed with the Step Two Closing is subject to the satisfaction on or prior to the Closing Date of all of the following conditions, any one or more of which may be waived in writing, in whole or in part:

(A) All of the conditions of the GulfTerra Parties (as defined in the Merger Agreement) to the consummation of the Merger (other than completing the transactions referred to in this Section 2.2), and the 20 Business Day requirement contained in Section 2.1(a) of the Merger Agreement, shall have been satisfied or waived; and

(B) Enterprise Products Operating L.P. shall not have breached its obligation to close the acquisition contemplated by the Gas Plant Purchase and Sale Agreement.

(C) The representations and warranties of the Enterprise Parties set forth in Section 3.3 (without regard to Materiality Requirements therein) shall be correct as of the Second Closing Date, as if remade on such date (except for representations and warranties made as of a specific date, which shall be correct as of such specific date), and each of the Enterprise Parties shall have performed all of the obligations of such party hereunder (without regard to Materiality Requirements therein) except where the failure of such representations and warranties to be correct and the failure of such obligations to be performed could not, in the aggregate, reasonably be expected to result in (A) an adverse effect on the Enterprise Parties involving $100,000,000 or more or (B) an Enterprise Material Adverse Effect and (ii) GulfTerra

MLP shall have received a certificate, dated as of the Closing Date, of an executive officer of Enterprise GP certifying to the matters set forth in this Section 2.2(b)(i)(C).

(ii) The obligation of the Enterprise Parties to proceed with the Step Two Closing is subject to the satisfaction on or prior to the Closing Date of all of the following conditions, any one or more of which may be waived in writing, in whole or in part:

(A) All of the conditions of the Enterprise Parties (as defined in the Merger Agreement) to the consummation of the Merger (other than completing the transactions referred to in this Section 2.2), and the 20 Business Day requirement contained in Section 2.1(a) of the Merger Agreement, shall have been satisfied or waived; and

(B) Neither El Paso Parent nor any of its affiliates shall have breached its obligation to close the sale contemplated by the Gas Plant Purchase and Sale Agreement.

(C) The representations and warranties of the El Paso Parties set forth in Sections 3.1, 3.2 and 3.4 (without regard to Materiality Requirements therein) other than those set forth in Section 3.4(g)(ii) shall be correct as of the Second Closing Date, as if remade on such date (except for representations and warranties made as of a specific date, which shall be correct as of such specific date), and each of the El Paso Parties shall have performed all of the obligations of such party hereunder (without regard to Materiality Requirements therein) except where the failure of such representations and warranties to be correct and the failure of such obligations to be performed could not, in the aggregate, reasonably be expected to result in (A) an adverse effect on the GulfTerra Parties involving $100,000,000 or more or (B) a GulfTerra Material Adverse Effect and (ii) Enterprise MLP shall have received a certificate, dated as of the Closing Date, of an executive officer of GulfTerra GP certifying to the matters set forth in this Section 2.2(b)(ii)(C).

(c) Contribution of Class B Membership Interests. On the Step Two Closing Date and immediately prior to consummation of the Merger, El Paso Parent shall cause El Paso GP Holdco, and El Paso GP Holdco agrees, to contribute to Enterprise GP all of the Class B Membership Interests in GulfTerra GP then owned by El Paso GP Holdco (which Class B Membership Interests entitle the holder (a) to a 50% Sharing Ratio (as defined in the Second Amended and Restated GulfTerra LLC Agreement) (the "Remaining Interest") and (b) to serve as the managing member of GulfTerra GP), such contribution to be made in consideration for the issuance by Enterprise GP to El Paso GP Holdco of a member interest constituting 50% of the issued and outstanding Membership Interests (as defined in the Second Amended and Restated Limited Liability Company Agreement of Enterprise Products GP, LLC (the "Enterprise GP LLC Agreement") of Enterprise GP (the "Enterprise GP Interests"), and (i) Enterprise GP shall cause Enterprise Parent 1 and Enterprise Parent 2 to enter into, and El Paso GP Holdco will enter into, the Second Amended and Restated Limited Liability Company Agreement of Enterprise Products GP, LLC in the form attached hereto as Exhibit 2.2(c), and (ii) El Paso Parent will execute and deliver a guaranty in the form of the GulfTerra Guaranty Agreement regarding the obligations of El Paso GP Holdco thereunder.

(d) Purchase and Sale of GulfTerra Units. On the Step Two Closing Date and prior to the consummation of the Merger, (i) El Paso Sub 3 shall, and El Paso Parent shall cause El Paso Sub 3 to, sell to Enterprise MLP, and Enterprise MLP shall purchase from El Paso Sub 3, 10,937,500 GulfTerra Series C Units, and (ii) El Paso Sub 1 and/or El Paso Sub 2 shall, and El Paso Parent shall cause El Paso Sub 1 and/or El Paso Sub 2 to, sell to Enterprise MLP, and Enterprise MLP shall purchase from El Paso Sub 1 and/or El Paso Sub 2, a total of 2,876,620 Common Units, respectively for a total purchase price of $500 million.

(e) Deliveries at Step Two Closing. At the Step Two Closing:

(i) El Paso GP Holdco shall execute and deliver to Enterprise GP an assignment agreement, in form and substance mutually satisfactory to El Paso GP Holdco and Enterprise GP, pursuant to which El Paso GP Holdco contributes the Remaining Interests to Enterprise GP free and clear of any Encumbrance (other than restrictions on transfer under the GulfTerra GP LLC Agreement or applicable securities Laws);

(ii) Enterprise GP will issue to El Paso GP Holdco the Enterprise GP Interests, which interests will be validly issued, fully paid and non-assessable and will be free and clear of any Encumbrance (other than restrictions on transfer under the Enterprise GP LLC Agreement or applicable securities Laws);

(iii) El Paso Sub 3 shall sell, transfer and convey to Enterprise MLP 10,937,500 GulfTerra Series C Units, and El Paso Sub 1 and/or El Paso Sub 2, shall sell, transfer and convey to Enterprise MLP 2,876,620 GulfTerra Common Units, in each case, free and clear of any Encumbrance (other than restrictions on transfer arising under (A) the agreement of limited partnership of GulfTerra MLP as in effect immediately prior to the Step Two Closing and (B) applicable securities Laws) and, in each case, pursuant to an assignment, in form mutually satisfactory to the applicable Unitholder and Enterprise MLP; and

(iv) Enterprise MLP shall pay, or cause to be paid, to El Paso Sub 3 $395,881,171.00 and to El Paso Sub 1 and/or El Paso Sub 2 a total of $104,118,829.00, such payments to be made by wire transfer of immediately available funds to the accounts specified to Enterprise MLP in writing by each of El Paso Sub 3, and El Paso Sub 1 and (if applicable) El Paso Sub 2 not less than two Business Days prior to the Step Two Closing.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

Section 3.1 Representations and Warranties of El Paso Parent and El Paso GP Holdco Concerning the Transaction. Each of El Paso Parent and El Paso GP Holdco, jointly and severally, represents and warrants to the Enterprise Parties that:

(a) Formation and Standing. Each of El Paso GP Holdco and El Paso Parent has been duly formed and is validly existing under the Laws of its jurisdiction of organization or formation with full legal or corporate power and authority to own, lease and operate its properties and to conduct its businesses as currently owned and conducted except where, individually or in the aggregate, the failure to be so organized, formed or existing or to have such power or authority could not reasonably be expected to have a material adverse effect on the

ability of El Paso GP Holdco to close the transactions contemplated under this Agreement. Each of El Paso GP Holdco and El Paso Parent is duly qualified to do business in each jurisdiction in which the nature of the business conducted by it or the ownership or leasing of its properties requires it to so qualify, except where, individually or in the aggregate, the failure to be so qualified could not reasonably be expected to have a material adverse effect on the ability of El Paso Parent or El Paso GP Holdco to close the transactions contemplated under this Agreement.

(b) Authority and No Conflicts. (i) Each of El Paso Parent and El Paso GP Holdco has all requisite corporate or limited liability company power and authority to enter into this Agreement and to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement by each of El Paso Parent and El Paso GP Holdco and the consummation by each of El Paso Parent and El Paso GP Holdco of the transactions contemplated by this Agreement have been duly and validly authorized by all necessary limited liability company action on the part of El Paso GP Holdco and corporate action on the part of El Paso Parent and no other limited liability company or corporate proceedings on the part of El Paso GP Holdco or El Paso Parent are necessary to authorize this Agreement or to consummate the transactions contemplated hereby.

(i) This Agreement has been duly executed and delivered by each of El Paso GP Holdco and El Paso Parent and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, except as the same may be limited by bankruptcy, insolvency and other applicable Laws affecting creditors' rights generally, and by general principles of equity.

(ii) Neither the execution and delivery of this Agreement by El Paso Parent or El Paso GP Holdco nor the performance by El Paso Parent or El Paso GP Holdco of its obligations hereunder and the completion of the transactions contemplated hereby, will:

(A) conflict with, or violate any provision of, the governing documents of El Paso GP Holdco or El Paso Parent;

(B) other than (I) satisfying applicable requirements of the El Paso Parent Consent Decree and the HSR Act and (II) obtaining or making, as applicable, any other consents, approvals, orders, authorizations, registrations, declarations or filings which, if not obtained or made, could not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the ability of El Paso Parent or El Paso GP Holdco to close the transactions contemplated under this Agreement, violate or breach any Laws applicable to El Paso GP Holdco or El Paso Parent;

(C) other than obtaining or making, as applicable, any other consents, approvals, orders, authorizations, registrations, declarations or filings which, if not obtained or made, could not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the ability of El Paso GP Holdco or El Paso Parent to close the transactions contemplated under this Agreement, violate or conflict with or result in the breach of, or constitute a default (or an event that with the giving of notice, the passage of time, or both would constitute a default) under, or entitle any party (with the giving of notice, the passage of time or both) to terminate, accelerate, modify or call any obligations or rights under any credit

agreement, note, bond, mortgage, indenture, deed of trust, contract, agreement, lease, license, franchise, permit, concession, easement or other instrument to which El Paso GP Holdco or El Paso Parent is a party or by which El Paso GP Holdco, on the one hand, or El Paso Parent or any of its subsidiaries, on the other hand, or their respective properties are bound or subject; or

(D) other than pursuant to the HSR Act and except as could not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the ability of El Paso GP Holdco or El Paso Parent to close the transactions contemplated under this Agreement, result in the imposition of any Encumbrance upon or require the sale or give any person the right to acquire any of the assets of El Paso GP Holdco or El Paso Parent or restrict, hinder, impair or limit the ability of El Paso GP Holdco or El Paso Parent to carry on its business as and where it is now being carried on.

(c) Subject Interest and Remaining Interest. El Paso GP Holdco owns the Class B Membership Interest, a portion of which constitutes the Subject Interest and a portion of which will constitute a portion of the Remaining Interest. The Subject Interest has been, and at the time of the Step Two Closing the Remaining Interest will be, duly authorized, validly issued, fully paid (to the extent required under the GulfTerra GP LLC Agreement) and non-assessable (except as set forth in the GulfTerra GP LLC Agreement and to the extent such non-assessability may be affected by the Delaware Limited Liability Company Act). Except to the extent created under the federal and state securities Laws, the Delaware LLC Act, the Class A Transaction Agreements and for restrictions arising under the Second Amended and Restated GulfTerra GP LLC Agreement, the Subject Interest is, and at the time of the Step Two Closing the Remaining Interest will be, held of record by the El Paso GP Holdco, free and clear of Encumbrances.

(d) No Defaults. Neither El Paso GP Holdco nor El Paso Parent is in default under or violation of, and there has been no event, condition or occurrence which, after notice or lapse of time or both, would constitute such a default or violation of, or permit the termination of, any term, condition or provision of (i) their respective governing documents, (ii) any credit agreement, note, bond, mortgage, indenture, contract, agreement, lease, license, franchise, permit, concession, easement or other instrument to which El Paso GP Holdco or El Paso Parent is a party or by which El Paso GP Holdco or El Paso Parent or any of their respective property is bound or subject, except, in the case of clause (ii), defaults, violations and terminations which, individually or in the aggregate, could not reasonably be expected to have a material adverse effect on the ability of El Paso GP Holdco or El Paso Parent to close the transactions contemplated under this Agreement.

(e) Drag Notice. El Paso GP Holdco has given Goldman the notice required pursuant to Section 3.11(b) of the GulfTerra GP LLC Agreement and all notice time periods under Section 3.11(b) of the GulfTerra GP LLC Agreement have either expired or been waived by Goldman.

(f) Solvency. El Paso Parent, El Paso GP Holdco and GulfTerra GP are, and immediately after giving effect to the transactions contemplated by this Agreement will be, Solvent.

(g) Brokerage and Finder's Fee. Except for Credit Suisse First Boston Corporation (the fees of which are payable by El Paso Parent) none of El Paso Parent, GulfTerra GP, El Paso GP Holdco, any of their affiliates, nor any shareholder, director, officer or employee thereof, has incurred or will incur on behalf of El Paso Parent, GulfTerra GP, El Paso GP Holdco or any affiliate thereof any brokerage, finders' or similar fee in connection with the transactions contemplated by this Agreement.

(h) No Conflicts. Except as set forth in Section 3.2(d)(iii) of the GulfTerra Disclosure Letter, neither the execution and delivery of any of the Transaction Documents by any of the Transaction Parties nor the performance by any of the Transaction Parties of their obligations under the Transaction Documents, including the completion of the transactions contemplated by the Merger Agreement, will violate or conflict with or result in the breach of, or constitute a default (or an event that with the giving of notice, the passage of time, or both, would constitute a default) under, or entitle any person (with the giving of notice, the passage of time, or both) to terminate, accelerate, modify, or call any obligations or rights under any credit agreement, note, bond, mortgage, indenture, deed of trust, contract, agreement, lease, license, franchise, permit, concession, easement, or other instrument to which any of the Global El Paso Entities is a party, or by or to which any of the Global El Paso Entities or their properties are bound or subject.

Section 3.2 Representations and Warranties of El Paso Parent and the Unitholders. Each of El Paso Parent and each Unitholder, jointly and severally, represents and warrants to the Enterprise Parties that:

(a) Ownership, Etc. of Units. Each Unitholder is the record or beneficial owner of the equity interests listed across from the name of such Unitholder on Schedule 1 hereto. Such equity interests are the only equity interests of the GulfTerra MLP that are owned (either beneficially or of record) by such Unitholder. Such Unitholder holds such equity interests free and clear of all Encumbrances other than (i) Encumbrances existing under that certain Security and Intercreditor Agreement, dated as of April 16, 2003, among El Paso Parent, the Persons referred to therein as Pipeline Company Borrowers, the Persons referred to therein as Grantors, each of the Representative Agents, and JPMorgan Chase Bank, as Credit Agreement Administrative Agent and as Collateral Agent, Intercreditor Agent and Depository Bank, which shall be released at or prior to the Step Two Closing and (ii) the obligations of El Paso Parent under the Goldman Agreement to deliver Common Units to Goldman that are held by El Paso Sub 1 in accordance with and subject to the terms and conditions of that agreement. Such Unitholder does not have any commitments to acquire any other equity interests of the Acquirer.

(b) Authority. Each of the Unitholders has all requisite limited liability company power and authority to enter into this Agreement and the GulfTerra Proxy and to perform its obligations hereunder and to consummate the transactions contemplated by this Agreement and the GulfTerra Proxy. The execution and delivery of this Agreement and the GulfTerra Proxy by the Unitholders and the consummation by the Unitholders of the transactions contemplated by this Agreement and the GulfTerra Proxy have been duly and validly authorized by all necessary limited liability company action and no other limited liability company proceedings on the part of any of the Unitholders are necessary to authorize this Agreement or the GulfTerra Proxy or to consummate the transactions contemplated hereby or thereby.

(c) Execution and Delivery. This Agreement and the GulfTerra Proxy have been duly executed and delivered by each of the Unitholders and constitute their respective legal, valid and binding obligation, enforceable against it in accordance with its terms, except as the same may be limited by bankruptcy, insolvency and other applicable Laws affecting creditors' rights generally, and by general principles of equity.

(d) Non-Contravention. Neither the execution and delivery of this Agreement or the GulfTerra Proxy by any of the Unitholders nor the performance by any of them of their obligations hereunder or thereunder and the completion of the transactions contemplated hereby or thereby will:

(i) conflict with, or violate any provision of, the governing documents of the Unitholders;

(ii) other than (A) satisfying applicable requirements of the HSR Act, (B) any filing or filings required or approvals necessary pursuant to any state securities or "blue sky" Laws and (B) obtaining or making, as applicable, any other consents, approvals, orders, authorizations, registrations, declarations or filings which, if not obtained or made, could not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the ability of the Unitholders to consummate the transactions contemplated by this Agreement or the GulfTerra Proxy, violate or breach any applicable Laws;

(iii) other than obtaining or making, as applicable, any other consents, approvals, orders, authorizations, registrations, declarations or filings which, if not obtained or made, could not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the ability of the Unitholders to consummate the transactions contemplated by this Agreement or the GulfTerra Proxy, violate or conflict with or result in the breach of, or constitute a default (or an event that with the giving of notice, the passage of time, or both would constitute a default) under, or entitle any party (with the giving of notice, the passage of time or both) to terminate, accelerate, modify or call any obligations or rights under any credit agreement, note, bond, mortgage, indenture, deed of trust, contract, agreement, lease, license, franchise, permit, concession, easement or other instrument to which any of the Unitholders is a party or by which any of the Unitholders or their property is bound or subject; or

(iv) other than pursuant to the HSR Act and except as could not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the ability of the Unitholders to consummate the transactions contemplated by this Agreement or the GulfTerra Proxy, result in the imposition of any Encumbrance upon or require the sale or give any person the right to acquire any of the assets of any of the Unitholders, other than the transactions contemplated by this Agreement, or restrict, hinder, impair or limit the ability of any of the Unitholders to carry on their businesses as and where they are now being carried on.

(e) No Defaults. None of the Unitholders is in default under or violation of, and there has been no event, condition or occurrence which, after notice or lapse of time or both, would constitute such a default or violation of, or permit the termination of, any term, condition or provision of (i) their respective governing documents, (ii) any credit agreement, note, bond, mortgage, indenture, contract, agreement, lease, license, franchise, permit, concession, easement

or other instrument to which any of the Unitholders is a party or by which any of the Unitholders or any of their property is bound or subject, except, in the case of clause (ii), defaults, violations and terminations which, individually or in the aggregate, could not reasonably be expected to have a material adverse effect on the ability of the Unitholders to consummate the transactions contemplated by this Agreement or the GulfTerra Proxy.

Section 3.3 Representations and Warranties of Enterprise Parties Concerning the Transaction. Each of Enterprise GP, Enterprise GTM and Enterprise MLP, jointly and severally, represents and warrants to El Paso GP Holdco and the Unitholders that:

(a) Organization and Standing. Each of Enterprise GP, Enterprise GTM and Enterprise MLP has been duly organized and is validly existing under the Laws of its jurisdiction of organization with full legal power and authority to own, lease and operate its properties and to conduct its businesses as currently owned and conducted except where, individually or in the aggregate, the failure of to be so organized or existing or to have such power or authority could not reasonably be expected to have an Enterprise Material Adverse Effect. Each of Enterprise GP, Enterprise GTM and Enterprise MLP is duly qualified to do business in each jurisdiction in which the nature of the business conducted by it or the ownership or leasing of its properties requires it to so qualify, except where, individually or in the aggregate, the failure to be so qualified could not reasonably be expected to have an Enterprise Material Adverse Effect.

(b) Authority and No Conflicts.

(i) Each of Enterprise GP and Enterprise MLP has all requisite limited liability company or partnership power and authority to enter into this Agreement and to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement by Enterprise GP, Enterprise GTM and Enterprise MLP and the consummation thereby of the transactions contemplated by this Agreement have been duly and validly authorized by all necessary limited liability company or partnership action and no other proceedings on the part of Enterprise GP, Enterprise GTM or Enterprise MLP are necessary to authorize this Agreement or to consummate the transactions contemplated hereby.

(ii) This Agreement has been duly executed and delivered by Enterprise GP, Enterprise GTM and Enterprise MLP and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, except as the same may be limited by bankruptcy, insolvency and other applicable Laws affecting creditors' rights generally, and by general principles of equity.

(iii) Neither the execution and delivery of this Agreement by Enterprise GP, Enterprise GTM or Enterprise MLP nor the performance by Enterprise GP, Enterprise GTM or Enterprise MLP of its obligations hereunder and the completion of the transactions contemplated hereby, will:

(A) conflict with, or violate any provision of, the governing documents of Enterprise GP, Enterprise GTM or Enterprise MLP;

(B) other than satisfying applicable requirements of the HSR Act and obtaining or making, as applicable, any other consents, approvals, orders, authorizations,

registrations, declarations or filings which, if not obtained or made, could not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the ability of Enterprise GP, Enterprise GTM or Enterprise MLP to close the transactions contemplated under this Agreement, violate or breach any Laws applicable to Enterprise GP, Enterprise GTM or Enterprise MLP;

(C) except as set forth in Section 3.3(b)(iii)(C) of the Enterprise Disclosure Letter and other than obtaining or making, as applicable, any other consents, approvals, orders, authorizations, registrations, declarations or filings which, if not obtained or made, could not, individually or in the aggregate, reasonably be expected to have an Enterprise Material Adverse Effect, violate or conflict with or result in the breach of, or constitute a default (or an event that with the giving of notice, the passage of time, or both would constitute a default) under, or entitle any party (with the giving of notice, the passage of time or both) to terminate, accelerate, modify or call any obligations or rights under any credit agreement, note, bond, mortgage, indenture, deed of trust, contract, agreement, lease, license, franchise, permit, concession, easement or other instrument to which Enterprise GP, Enterprise GTM or Enterprise MLP is a party or by which Enterprise GP, Enterprise GTM or Enterprise MLP or its property is bound or subject; or

(D) other than pursuant to the HSR Act and except as could not, individually or in the aggregate, reasonably be expected to have an Enterprise Material Adverse Effect, result in the imposition of any Encumbrance upon or require the sale or give any person the right to acquire any of the assets of Enterprise GP, Enterprise GTM or Enterprise MLP or restrict, hinder, impair or limit the ability of Enterprise GP, Enterprise GTM or Enterprise MLP to carry on its business as and where it is now being carried on.

(c) No Defaults. None of Enterprise GP, Enterprise GTM or Enterprise MLP is in default under or violation of, and there has been no event, condition or occurrence which, after notice or lapse of time or both, would constitute such a default or violation of, or permit the termination of, any term, condition or provision of (i) its governing documents, (ii) any credit agreement, note, bond, mortgage, indenture, contract, agreement, lease, license, franchise, permit, concession, easement or other instrument to which Enterprise GP, Enterprise GTM or Enterprise MLP is a party or by which Enterprise GP, Enterprise GTM or Enterprise MLP any of its property is bound or subject, except, in the case of clause (ii), defaults, violations and terminations which, individually or in the aggregate, could not reasonably be expected to have an Enterprise Material Adverse Effect.

(d) Brokerage and Finder's Fee. Except for Enterprise OLP's obligations to Lehman Brothers Inc. set forth in the engagement letter dated January 23, 2003 from Lehman Brothers Inc. to Enterprise MLP (a correct and complete copy of which has been delivered to GulfTerra MLP), none of Enterprise GP, Enterprise GTM, Enterprise MLP, its affiliates nor any shareholder, director, officer or employee thereof, has incurred or will incur on behalf of any of Enterprise GP, Enterprise GTM, Enterprise MLP, its affiliates, any brokerage, finders' or similar fee in connection with the transactions contemplated by this Agreement.

(e) Independent Investigation. Each of Enterprise GP, Enterprise GTM and Enterprise MLP has conducted its own independent investigation, review and analysis of the

business, operations, assets, liabilities, results of operations, financial condition and prospects of GulfTerra GP and each of the members of the GulfTerra Partnership Group Entities, both individually and on a consolidated basis, which investigation, review and analysis was done by Enterprise GP, Enterprise GTM or Enterprise MLP, as the case may be, and its respective affiliates and, to the extent Enterprise GP, Enterprise GTM or Enterprise MLP deemed necessary or appropriate, by its representatives (it being understood that Enterprise GP, Enterprise GTM and Enterprise MLP are relying on the representations, warranties, covenants and conditions in this Agreement).

(f) Investment Intent; Investment Experience; Restricted Securities. In acquiring the Remaining Interest and the Subject Interest, none of Enterprise GP, Enterprise GTM or Enterprise MLP is offering or selling, and shall not offer or sell the Remaining Interest or the Subject Interest, for El Paso GP Holdco in connection with any distribution of any of such Remaining Interest or Subject Interest, and none of Enterprise GP, Enterprise GTM or Enterprise MLP has a participation and shall not participate in any such undertaking or in any underwriting of such an undertaking except in compliance with applicable federal and state securities laws. Each of Enterprise GP, Enterprise GTM and Enterprise MLP acknowledges that it is able to fend for itself, can bear the economic risk of its investment in the Remaining Interest and the Subject Interest, respectively, and has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of an investment in all of such Remaining Interest or Subject Interest, as applicable. Enterprise GP, Enterprise GTM and Enterprise MLP are "accredited investors" as such term is defined in Regulation D under the Securities Act. Each of Enterprise GP, Enterprise GTM and Enterprise MLP understands that none of the Remaining Interest or the Subject Interest shall have been registered pursuant to the Securities Act or any applicable state securities laws, that all of such Remaining Interest or Subject Interest shall be characterized as "restricted securities" under federal securities laws and that under such laws and applicable regulations none of such Remaining Interest or Subject Interest can be sold or otherwise disposed of without registration under the Securities Act or an exemption therefrom.

(g) Status. Enterprise MLP is not an employee benefit plan or other organization exempt from taxation pursuant to Section 501(a) of the Code, a non-resident alien, a foreign corporation or other foreign Person, or a regulated investment company within the meaning of Section 851 of the Code.

Section 3.4 Representations and Warranties Concerning GulfTerra GP and GulfTerra MLP. El Paso GP Holdco hereby represents and warrants to Enterprise GP, Enterprise GTM and Enterprise MLP that:

(a) Organization and Standing. Each of the GulfTerra Partnership Group Entities has been duly organized or formed and is validly existing under the Laws of its jurisdiction of organization or formation with full corporate or legal power and authority to own, lease and operate its properties and to conduct its businesses as currently owned and conducted except where, individually or in the aggregate, the failure of a GulfTerra Partnership Group Entity to be so organized, formed or existing or to have such power or authority could not reasonably be expected to have a GulfTerra Material Adverse Effect. Each of the GulfTerra Partnership Group Entities is duly qualified to do business in each jurisdiction in which the nature of the business conducted by it or the ownership or leasing of its properties requires it to

so qualify, except where, individually or in the aggregate, the failure to be so qualified could not reasonably be expected to have a GulfTerra Material Adverse Effect. GulfTerra GP was formed on May 2, 2003.

(b) No Defaults. None of the GulfTerra Partnership Group Entities is in default under or violation of, and there has been no event, condition or occurrence which, after notice or lapse of time or both, would constitute such a default or violation of, or permit the termination of, any term, condition or provision of (i) their respective governing documents, (ii) any credit agreement, note, bond, mortgage, indenture, contract, agreement, lease, license, franchise, permit, concession, easement or other instrument to which any of the GulfTerra Partnership Group Entities is a party or by which any of the GulfTerra Partnership Group Entities or any of their respective property is bound or subject, except, in the case of clause (ii), defaults, violations and terminations which, individually or in the aggregate, could not reasonably be expected to have a GulfTerra Material Adverse Effect.

(c) Capitalization of GulfTerra GP. GulfTerra GP is the sole general partner of GulfTerra MLP. GulfTerra GP is the sole record and beneficial owner of the general partner interest in GulfTerra MLP, and such general partner interest has been duly authorized and validly issued in accordance with the GulfTerra Partnership Agreement. Except for any Encumbrances arising under the governing documents of any GulfTerra Party, applicable securities Laws, the Exchange and Registration Rights Agreement or this Agreement, GulfTerra GP owns such general partner interest free and clear of any Encumbrances.

(d) Capitalization of GulfTerra MLP. As of the Execution Date, GulfTerra MLP has no limited partner interests issued and outstanding other than the following:

(i) 58,361,149 GulfTerra Common Units, which includes the following (the balance of GulfTerra Common Units having been issued to the general public):

(A) 8,262,902 GulfTerra Common Units issued to El Paso Sub 1, and with respect to which El Paso Sub 1 is the sole holder of record;

(B) 2,821,343 GulfTerra Common Units issued to El Paso Sub 2, and with respect to which El Paso Sub 2 is the sole holder of record; and

(C) 3,000,000 GulfTerra Common Units issued to Goldman, and with respect to which Goldman is the sole holder of record;

(ii) outstanding options to purchase 1,159,500 GulfTerra Common Units at the exercise prices and with the vesting schedules set forth in Section 3.4(d) of the GulfTerra Disclosure Letter;

(iii) outstanding awards for the issuance of 37,292 restricted GulfTerra Common Units having the vesting schedules set forth in Section 3.4(d) of the GulfTerra Disclosure Letter;

(iv) 10,937,500 GulfTerra Series C Units issued to El Paso Sub 3, and with respect to which El Paso Sub 3 is the sole holder of record;

(v) 80 GulfTerra Series F Units (consisting of 80 Series F1 Convertible Units and 80 Series F2 Convertible Units as defined in the Statement of Rights, Privileges and Limitations of Series F Convertible Units of GulfTerra MLP dated May 16, 2003) issued to Fletcher International, Inc. ("Fletcher"), and with respect to which Fletcher is the sole holder of record; and

(vi) Goldman's right to acquire GulfTerra Common Units from GulfTerra MLP under the Exchange and Registration Rights Agreement, which rights are being waived pursuant to the Goldman Agreement.

Each of such GulfTerra Units and the limited partner interests represented thereby have been duly authorized and validly issued in accordance with applicable Laws and the GulfTerra Partnership Agreement, and are fully paid (to the extent required under the GulfTerra Partnership Agreement) and non-assessable (except to the extent such non-assessability may be affected by Section 17-607 of the Delaware Revised Uniform Limited Partnership Act). Such GulfTerra Units were not issued in violation of pre-emptive or similar rights or any other agreement or understanding binding on GulfTerra MLP. All of the outstanding equity interests of the subsidiaries of GulfTerra MLP and the Partially Owned Entities which are held, directly or indirectly, by GulfTerra MLP have been duly authorized and are validly issued, fully paid (to the extent required under the applicable governing documents) and non-assessable (except (1) with respect to general partner interests, (2) as set forth to the contrary in the applicable governing documents and (3) to the extent such non-assessability may be affected by the Delaware Revised Uniform Limited Partnership Act or the Delaware Limited Liability Company Act) and were not issued in violation of pre-emptive or similar rights; and all such equity interests are owned, directly or indirectly, by GulfTerra MLP, free and clear of all Encumbrances, except for applicable securities Laws, restrictions on transfers contained in governing documents and as set forth in Section 3.4(b) of the GulfTerra Disclosure Letter.

(e) Except as described in Sections 3.4(b) and 3.4(c) of the GulfTerra Disclosure Letter: (i) there are no outstanding options, warrants, subscriptions, puts, calls or other rights, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) obligating any of the GulfTerra Partnership Group Entities to offer, issue, sell, redeem, repurchase, otherwise acquire or transfer, pledge or Encumber any equity interest in any of the GulfTerra Partnership Group Entities; (ii) there are no outstanding securities or obligations of any kind of any of the GulfTerra Partnership Group Entities which are convertible into or exercisable or exchangeable for any equity interest in any of the GulfTerra Partnership Group Entities or any other person, and none of the GulfTerra Partnership Group Entities has any obligation of any kind to issue any additional securities or to pay for or repurchase any securities; (iii) there are not outstanding any stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based on the book value, income or any other attribute of any of the GulfTerra Partnership Group Entities; (iv) there are no outstanding bonds, debentures or other evidence of indebtedness of any of the GulfTerra Partnership Group Entities having the right to vote (or that are exchangeable for or convertible or exercisable into securities having the right to vote) with the holders of the GulfTerra Common Units on any matter; and (v) except as described in the GulfTerra Partnership Agreement, there are no unitholder agreements, proxies (other than the GulfTerra Proxy), voting trusts, rights to require registration under securities Laws or other arrangements or commitments to which any of the GulfTerra

Partnership Group Entities is a party or by which any of their securities are bound with respect to the voting, disposition or registration of any outstanding securities of any of the GulfTerra Partnership Group Entities (provided that the foregoing shall not apply to any such restriction on voting or disposition that any holder of GulfTerra Common Units (other than affiliates of El Paso Parent) may have imposed upon such GulfTerra Common Units).

(f) Reports; Financial Statements.

(i) Since January 1, 2000, GulfTerra MLP has filed all forms, reports, schedules, statements and other documents required by Law to be filed or furnished with the SEC by any of the GulfTerra Partnership Group Entities under the Exchange Act or the Securities Act (collectively, together with all other documents filed by GulfTerra MLP with the SEC since January 1, 2000, the "GulfTerra SEC Reports"), except in each case where the failure to file any such forms, reports, schedules, statements or other documents could not reasonably be expected to have a GulfTerra Material Adverse Effect. The GulfTerra SEC Reports at the time filed (x) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements contained therein not misleading in light of the circumstances under which they were made and (y) complied in all material respects with the requirements of applicable Laws (including the Securities Act, the Exchange Act and the rules and regulations thereunder). Other than filings in connection with Rule 144A offerings with respect to wholly-owned subsidiaries of GulfTerra MLP, no subsidiary of GulfTerra MLP is required to file periodic reports with the SEC, either pursuant to the requirements of the Exchange Act or by contract.

(ii) GulfTerra MLP has heretofore furnished to Enterprise MLP complete and correct copies of (i) all contracts, agreements, documents and other instruments not yet filed by GulfTerra MLP with the SEC but that are currently in effect and that any of the GulfTerra Partnership Group Entities will be required to or expect to file with or furnish to the SEC as exhibits in an annual or periodic report after the Execution Date and (ii) all amendments and modifications that have not been filed by GulfTerra MLP with the SEC but are currently in effect to all agreements, documents and other instruments that have been filed by any of the GulfTerra Partnership Group Entities with the SEC since January 1, 2000.

(iii) Attached as Section 3.5(c) of the GulfTerra Disclosure Letter are copies of the unaudited financial statements as of September 30, 2003 of GulfTerra GP (the "GulfTerra GP Financial Statements"). The consolidated financial statements (including, in each case, any related notes thereto) of GulfTerra MLP contained in any GulfTerra SEC Reports and the GulfTerra GP Financial Statements (i) have been prepared in accordance with GAAP (subject, in the case of unaudited financial statements, to the absence of footnote disclosures required by GAAP), (ii) complied in all material respects with the requirements of applicable securities Laws, and (iii) fairly present, in all material respects, the consolidated financial positions, results of operations, cash flows, partners' capital and comprehensive income and changes in accumulated other comprehensive income, as applicable, of the applicable GulfTerra Partnership Group Entities as of the respective dates thereof and for the respective periods covered thereby, subject, in the case of unaudited financial statements, to normal, recurring audit adjustments none of which will be material. Except as disclosed on the GulfTerra MLP September 30, 2003 Balance Sheet or the GulfTerra GP September 30, 2003 Balance Sheet, none

of the GulfTerra Partnership Group Entities has any indebtedness or liability, absolute or contingent, other than (i) liabilities as of September 30, 2003 that are not required by GAAP to be included in the GulfTerra MLP September 30, 2003 Balance Sheet or the GulfTerra GP September 30, 2003 Balance Sheet, (ii) liabilities incurred or accrued in the ordinary course of business consistent with past practice since September 30, 2003, (iii) liabilities disclosed in any GulfTerra SEC Reports filed since September 30, 2003 or (iv) liabilities incurred or accrued as permitted under Section 5.1(b) of the Merger Agreement.

(g) Absence of Certain Changes or Events.

(i) Except as set forth on Section 3.6 of the GulfTerra Disclosure Letter or as disclosed in any GulfTerra SEC Report filed before the Execution Date, between September 30, 2003 and the Execution Date, the business of the GulfTerra Partnership Group Entities, taken as a whole, has been conducted in the ordinary course consistent with past practices, and none of the GulfTerra Partnership Group Entities has taken any of the actions prohibited by Section 5.1(b) of the Merger Agreement, except in connection with entering into this Agreement.

(ii) Since September 30, 2003, except as disclosed in any GulfTerra SEC Report filed before the Execution Date, there have not been any events or conditions that have had, or could reasonably be expected to have, a GulfTerra Material Adverse Effect.

(h) Compliance with Laws; Permits.

(i) The GulfTerra Partnership Group Entities are in compliance, and at all times since January 1, 2001 have complied, with all applicable Laws other than non-compliance which could not, individually or in the aggregate, reasonably be expected to have a GulfTerra Material Adverse Effect.

(ii) The GulfTerra Partnership Group Entities are in possession of all franchises, grants, authorizations, licenses, permits, easements, variances, exemptions, consents, certificates, approvals and orders necessary to own, lease and operate their properties and to lawfully carry on their businesses as they are now being conducted (collectively, the "GulfTerra Permits"), except as disclosed in Section 3.7(b) of the GulfTerra Disclosure Letter, in the GulfTerra SEC Reports or where the failure to be in possession of such GulfTerra Permits could not, individually or in the aggregate, be reasonably expected to have a GulfTerra Material Adverse Effect. None of the GulfTerra Partnership Group Entities is in conflict with, or in default or violation of any of the GulfTerra Permits, except for any such conflicts, defaults or violations which could not, individually or in the aggregate, reasonably be expected to have a GulfTerra Material Adverse Effect.

(i) Litigation. Except as disclosed in Section 3.8 of the GulfTerra Disclosure Letter, in the GulfTerra SEC Reports, or for matters that could not reasonably be expected to have, individually or in the aggregate, a GulfTerra Material Adverse Effect, (i) there are no claims, actions, proceedings (public or private) investigations or reviews pending or, to the knowledge of El Paso GP Holdco, threatened against any of the GulfTerra Partnership Group Entities by or before any Governmental Entity, and (ii) El Paso GP Holdco has no knowledge of

any facts that such persons reasonably believe are likely to give rise to any such claim, action, proceeding, investigation or review. Other than the El Paso Parent Consent Decree, none of the GulfTerra Partnership Group Entities, nor any of their respective assets and properties, is subject to any outstanding judgment, order, writ, injunction or decree that has had or could reasonably be expected to have, individually or in the aggregate, a GulfTerra Material Adverse Effect.

(j) Environmental Matters. Except as disclosed in the GulfTerra SEC Reports or for matters that could not reasonably be expected to have, individually or in the aggregate, a GulfTerra Material Adverse Effect: (a) the GulfTerra Partnership Group Entities and their respective businesses, operations, and properties have been and are in compliance with all Environmental Laws and all permits, registrations, licenses, approvals, exemptions, variances, and other authorizations required of the GulfTerra Partnership Group Entities under Environmental Laws ("GulfTerra Environmental Permits"); (b) the GulfTerra Partnership Group Entities have obtained or filed for all GulfTerra Environmental Permits for their respective businesses, operations, and properties as they currently exist and all such GulfTerra Environmental Permits are currently in full force and effect; (c) the GulfTerra Partnership Group Entities and their respective businesses, operations, and properties are not subject to any pending or, to the knowledge of El Paso GP Holdco, threatened claims, actions, suits, investigations, inquiries or proceedings under Environmental Laws; (d) there have been no Releases or, to the knowledge of El Paso GP Holdco, threatened Releases of Hazardous Substances on, under or from the properties of the GulfTerra Partnership Group Entities; (e) none of the GulfTerra Partnership Group Entities has, to the knowledge of El Paso GP Holdco, received any written notice asserting an alleged liability or obligation under any Environmental Laws against the GulfTerra Partnership Group Entities with respect to the actual or alleged Hazardous Substance contamination of any property offsite of the properties of the GulfTerra Partnership Group Entities; (f) to the knowledge of El Paso GP Holdco, there has been no exposure of any person or property to Hazardous Substances in connection with the GulfTerra Partnership Group Entities' businesses, operations, or properties that could reasonably be expected to lead to tort claims by third parties for damages or compensation; and (g) the GulfTerra Partnership Group Entities have made available to the Enterprise Parties complete and correct information regarding compliance matters relating to Environmental Laws in the possession of the GulfTerra Partnership Group Entities and relating to their respective businesses, operations, or properties.

(k) Contracts. Except for contracts filed as exhibits to the GulfTerra SEC Reports, Section 3.10 of the GulfTerra Disclosure Letter lists as of the Execution Date all written or, to the knowledge of El Paso GP Holdco, oral contracts, agreements, guarantees, leases and executory commitments other than GulfTerra Plans to which any of the GulfTerra Partnership Group Entities are a party or by which their assets are bound and which fall within any of the following categories: (i) contracts not entered into in the ordinary course of the GulfTerra Partnership Group Entities' business other than those that are not material to the business of the GulfTerra Partnership Group Entities, (ii) contracts which after the Effective Time would have the effect of limiting the freedom of any of the Enterprise Partnership Group Entities (other than the GulfTerra Partnership Group Entities) to compete in any line of business in any geographic area, (iii) contracts relating to any outstanding commitment for capital expenditures in excess of $10,000,000, (iv) contracts with any labor union or organization, (v) except as reflected in the financial statements included in the GulfTerra SEC Reports, indentures, mortgages, liens, promissory notes, loan agreements, guarantees or other arrangements relating to the borrowing of

money by any of the GulfTerra Partnership Group Entities, (vi) contracts containing provisions triggered by change of control of any of the GulfTerra Partnership Group Entities or other similar provisions, (vii) contracts in favor of directors or officers that provide rights to indemnification, and (viii) contracts between one or more GulfTerra Partnership Group Entities and El Paso Parent or one or more affiliates of El Paso Parent (other than the GulfTerra Partnership Group Entities). All such contracts (including those filed as exhibits to the GulfTerra SEC Reports) and all other contracts that are individually material to the business or operations of the GulfTerra Partnership Group Entities taken as a whole are valid and binding obligations of the GulfTerra Partnership Group Entities that are parties thereto and, to the knowledge of El Paso GP Holdco, the valid and binding obligation of each other party thereto except such contracts which if not so valid and binding could not, individually or in the aggregate, reasonably be expected to have a GulfTerra Material Adverse Effect. True and complete copies of all such contracts have been delivered or have been made available by GulfTerra MLP to Enterprise MLP. No GulfTerra Partnership Group Entity is in breach of or in default under any such contract except for such breaches and defaults that could not reasonably be expected to have, individually or in the aggregate, a GulfTerra Material Adverse Effect.

(l) Restrictions on Business Activities. Except as set forth on Section 3.11 of the GulfTerra Disclosure Letter, there is no agreement, judgment, injunction, order or decree binding upon any of the GulfTerra Partnership Group Entities that has or could be reasonably expected to have the effect of prohibiting, restricting or materially impairing any business practice of any of the GulfTerra Partnership Group Entities, any acquisition of property by any of the GulfTerra Partnership Group Entities, the purchase of goods or services from any party, the hiring of any individual or groups of individuals or the conduct of business by any of the GulfTerra Partnership Group Entities as currently conducted other than such agreements, judgments, injunctions, orders or decrees which could not, individually or in the aggregate, reasonably be expected to have a GulfTerra Material Adverse Effect.

(m) Intellectual Property.

(i) Except for the items listed on Section 5.9 of the GulfTerra Disclosure Letter, the GulfTerra Partnership Group Entities, directly or indirectly, own, license or otherwise have legally enforceable rights to use all patents, patent rights, trademarks, trade names, service marks, copyrights and any applications therefore, technology, know-how, computer software and applications and tangible or intangible proprietary information or materials, that are used in the business of the GulfTerra Partnership Group Entities as presently conducted (the "GulfTerra Intellectual Property Rights") and each such ownership, license, and right to use will not be adversely affected by the transactions contemplated by this Agreement or the Merger Agreement. Upon satisfaction of the obligations of El Paso Parent pursuant to Section 4.6, GulfTerra MLP will own, license or otherwise have legally enforceable rights to use intellectual property of the type described in this Section 3.4(m) sufficient to operate the business of the GulfTerra Partnership Group Entities consistent with past practices.

(ii) In the case of GulfTerra Intellectual Property Rights owned by any of the GulfTerra Partnership Group Entities, such GulfTerra Partnership Group Entities own such GulfTerra Intellectual Property Rights free and clear of any Encumbrances (other than Permitted Encumbrances) except where the presence of any such Encumbrances could not

reasonably be expected to have, individually or in the aggregate, a GulfTerra Material Adverse Effect. One or more of the GulfTerra Partnership Group Entities have an adequate right to the use of the GulfTerra Intellectual Property Rights or the material covered thereby in connection with the services or products in respect of which such GulfTerra Intellectual Property Rights are being used except where the lack of any such right could not reasonably be expected to have, individually or in the aggregate, a GulfTerra Material Adverse Effect. None of the GulfTerra Partnership Group Entities has received any written notice or claim, or any other information, stating that the manufacture, sale, licensing, or use of any of the services or products of any of the GulfTerra Partnership Group Entities as now manufactured, sold, licensed or used or proposed for manufacture, sale, licensing or use by any of the GulfTerra Partnership Group Entities in the ordinary course of their business as presently conducted infringes on any copyright, patent, trade mark, service mark or trade secret of a third party except where such infringement could not reasonably be expected to have, individually or in the aggregate, a GulfTerra Material Adverse Effect. None of the GulfTerra Partnership Group Entities has received any written notice or claim, or any other information, stating that the use by any of the GulfTerra Partnership Group Entities of any trademarks, service marks, trade names, trade secrets, copyrights, patents, technology or know-how and applications used in their business as presently conducted infringes on any other person's trademarks, service marks, trade names, trade secrets, copyrights, patents, technology or know-how and applications, except where such infringement could not reasonably be expected to have, individually or in the aggregate, a GulfTerra Material Adverse Effect. None of the GulfTerra Partnership Group Entities has received any written notice or claim, or any other information, challenging the ownership by any of the GulfTerra Partnership Group Entities or the validity of any of the GulfTerra Intellectual Property Rights except where the absence of any such ownership could not reasonably be expected to have, individually or in the aggregate, a GulfTerra Material Adverse Effect. All registered patents, trademarks, service marks and copyrights held by any of the GulfTerra Partnership Group Entities are subsisting, except to the extent any failure to be subsisting could not reasonably be expected to have, individually or in the aggregate, a GulfTerra Material Adverse Effect. To the knowledge of El Paso GP Holdco, there is no unauthorized use, infringement or misappropriation of any of the GulfTerra Intellectual Property Rights by any third party, including any employee or former employee of any of the GulfTerra Partnership Group Entities, except where any such unauthorized use, infringement or misappropriation would not have or would reasonably be expected not to have, individually or in the aggregate, a GulfTerra Material Adverse Effect. No GulfTerra Intellectual Property Right is subject to any known outstanding decree, order, judgment, or stipulation restricting in any manner the licensing thereof by any of the GulfTerra Partnership Group Entities, except to the extent any such restriction could not reasonably be expected to have, individually or in the aggregate, a GulfTerra Material Adverse Effect.

(n) Property.

(i) Upon the satisfaction of the obligations of El Paso Parent pursuant to Section 4.6, GulfTerra MLP will own tangible personal property sufficient to operate the businesses of the GulfTerra Partnership Group Entities consistent with past practices.

(ii) Except for Permitted Encumbrances, failures that could not reasonably be expected to have, individually or in the aggregate, a GulfTerra Material Adverse

Effect or as set forth in the GulfTerra SEC Reports or on Section 3.13(b) of the GulfTerra Disclosure Letter, the GulfTerra Partnership Group Entities have defensible title or enforceable rights to use (or, with respect to pipelines, equipment and other tangible personal property used in connection with the GulfTerra Partnership Group Entities' pipeline operations (collectively, "GulfTerra Pipeline Assets"), title to or interest in the applicable GulfTerra Pipeline Assets sufficient to enable the GulfTerra Partnership Group Entities to conduct their businesses with respect thereto without interference as it is currently being conducted) to all their properties and assets, whether tangible or intangible, real, personal or mixed, free and clear of all liens.

(iii) Except for violations that could not reasonably be expected to have, individually or in the aggregate, a GulfTerra Material Adverse Effect or as set forth in the GulfTerra SEC Reports or on Section 3.13(c) of the GulfTerra Disclosure Letter, the businesses of the GulfTerra Partnership Group Entities have been and are being operated in a manner which does not violate the terms of any easements, rights of way, permits, servitudes, licenses, leasehold estates and similar rights relating to real property (collectively, "GulfTerra Easements") used by the GulfTerra Partnership Group Entities in such businesses. All GulfTerra Easements are valid and enforceable, except as the enforceability thereof may be affected by bankruptcy, insolvency or other Laws of general applicability affecting the rights of creditors generally or principles of equity, and grant the rights purported to be granted thereby and all rights necessary thereunder for the current operation of such businesses, except where the failure of any such GulfTerra Easement to be valid and enforceable or to grant the rights purported to be granted thereby or necessary thereunder would have a GulfTerra Material Adverse Effect. Except as set forth in Section 3.13(c) of the GulfTerra Disclosure Letter, there are no special gaps in the GulfTerra Easements that would impair the conduct of such businesses in a manner that could reasonably be expected to have, individually or in the aggregate, a GulfTerra Material Adverse Effect, and no part of the GulfTerra Pipeline Assets is located on property that is not owned in fee by a GulfTerra Partnership Group Entity or subject to an Easement in favor of a GulfTerra Partnership Group Entity, where the failure of such GulfTerra Pipeline Asset to be so located could reasonably be expected to have, individually or in the aggregate, a GulfTerra Material Adverse Effect.

(o) Labor Matters. Except as set forth on Section 3.14 of the GulfTerra Disclosure Letter, none of the GulfTerra Partnership Group Entities (a) is a party to, or bound by, any collective bargaining agreement or other contract with a labor union or labor organization or knows of any claims initiated by any labor organization to represent any of its employees not currently represented by a labor organization or (b) is the subject of any proceeding asserting that it has committed an unfair labor practice or knows of any threatened claims alleging that it has committed an unfair labor practice or (c) is the subject of any strike, work stoppage or other labor dispute.

(p) Employee Benefit Matters.

(i) Section 3.15 of the GulfTerra Disclosure Letter contains a correct and complete list of the GulfTerra Related Employees. Section 3.15 of the GulfTerra Disclosure Letter sets forth separately (A) the aggregate monetary liability that will be payable by any GulfTerra Partnership Group Entity under or with respect to each GulfTerra Plan and each El Paso Plan as a result of the consummation of the transactions contemplated by this Agreement

(without giving effect to Enterprise MLP's or GulfTerra MLP's obligations under Section 4.21 and based on the assumptions set forth in Section 3.15 of the GulfTerra Disclosure Letter) and (B) the maximum aggregate monetary liability of El Paso Parent and its affiliates for severance obligations under all El Paso Plans relating to the GulfTerra Related Employees based on the assumptions set forth in Section 3.15 of the GulfTerra Disclosure Letter. The El Paso Plans described in the preceding sentence are listed in Section 3.15 of the GulfTerra Disclosure Letter and are referred to herein as the "Designated Severance Plans." Except as set forth on Section 3.15 of the GulfTerra Disclosure Letter or otherwise required by Section 4.21, the transactions contemplated by this Agreement will not accelerate the time of payment or vesting, increase the amount of compensation due or result in a severance payment for any GulfTerra Related Employee or any current or former director, officer or employee (or any beneficiary thereof) for which any of the GulfTerra Partnership Group Entities or Enterprise Partnership Group Entities will be liable.

(ii) None of the GulfTerra Partnership Group Entities or any entity required to be aggregated therewith pursuant to Section 414 of the Code has any liability with respect to or based upon any pension plan that is or was subject to the provisions of Title IV of ERISA or Section 412 of the Code, including a multiemployer pension plan as defined in Section 3(37) of ERISA, other than contingent joint and several liability pursuant to a GulfTerra Plan that is subject to Title IV of ERISA and which has not been terminated.

(iii) Although GulfTerra Partnership Group Entities receive services from personnel on the payroll of El Paso Parent and its affiliates, on the Execution Date, none of the GulfTerra Partnership Group Entities has any employees.

(q) Insurance. Each of the GulfTerra Partnership Group Entities and their respective businesses and properties are, and have been continuously since January 1, 2000, insured by reputable and financially responsible insurers in amounts, against risks and losses, and with retentions as are customary for companies conducting their respective businesses. The insurance policies covering the GulfTerra Partnership Group Entities and their respective businesses and properties are in all material respects in full force and effect in accordance with their terms, no notice of cancellation or termination has been received, and there is no existing default or event which, with the giving of notice or lapse of time or both would constitute a default thereunder. Section 3.16 of the GulfTerra Disclosure Letter sets forth a correct and complete list of all such policies and, with respect to each such policy, a correct and complete description of (a) the scope of coverage, (b) deductibles and similar amounts, (c) the aggregate limits and available coverage (if less than the aggregate limits) as of the Execution Date and (d) whether such policy is written on a "claims made" or "occurrence" basis. There are no outstanding claims made by any of the insured parties in excess of the deductibles identified on Section 3.16 of the GulfTerra Disclosure Letter that are not covered under such policies, and, to the knowledge of El Paso GP Holdco, there has not occurred any event that might reasonably form the basis of any claim in excess of the deductibles identified on Section 3.16 of the GulfTerra Disclosure Letter that is not covered under such policies.

(r) Taxes. Except as set forth in Section 3.17 of the GulfTerra Disclosure Letter: (i) all Tax Returns that were required to be filed by or with respect to any of the GulfTerra Partnership Group Entities have been duly and timely filed, (ii) all items of income,

gain, loss, deduction and credit or other items required to be included in each such Tax Return have been so included, (iii) all Taxes owed by any of the GulfTerra Partnership Group Entities that are or have become due have been timely paid in full or an adequate reserve for the payment of such Taxes has been established, (iv) all Tax withholding and deposit requirements imposed on or with respect to any of the GulfTerra Partnership Group Entities have been satisfied in full in all respects, (v) there are no Encumbrances on any of the assets of any of the GulfTerra Partnership Group Entities that arose in connection with any failure (or alleged failure) to pay any Tax, (vi) there is no written claim against the GulfTerra Partnership Group Entities for any Taxes, and no assessment, deficiency or adjustment has been asserted, proposed, or threatened in writing with respect to any Tax Return of or with respect to any of the GulfTerra Partnership Group Entities, (vii) there is not in force any extension of time with respect to the due date for the filing of any Tax Return of or with respect to any of the GulfTerra Partnership Group Entities or any waiver or agreement for any extension of time for the assessment or payment of any Tax of or with respect to any of the GulfTerra Partnership Group Entities, (viii) none of the GulfTerra Partnership Group Entities will be required to include any amount in income for any taxable period beginning after December 31, 2003 as a result of a change in accounting method for any taxable period ending on or before the Closing Date or pursuant to any agreement with any Tax authority with respect to any such taxable period, (ix) none of the GulfTerra Partnership Group Entities is a party to a Tax allocation or sharing agreement, and no payments are due or will become due by any of the GulfTerra Partnership Group Entities pursuant to any such agreement or arrangement or any tax indemnification agreement, (x) none of the GulfTerra Partnership Group Entities has been a member of an affiliated group filing a consolidated federal income Tax Return or has any liability for the Taxes of any Person (other than a GulfTerra Partnership Group Entity) under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local, or foreign Law), as a transferee or successor, by contract, or otherwise, and (xi) at least 90% of the gross income of GulfTerra MLP for each taxable year since its formation has been from sources that GulfTerra MLP's counsel has opined will be treated as "qualifying income" within the meaning of section 7704(d) of the Code.

(s) Regulatory Proceedings. Except as set forth in the GulfTerra SEC Reports or in Section 3.18 of the GulfTerra Disclosure Letter, none of the GulfTerra Partnership Group Entities, all or part of whose rates or services are regulated by a Governmental Entity, is a party to any proceeding before a Governmental Entity which could reasonably be expected to result in orders having a GulfTerra Material Adverse Effect, nor to the knowledge of El Paso GP Holdco, has written notice of any such proceeding been received by any of the GulfTerra Partnership Group Entities.

(t) Regulation as a Utility. None of the GulfTerra Partnership Group Entities is (a) a "public-utility company" or a "holding company" or (b) a "subsidiary company" or an "affiliate" of a "public-utility company" or a "holding company," as such terms are defined in PUHCA.

(u) Futures Trading and Fixed Price Exposure. Prior to the Execution Date and in the ordinary course of business, GulfTerra MLP has established risk parameters to restrict the level of risk that the GulfTerra Partnership Group Entities are authorized to take with respect to the open position resulting from all physical commodity transactions, exchange traded futures and options and over-the-counter derivative instruments (the "Open GulfTerra Position") and

monitors the compliance by the GulfTerra Partnership Group Entities with such risk parameters. Such risk parameters as of the Execution Date are set forth on Section 3.20 of the GulfTerra Disclosure Letter. Such risk parameters may be modified only by the GulfTerra MLP. The Open GulfTerra Position is within such risk parameters.

ARTICLE IV

COVENANTS AND AGREEMENTS

Section 4.1 Conduct of Business. El Paso Parent and El Paso GP Holdco shall use their commercially reasonable efforts to cause their respective affiliates to comply with the provisions of Section 5.1 of the Merger Agreement.

Section 4.2 Access to Information.

(a) Subject to Section 4.2(b) and applicable Laws, upon reasonable notice to Michael A. Creel or John E. Smith II with respect to the Enterprise Parties and Bill Manias or Greg Jones with respect to the El Paso Parties, El Paso Parent shall use its commercially reasonable efforts to cause the GulfTerra Partnership Group Entities to afford the officers, employees, counsel, accountants and other authorized representatives and advisors of the Enterprise Parties reasonable access, during normal business hours from the Execution Date until the earlier to occur of the Effective Time and the termination of the Merger Agreement, to GulfTerra Partnership Group Entities' properties, books, contracts and records as well as to their management personnel; provided that such access shall be provided on a basis that minimizes the disruption to the operations of the GulfTerra Partnership Group Entities. Subject to Section 4.2(b) and applicable Laws, during such period, El Paso Parent shall use its commercially reasonable efforts to cause the GulfTerra Partnership Group Entities to furnish promptly to the Enterprise Parties all information concerning the disclosing GulfTerra Partnership Group Entities' business, properties and personnel as the Enterprise Parties may reasonably request. Notwithstanding the foregoing, El Paso Parent shall have no obligation to use any efforts to cause the GulfTerra Partnership Group Entities to disclose or provide access to any information the disclosure of which El Paso Parent or the GulfTerra Partnership Group Entities have concluded may jeopardize any privilege available to such parties relating to such information or would be in violation of a confidentiality obligation binding on El Paso Parent or the El Paso Partnership Group.

(b) The parties acknowledge that certain information received pursuant to Section 4.2(a) will be non-public or proprietary in nature and as such will be deemed to be "Confidential Information" for purposes of the Confidentiality Agreement. Each party further agrees to be bound by the terms and conditions of the Confidentiality Agreement (except that the term of the Confidentiality Agreement set forth in Section 13 thereof shall be two years from the Execution Date) and to maintain the confidentiality of such Confidential Information in accordance with the Confidentiality Agreement.

Section 4.3 Certain Filings. El Paso Parent shall use its commercially reasonable efforts, as promptly as practicable following the Execution Date, (a) to cause the GulfTerra Partnership Group Entities to prepare and file with the Federal Trade Commission and the U.S. Department of Justice the appropriate filings and any supplemental information which may be

reasonably requested in connection therewith under the HSR Act, (b) to cause GulfTerra MLP to duly call and hold a GulfTerra Unitholders' Meeting as soon as practicable after the Execution Date to consider and vote upon the adoption of the Merger Agreement, (c) to cause GulfTerra MLP to prepare and file with the SEC a joint proxy statement/prospectus to be distributed to the GulfTerra Unitholders and Enterprise Unitholders in connection with the GulfTerra Unitholders' Meeting and Enterprise Unitholders' Meeting (the "Joint Proxy Statement/Prospectus") and to be part of the Registration Statement, and (d) to cause the GulfTerra Partnership Group Entities to make all required filings under applicable state securities and blue sky Laws; provided, however, that no such filings shall be required in any jurisdiction where, as a result thereof, El Paso Parent or any of the GulfTerra Partnership Group Entities would become subject to general service of process or to taxation or qualification to do business as a foreign partnership doing business in such jurisdiction solely as a result of such filing. The El Paso Parties agree that if they have knowledge prior to the date of the GulfTerra Unitholders' Meeting of any information that would cause any of the statements in the Joint Proxy Statement/Prospectus to become false or misleading with respect to any material fact, or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not false or misleading, they will promptly inform the other parties thereof and use commercially reasonable efforts to cause GulfTerra MLP to take the necessary steps to correct the Joint Proxy Statement/Prospectus. Enterprise MLP will provide GulfTerra MLP, and El Paso Parent will use its commercially reasonable efforts to cause GulfTerra MLP to provide Enterprise MLP, with reasonable opportunity to review and comment on the Joint Proxy Statement/Prospectus and any amendment or supplement thereto prior to filing the Joint Proxy Statement/Prospectus or any such amendment or supplement, and further agree that each of them will be provided with such number of copies of all filings made with the SEC as such party shall reasonably request. Enterprise MLP will provide GulfTerra MLP with reasonable opportunity to review and comment on the Registration Statement and any amendment or supplement thereto prior to filing any such document with the SEC. El Paso Parent shall use its commercially reasonable efforts to prevent GulfTerra MLP from making any filings of the Registration Statement or the Joint Proxy Statement/Prospectus (or any amendments or supplements to either of them) without the consent of Enterprise MLP (which consent shall not be unreasonably withheld, delayed or conditioned).

Section 4.4 Debt Tender Offers and New Debt Offering.

(a) If prior to the Step Two Closing, Enterprise MLP determines to make a cash tender offer for any of the Existing GulfTerra Indebtedness or to solicit consents to amend the related indentures so as to eliminate financial or other covenants or events of default therefrom, then, upon the request of Enterprise MLP, the El Paso Parties shall assist Enterprise MLP with the preparation and distribution of offering materials and provide such other cooperation as Enterprise MLP may reasonably request in connection with any such tender offer or consent solicitation, it being understood that Enterprise MLP shall fund the consummation, and pay the expenses, of any such tender offer. Enterprise MLP shall not launch a tender offer for the Existing GulfTerra Indebtedness before 30 Business Days prior to the Step Two Closing.

(b) If Enterprise MLP shall determine to fund any tender offer referred to in this Section 4.4 with the proceeds of an offering of debt securities to be issued on or after the Step Two Closing Date that is to be guaranteed by one or more of GulfTerra MLP and its subsidiaries, then the El Paso Parties shall provide such cooperation as Enterprise MLP may

reasonably request in connection with any such offering, including participating in (i) the preparation of the offering documentation and, if the offering is registered under the Securities Act, joining with Enterprise MLP in preparing and filing the related registration statement with the SEC, (ii) due diligence or other meetings with any underwriters or initial purchasers of such indebtedness, (iii) meetings with rating agencies and (iv) road show presentations. Enterprise MLP will provide GulfTerra MLP with a reasonable opportunity to review and comment on any such offering documentation, registration statement, meeting presentation materials and road show presentation materials.

Section 4.5 No Solicitation.

(a) Subject to Section 4.5(b), El Paso Parent and El Paso GP Holdco agree that from and after the Execution Date, they shall terminate all discussions and negotiations with others regarding a sale or other transaction involving (i) 5% or more of any class of equity securities in GulfTerra MLP or Enterprise MLP, as applicable, (ii) any of the membership interests in GulfTerra GP or Enterprise GP, as applicable, (iii) 5% or more of the assets, business (as measured by either net income or revenue) or securities of any of the GulfTerra Partnership Group Entities (other than those permitted under Section 5.1(b) of the Merger Agreement), or (iv) any other transaction similar to the transactions contemplated by the Merger Agreement (each, a "Possible Alternative"), and shall enforce any confidentiality or similar agreement relating to side discussions or negotiations, except for any offerings and sales of securities by GulfTerra MLP or Enterprise MLP, or any offerings of options, warrants, convertible securities, exchangeable securities, subscription rights, conversion rights, exchange rights or other contracts that are otherwise permitted by the terms of the Merger Agreement and that could require such person to issue, redeem, purchase or sell any of its equity interests with respect thereto. From and after the Execution Date, El Paso Parent and El Paso GP Holdco shall not, directly or indirectly, nor shall they authorize or permit any of their officers, directors or employees, or any investment banker, financial advisor, attorney, accountant or other representative (a "Representative") retained by them, (A) to solicit, initiate, encourage (including by way of furnishing information or assistance), conduct discussions regarding or engage in negotiations regarding or take any other action to facilitate, any inquiries, or the making of any proposal (including any offer or proposal to its unitholders) which constitutes or may reasonably be expected to lead to a Possible Alternative, (B) to enter into an agreement (including any letter of intent or similar document) with any person, other than the Enterprise Parties, providing for or relating to a Possible Alternative or (C) to make or authorize any statement, recommendation or solicitation in support of any Possible Alternative by any person, other than by the Enterprise Parties.

(b) Notwithstanding the provisions of Section 4.4(a), El Paso Parent, El Paso GP Holdco and their Representatives shall be entitled, prior to the GulfTerra Unitholders' Meeting, to take any action otherwise prohibited by Section 4.4(a) in response to any third party proposal with respect to a Possible Alternative received by any or all of them if (i) the initial proposal from any third party was not received in violation of Section 4.4(a) and contains no financing condition (unless the GulfTerra GP Board of Directors determines in good faith upon advice of counsel that its fiduciary duties require it to consider an applicable proposal where the initial proposal contained a financing condition), (ii) the GulfTerra GP Board of Directors shall have determined, in its good faith judgment, that the proposal, if accepted, is reasonably likely to

be consummated taking into account all legal, financial, regulatory and other aspects of the proposal, and that such proposal would, in its good faith judgment, if consummated, result in a transaction more favorable to the holders of GulfTerra Common Units (other than the GulfTerra Common Units and GulfTerra Series C Units to be purchased by Enterprise MLP pursuant to this Agreement) than the transactions contemplated hereby (a "Superior Transaction"), and (iii) the GulfTerra GP Board of Directors shall have determined, in its good faith judgment, after consultation with and based on the advice of its legal counsel, that the failure to take such action would be inconsistent with GulfTerra GP's or its Board of Directors' fiduciary duties to holders of GulfTerra Common Units under applicable Law; provided that neither El Paso Parent nor El Paso GP Holdco may enter into negotiations or discussions or supply any information in connection with a Possible Alternative unless it shall have first entered into a confidentiality agreement at least as restrictive as the Confidentiality Agreement, and provided further, that neither El Paso Parent nor El Paso GP Holdco shall take any action prohibited by Section 4.5(a)(B)-(D) (except as expressly required by the immediately preceding proviso) unless the Merger Agreement has first been (or is contemporaneously) terminated. El Paso Parent agrees that it will notify the Enterprise Parties promptly if any inquiry, contact or proposal is received by, any such information is requested from, or any such discussions or negotiations are sought to be initiated or continued with, it or any of its Representatives, and thereafter shall keep the Enterprise Parties informed in writing, on a current basis, regarding the status of any such inquiry, contact or proposal and the status of any such negotiations or discussions. Nothing contained in this Agreement shall prevent GulfTerra GP's Board of Directors from complying with Rule 14e-2 under the Exchange Act with respect to a Possible Alternative proposal. In addition, for the avoidance of doubt, if such Board of Directors reasonably believes that its fiduciary duties so require, El Paso Parent's Board of Directors or El Paso GP Holdco's Board of Directors, as applicable, may continue to consider any Possible Alternative or Superior Transaction notwithstanding any GulfTerra Reaffirmation with respect to such Possible Alternative or Superior Transaction.

Section 4.6 GulfTerra Asset Separation. Commencing on the Execution Date such that all such assets shall be transferred by the Step Two Closing Date, El Paso Parent shall, and shall cause its affiliates to, execute and deliver, or cause to be executed and delivered, such instruments of assignment, transfer, conveyance, endorsement, direction or authorization and take such other action as may be necessary to transfer to one of the GulfTerra Partnership Group Entities title to assets of the types described in Section 5.9 of the GulfTerra's Disclosure Letter that are used in the business of the GulfTerra Partnership Group Entities but are owned by El Paso Parent or any of its affiliates (other than a member of the GulfTerra Partnership Group Entities).

Section 4.7 Commercially Reasonable Efforts; Further Assurances. From and after the Execution Date, upon the terms and subject to the conditions hereof, El Paso Parent shall use its commercially reasonable efforts to take, or cause to be taken, all appropriate action, and to do or cause to be done, all things necessary, proper or advisable under applicable Laws to consummate and make effective the transactions contemplated under this Agreement and under the Merger Agreement. Without limiting the foregoing but subject to the other terms of this Agreement, the parties hereto agree that, from time to time, whether before, at or after the Step Two Closing Date, each of them will execute and deliver, or cause to be executed and delivered, such instruments of assignment, transfer, conveyance, endorsement, direction or authorization as

may be necessary to consummate and make effective such transactions. The Enterprise Parties shall cause the Enterprise Partnership Group Entities to sell to any of one or more persons (other than El Paso Parent, Enterprise Parent 1, Enterprise Parent 2 or any affiliate of any of them to the extent doing so would violate the El Paso Parent Consent Decree) all of the El Paso Parent Consent Decree Assets; provided, that such sales may be conditioned on the closing of the Merger.

Section 4.8 No Public Announcement. On the Execution Date, El Paso Parent shall issue with Enterprise MLP and GulfTerra MLP a joint press release with respect to the execution of this Agreement and the Merger Agreement and the transactions contemplated hereby and thereby. El Paso Parent shall not issue any other press release or make any other public announcement concerning this Agreement or the Merger Agreement and the transactions contemplated hereby and thereby (other than public announcements at industry road shows and conferences and otherwise as may be required by Law or by obligations pursuant to any listing agreement with the NYSE, in which event it shall, to the extent practicable, notify Enterprise MLP in advance of such public announcement or press release) without the prior approval of Enterprise MLP, which approval shall not be unreasonably withheld, delayed or conditioned. Notwithstanding the foregoing, El Paso Parent may respond to inquiries from securities analysts and the news media to the extent necessary to respond to such inquiries, provided that such responses are in compliance with applicable securities Laws.

Section 4.9 Expenses. Whether or not the transactions contemplated under this Agreement and the Merger Agreement are consummated, all costs and expenses incurred in connection with this Agreement, including legal fees, accounting fees, financial advisory fees and other professional and non-professional fees and expenses, shall be paid by the party hereto incurring such expenses.

Section 4.10 FIRPTA Certificate. Concurrently with the closing of the Merger, El Paso Parent shall provide Enterprise MLP with a FIRPTA certificate certifying that neither GulfTerra GP nor GulfTerra MLP is a "foreign person" within the meaning of Treasury Regulation 1.1445-2(b).

Section 4.11 Termination of G&A Services Agreement. El Paso Parent shall take all actions necessary or appropriate to cause DeepTech International, Inc. and El Paso Field Services, L.P. to terminate the Amended and Restated General and Administrative Services Agreement, dated November 12, 2002, among DeepTech International, Inc., El Paso Field Services, L.P. and GulfTerra MLP, such termination to be effective as of the Effective Time.

Section 4.12 Agreement Not to Use Exchange Rights. In connection with the transactions to be effected pursuant to the Goldman Agreement, El Paso GP Holdco shall not, and El Paso Parent shall cause El Paso GP Holdco not to, exercise its right under Section 3.11(b)(iii)(B) of the GulfTerra GP LLC Agreement to cause GulfTerra MLP to deliver newly issued Class A Common Units as any portion of the consideration payable by El Paso GP Holdco to Goldman pursuant to the Goldman Agreement.

Section 4.13 Letter of GulfTerra MLP's Accountants. In connection with the information regarding the GulfTerra Partnership Group Entities or the Merger Transactions

provided by the El Paso Parent Parties or the GulfTerra Partnership Group Entities specifically for inclusion in, or incorporation by reference into, the Joint Proxy Statement/Prospectus and the Registration Statement, El Paso Parent shall use its commercially reasonable efforts to cause to be delivered to Enterprise MLP a letter of PricewaterhouseCoopers LLP, dated the date on which the Registration Statement shall become effective and addressed to Enterprise MLP, in form and substance reasonably satisfactory to Enterprise MLP and customary in scope and substance for letters delivered by independent public accountants in connection with registration statements similar to the Registration Statement.

Section 4.14 Regulatory Issues. Unless otherwise agreed to by El Paso Parent and Enterprise MLP, if as a condition to obtaining an agreement from any Governmental Entity not to seek an injunction preventing or delaying the consummation of the Merger Transactions or to satisfy any condition to a consent or approval of any Governmental Entity necessary for the consummation of the transactions contemplated under this Agreement or the Merger Agreement, such Governmental Entity shall require the divestiture (or the execution of a consent decree that contemplates such a divestiture) of any asset of (a) any of the El Paso Field Services Entities (a "Required FS Divestiture"), (b) Enterprise MLP or any of its subsidiaries (other than the El Paso Parent Consent Decree Assets) (a "Required Enterprise Divestiture") or (c) GulfTerra MLP or any of its subsidiaries (a "Required GulfTerra Divestiture" and, together with the Required Enterprise Divestitures, the "Required MLP Divestitures"), or any combination thereof, then the following provisions shall apply:

(i) if requested by Enterprise GP, El Paso Parent shall cause any Required FS Divestiture to be consummated;

(ii) Enterprise GP agrees to cause an aggregate amount of Required MLP Divestitures up to $150,000,000 in value;

(iii) notwithstanding clause (ii) preceding, if the Governmental Entity permits the consummation of either a Required FS Divestiture or a Required MLP Divestiture, then El Paso Parent shall cause the consummation of the Required FS Divestiture; and

(iv) if the Governmental Entity permits the consummation of either a Required GulfTerra Divestiture or a Required Enterprise Divestiture, then Enterprise GP shall have the right in its sole discretion to select the divestiture to be consummated.

Notwithstanding anything to the contrary in this Agreement, (A) Enterprise MLP and (with Enterprise MLP's consent) GulfTerra MLP shall have the right to divest any assets as may be required to prevent an injunction preventing or delaying the consummation of the Merger Transactions or to satisfy any condition to a consent or approval of any Governmental Entity necessary for the consummation of the Merger Transactions, (B) subject to clause (C) immediately below, El Paso Parent shall use its commercially reasonable efforts to cause GulfTerra MLP to effect promptly any GulfTerra Required Divestitures recommended by Enterprise MLP, (C) unless otherwise agreed by GulfTerra MLP, all Required GulfTerra Divestitures shall be conditioned on the closing of the Merger, (D) unless otherwise agreed by Enterprise MLP, all Required Enterprise Divestitures shall be conditioned on the closing of the

Merger and (E) unless otherwise agreed by El Paso Parent, all Required FS Divestitures shall be conditioned on the closing of the Merger.

Section 4.15 Transition Services.

(a) In order to facilitate the full transition of operating activities and functions in GulfTerra MLP's business following the Effective Time, for a period of three years commencing on the date of the Merger, upon the request from time to time from Enterprise GP on behalf of GulfTerra MLP or GulfTerra GP, El Paso Parent shall provide or cause to be provided to GulfTerra MLP or GulfTerra GP support services of the same or substantially similar nature which any of the El Paso Parent or its affiliates have provided to GulfTerra MLP or GulfTerra GP during calendar year 2003 ("Transition Services"). El Paso Parent shall perform or cause to be performed the Transition Services in accordance with the Service Standard (as defined below). GulfTerra MLP, upon not less than ten days' written notice from Enterprise GP to El Paso Parent, at any time and from time to time may, as of the date set forth in that notice (which may not precede the end of such 10-day period without El Paso Parent's approval), terminate any or all of the Transition Services. GulfTerra MLP shall reimburse El Paso Parent for 110% of the Direct Costs (as defined below) of the Transition Services provided in accordance with this Section 4.15 and the Service Standard and billed as a direct cost. No later than the tenth Business Day of each calendar month, beginning with the calendar month immediately following Closing, El Paso Parent will submit an invoice to GulfTerra MLP for the Direct Costs incurred during the prior calendar month which invoice shall include reasonable supporting documentation such as the nature and amount of Direct Costs and the Transition Services to which they are attributable. If the date of the Merger is on a day other than the last day of a month, the invoice shall be only for those Transition Services provided from such date until the end of the month in which the Merger took place. GulfTerra MLP shall pay the undisputed portion of each invoice within 30 days after its receipt. Records relating to the Transition Services and invoices shall be maintained by El Paso Parent for a period of two years after an invoice is paid by GulfTerra MLP. Upon reasonable prior notice of not less than five Business Days, GulfTerra MLP (and its representatives and agents) shall have the right to audit and inspect, at its own expense, the books, records and other documents applicable to the Transition Services and invoices during normal business hours at El Paso Parent's Houston, Texas location for a period of two years following the date an invoice is delivered to GulfTerra MLP.

(b) As used in this Section 4.15 the term "Service Standard" means, with respect to the standard of performance for the Transition Services performed or caused to be performed under this Section 4.15, the good-faith undertaking, on a commercially reasonable basis, to perform the Transition Services (i) in at least the same quality and manner as the same or comparable services were provided by El Paso Parent or its affiliates during calendar year 2003, and (ii) in all material respects in compliance with all applicable Laws, Environmental Laws and Prudent Industry Practices (as defined below).

(c) As used in this Section 4.15, the term "Direct Costs" means the costs or expenses actually incurred by El Paso Parent and affiliates of El Paso Parent to employees and third parties directly attributable to the provision of Transition Services pursuant to this

Section 4.15, but excluding any overhead of El Paso Parent and any overhead and/or profit components that might be charged by an affiliate of El Paso Parent to El Paso Parent.

(d) As used in this Section 4.15, the term "Prudent Industry Practices" means, at a particular time, any of the practices, methods and acts which, in the exercise of reasonable judgment, will result in the proper operation and maintenance of the assets owned by GulfTerra MLP and shall include without limitation, the practices, methods and acts engaged in or approved by a significant portion of the industry at such time with respect to assets of the same or similar types as the assets owned by GulfTerra MLP. Prudent Industry Practices is not intended to be limited to the optimum practice, method or act, to the exclusion of all others, but rather is a spectrum of possible practices, methods and acts which could have been expected to accomplish the desired result at a commercially reasonable cost consistent with reliability, safety, timeliness, and all applicable Laws and Environmental Laws. Prudent Industry Practices is intended to mean at least the same standard as the Parties would, in the prudent management of their own properties, use from time to time.

Section 4.16 Covenants Regarding Unitholders. (a) During the period that commences on the Execution Date and ends on the earlier to occur of the Effective Time and the termination of the Merger Agreement in accordance with its terms, except in accordance with the express provisions of this Agreement, each Unitholder, jointly and severally, agrees that it will not, and El Paso Parent agrees that it will not permit any of the Unitholders to, sell, transfer, assign or otherwise dispose of, or enter into any contract, option or other agreement with respect to the sale, transfer, assignment or other disposition of, any equity interest of GulfTerra MLP, whether now owned or hereafter acquired, except that El Paso Sub 1 may sell, transfer and convey such number of Common Units as are contemplated to be sold, transferred and conveyed pursuant to the Goldman Agreement.

Section 4.17 Tax Matters.

(a) Enterprise GP and Enterprise MLP, on the one hand, and El Paso Parent and the El Paso Parent Parties, on the other hand, agree and consent to treat the purchase of GulfTerra Units pursuant to Section 2.2(d) as a sale of such GulfTerra Units as described in Treasury Regulation Section 1.708-1(c)(4).

(b) Following the Merger, Enterprise MLP shall cause GulfTerra GP to provide a copy of the GulfTerra MLP and GulfTerra GP federal income Tax Returns for any period ending on or before the date of the Merger to El Paso Parent for its review and comment on or before the tenth Business Day prior to the due date (including extensions) for such Tax Returns and use reasonable efforts to consult with El Paso Parent with respect to the preparation of the schedules K-1 relating to such Tax Returns.

Section 4.18 Allocation of Partnership Liabilities Among Partners. From and after the Step Two Closing for purposes of allocating Nonrecourse Liabilities of Enterprise MLP (including for this purpose any subsidiary or Partially Owned Entity of Enterprise MLP) after the Merger among the partners of Enterprise MLP, Enterprise MLP will to the extent permissible under Treasury Regulation Section 1.752-3 cause such Nonrecourse Liabilities to be allocated among the properties of Enterprise MLP (including for this purpose any subsidiary or Partially

Owned Entity of Enterprise MLP) in such a manner so as to cause the amount of Nonrecourse Liabilities of Enterprise MLP (including for this purpose any subsidiary or Partially Owned Entity of Enterprise MLP) allocated under Treasury Regulation Section 1.752-3(a)(2) to a partner (or a transferee of such partner) to equal the Nonrecourse Liabilities allocated to such partner as a partner of Enterprise MLP or GulfTerra MLP prior to the Merger pursuant to Treasury Regulation Section 1.752-3(a)(2).

Section 4.19 El Paso Parent Payment. For the three year period immediately following the Effective Time, El Paso Parent shall pay Enterprise MLP an annual amount equal to $18,000,000, $15,000,000 and $12,000,000 for the first, second and third years of such period, respectively, which annual amounts shall be payable in 12 monthly installments on the last day of each whole or partial calendar month during the applicable period, prorated on a daily basis.

Section 4.20 GulfTerra Employees. Enterprise Parent 1 or an affiliate thereof shall have the right to offer employment effective on the Step Two Closing Date to such GulfTerra Related Employees, if any, as it may choose, in its sole discretion, and El Paso Parent shall and shall cause its affiliates to, cooperate in good faith with Enterprise Parent 1 or any such affiliate in its attempt to employ such individuals, including providing such information as may reasonably be requested by Enterprise Parent 1 or any such affiliate. No GulfTerra Related Employee shall be transferred to a GulfTerra Partnership Group Entity on or prior to the Effective Time. The GulfTerra Related Employees who become employees of Enterprise Parent 1 or an affiliate thereof on the Step Two Closing shall be the "Continuing Employees."

Section 4.21 GulfTerra Plans. Immediately prior to the Step Two Closing, El Paso Parent will use its commercially reasonable efforts to cause the GulfTerra Partnership Group Entities (a) to withdraw from and cease participating in all GulfTerra Plans and (b) to transfer the sponsorship of all GulfTerra Plans they may sponsor, if any, to El Paso Parent or an affiliate thereof (other than a GulfTerra Partnership Group Entity). Prior to the Effective Time, El Paso Parent shall use commercially reasonable efforts to cause GulfTerra MLP to take all such actions as are necessary to cause any outstanding options to purchase GulfTerra Common Units under the GulfTerra Plans to be exercised or cancelled, including through the repurchase, at reasonable purchase prices, of outstanding options from the holders thereof. El Paso Parent shall cause each Continuing Employee to be 100% vested in his accrued benefits under each GulfTerra Plan and each El Paso Plan intended to be qualified under Section 401(a) of the Code. As of the Effective Time, El Paso Parent or an affiliate thereof (other than a GulfTerra Partnership Group Entity) shall retain, or assume as the case may be, the sole liability and responsibility for (i) all claims, benefits, compensation (including accrued vacation and severance) and other employment-based obligations and liabilities to all current and former GulfTerra Related Employees and their beneficiaries (except for any such obligations and liabilities arising from the employment of Continuing Employees with Enterprise Parent 1 or its affiliates following the Step Two Closing) and (ii) all liabilities and obligations under, based upon or arising with respect to any GulfTerra Plans or any El Paso Plan. Enterprise MLP shall reimburse El Paso Parent (or its applicable affiliate) for severance costs incurred by El Paso Parent or such affiliate with respect to a GulfTerra Related Employee listed on Section 3.15 of the GulfTerra Disclosure Letter if (i) such costs are required to be paid by El Paso Parent or such affiliate pursuant to the Designated Severance Plans, (ii) such GulfTerra Related Employee is not a Continuing Employee, and (iii) such GulfTerra Related Employee's employment is terminated by El Paso Parent or such affiliate

within 30 days following the Closing; provided that Enterprise MLP's aggregate liability for such reimbursement obligation shall not exceed $14,000,000.

ARTICLE V

REMEDIES FOR DEFAULT

Section 5.1 Indemnity Regarding Section 3.1 Representations and Selected Covenants. Subject to the provisions of this Article V, El Paso Parent and El Paso GP Holdco shall indemnify and hold harmless the Enterprise Parties and their respective affiliates from any and all Damages incurred by any such party or any of their respective affiliates in connection with the breach of a representation or warranty set forth in Section 3.1 or a covenant or agreement (other than a covenant or agreement in Sections 4.1 through 4.4 and 4.12) made by El Paso Parent or El Paso GP Holdco hereunder.

Section 5.2 Indemnity Regarding Section 3.2 Representations and Selected Covenants. Subject to the provisions of this Article V, El Paso Parent and the Unitholders shall indemnify and hold harmless the Enterprise Parties and their respective affiliates from any and all Damages incurred by any such party or any of their respective affiliates in connection with the breach of a representation or warranty set forth in Section 3.2 or a covenant or agreement made by the Unitholders hereunder.

Section 5.3 Indemnity Regarding Section 3.3 Representations and Selected Covenants. Subject to the provisions of this Article V, the Enterprise Parties shall indemnify and hold harmless the El Paso Parties and their respective affiliates from any and all Damages incurred by any such party or any of their respective affiliates in connection with the breach of a representation or warranty set forth in Section 3.3 or a covenant or agreement made by such Enterprise Party hereunder.

Section 5.4 Indemnity Regarding Breach of Section 3.4 Representations and Selected Covenants. Subject to the provisions of this Article V, El Paso Parent and El Paso GP Holdco shall indemnify and hold harmless the Enterprise Parties and their respective affiliates from any and all Damages incurred by any such party or any of their respective affiliates in connection with the breach of a representation or warranty of El Paso GP Holdco set forth in Section 3.4 or a covenant or agreement made by El Paso Parent or El Paso GP Holdco in Section 4.1 through 4.4 or 4.12 hereunder (such Damages, the "Restricted Damages"); provided, that (a) no claim for indemnification for Restricted Damages shall be due and payable unless and until the Merger Agreement is terminated regardless of when such indemnification claim arose or was asserted (and upon termination of the Merger Agreement, any uncontested claim for indemnification asserted prior to such termination shall become due and payable and any contested claim for indemnification asserted prior to such termination shall survive and may continue to be pursued), (b) no claim for indemnification for Restricted Damages shall be brought after 18 months after the date of termination of the Merger Agreement, (c) indemnification for Restricted Damages will only be provided to the extent that such Restricted Damages exceed, in the aggregate, $25,000,000; and (d) El Paso Parent and El Paso GP Holdco shall not be liable for any indemnification claims for Restricted Damages under this Agreement after the aggregate amount of Restricted Damages for which indemnification payments are made hereunder equals an amount equal to the Purchase Price.

Section 5.5 Survival of Representations. The representations, warranties, covenants and agreements contained in this Agreement or made in any certificate or document delivered pursuant hereto shall survive the Step One Closing and the Step Two Closing regardless of any investigation made by the parties hereto and regardless of any knowledge acquired or capable of being acquired whether before or after the Step One Closing Date and Step Two Closing Date.

Section 5.6 Enforcement of this Agreement. The parties hereto acknowledge and agree that an award of money damages would be inadequate for any breach of this Agreement by any party and any such breach would cause the non-breaching parties irreparable harm. Accordingly, the parties hereto agree that, in the event of any breach or threatened breach of this Agreement by one of the parties, the parties will also be entitled, without the requirement of posting a bond or other security, to equitable relief, including injunctive relief and specific performance, provided such party is not in material default hereunder. Such remedies will not be the exclusive remedies for any breach of this Agreement but will be in addition to all other remedies available at law or equity to each of the parties.

Section 5.7 Exclusive Remedy. Except as set forth in Section 5.6, the parties agree that the indemnification provisions in this Article V shall be the exclusive remedy of the parties with respect to breaches of representations and warranties and failures to perform covenants or agreements hereunder.

Section 5.8 General Limitation of Damages. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT TO THE CONTRARY, EXCEPT AS SET FORTH IN SECTION 5.9, THE ENTERPRISE PARTIES AND THEIR AFFILIATES SHALL NOT BE LIABLE TO THE EL PASO PARTIES AND THEIR AFFILIATES, NOR SHALL THE EL PASO PARTIES AND THEIR AFFILIATES BE LIABLE TO THE ENTERPRISE PARTIES OR THEIR AFFILIATES, FOR ANY EXEMPLARY, PUNITIVE, SPECIAL, INDIRECT, CONSEQUENTIAL, REMOTE OR SPECULATIVE DAMAGES (INCLUDING ANY DAMAGES ON ACCOUNT OF LOST PROFITS OR OPPORTUNITIES) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 5.9 No Waiver Relating to Claims for Fraud/Willful Misconduct. The liability of any party under this Article V shall be in addition to, and not exclusive of, any other liability that such party may have at law or in equity based on such party's (a) fraudulent acts or omissions or (b) willful misconduct. None of the provisions set forth in this Agreement shall be deemed to be a waiver by or release of any party of any right or remedy which such party may have at law or equity based on any other party's fraudulent acts or omissions or willful misconduct nor shall any such provisions limit, or be deemed to limit, (i) the amounts of recovery sought or awarded in any such claim for fraud or willful misconduct, (ii) the time period during which a claim for fraud or willful misconduct may be brought, or (iii) the recourse which any such party may seek against another party with respect to a claim for fraud or willful misconduct.

ARTICLE VI

MISCELLANEOUS

Section 6.1 Notices. Any notice, request, instruction, correspondence or other document to be given hereunder by any party to another party (each, a "Notice") shall be in writing and delivered in person or by courier service requiring acknowledgment of receipt of delivery or mailed by U.S. registered or certified mail, postage prepaid and return receipt requested, or by telecopier, as follows; provided, that copies to be delivered below shall not be required for effective notice and shall not constitute effective notice:

If to any of El Paso Corporation, El Paso GP Holdco or any of the Unitholders, addressed to:

El Paso Corporation
El Paso Building
1001 Louisiana
Houston, Texas 77002
Attention: General Counsel
Telecopy: (713) 420-2813

with a copy to:

Andrews Kurth LLP
600 Travis, Suite 4200
Houston, Texas 77002
Attention: G. Michael O'Leary
Telecopy: (713) 220-4285

If to any of the Enterprise Parties, addressed to:

Enterprise Products Partners L.P.
c/o Enterprise Products GP, LLC
2727 North Loop West
Houston, Texas 77008
Attention: President
Telecopy: (713) 880-6570

with a copy to:

Enterprise Products Partners L.P.
c/o Enterprise Products GP, LLC
2727 North Loop West
Houston, Texas 77008
Attention: Chief Legal Officer
Telecopy: (713) 880-6570

Notice given by personal delivery, courier service or mail shall be effective upon actual receipt. Notice given by telecopier shall be confirmed by appropriate answer back and shall be effective upon actual receipt if received during the recipient's normal business hours, or at the beginning of the recipient's next business day after receipt if not received during the recipient's normal business hours. All Notices by telecopier shall be confirmed promptly after transmission in writing by certified mail or personal delivery. Any party may change any address to which Notice is to be given to it by giving Notice as provided above of such change of address.

Section 6.2 Governing Law; Jurisdiction; Waiver of Jury Trial. To the maximum extent permitted by applicable Law, the provisions of this agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware, without regard to principles of conflicts of law. Each party thereto hereby irrevocably and unconditionally (a) consents and submits to the exclusive jurisdiction of any federal or state court located in the State of Delaware (the "Delaware Courts") for any actions, suits or proceedings arising out of or relating to this Agreement or the transactions contemplated by this Agreement (and agrees not to commence any litigation relating thereto except in such courts), (b) waives any objection to the laying of venue of any such litigation in the Delaware Courts and agrees not to plead or claim in any Delaware Court that such litigation brought therein has been brought in any inconvenient forum and (c) acknowledges and agrees that any controversy which may arise under this Agreement is likely to involve complicated and difficult issues, and therefore each such party hereby irrevocably and unconditionally waives any right such party may have to a trial by jury in respect of any litigation directly or indirectly arising or relating to this Agreement or the transactions contemplated by this Agreement.

Section 6.3 Entire Agreement; Amendments and Waivers. This Agreement constitutes the entire agreement between and among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties, and there are no warranties, representations or other agreements between or among the parties in connection with the subject matter hereof except as set forth specifically herein or contemplated hereby. No supplement, modification or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. The failure of a party to exercise any right or remedy shall not be deemed or constitute a waiver of such right or remedy in the future. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (regardless of whether similar), nor shall any such waiver constitute a continuing waiver unless otherwise expressly provided.

Section 6.4 Binding Effect and Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns. Nothing in this Agreement, express or implied, is intended to confer upon any person other than the parties hereto and their respective permitted successors and assigns, any rights, benefits or obligations hereunder. No party hereto may assign, transfer, dispose of or otherwise alienate this Agreement or any of its rights, interests or obligations under this Agreement (whether by operation of law or otherwise). Any attempted assignment, transfer, disposition or alienation in violation of this Agreement shall be null, void and ineffective.

Section 6.5 Severability. If any term or other provision of this Agreement is invalid, illegal, or incapable of being enforced by any rule of applicable Law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated herein are not affected in any manner materially adverse to any party hereto. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties hereto as closely as possible in a mutually acceptable manner in order that the transactions contemplated herein are consummated as originally contemplated to the fullest extent possible.

Section 6.6 Execution. This Agreement may be executed in multiple counterparts each of which shall be deemed an original and all of which shall constitute one instrument.

Section 6.7 Disclosure Letters. Each disclosure identified in the GulfTerra Disclosure Letter and the Enterprise Disclosure Letter or elsewhere in this Agreement constitutes a disclosure by the disclosing party with respect to the specific section of this Agreement identified in the GulfTerra Disclosure Letter or Enterprise Disclosure Letter, as applicable.

[The remainder of this page is blank]

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

EL PASO CORPORATION

By: /s/ D. Dwight Scott

Name: D. Dwight Scott
Title: Chief Executive Officer

GULFTERRA GP HOLDING COMPANY

By: /s/ John Hopper

Name: John Hopper
Title: Vice President

SABINE RIVER INVESTORS I, L.L.C.

By: /s/ John Hopper

Name: John Hopper
Title: Vice President

SABINE RIVER INVESTORS II, L.L.C.

By: /s/ John Hopper

Name: John Hopper
Title: Vice President

EL PASO EPN INVESTMENTS, L.L.C.

By: /s/ John Hopper

Name: John Hopper
Title: Vice President

ENTERPRISE PRODUCTS GP, LLC

By: /s/ Michael A. Creel

Name: Michael A. Creel
Title: Executive Vice President

ENTERPRISE PRODUCTS PARTNERS L.P.

By: Enterprise Products GP, LLC
its General Partner

By: /s/ Michael A. Creel

Name: Michael A. Creel
Title: Executive Vice President

ENTERPRISE PRODUCTS GTM, LLC

By: Enterprise Products Operating L.P.,
its sole member

By: Enterprise Products OLPGP, Inc.,
general partner of Enterprise Products
Operating L.P.

By: /s/ Richard H. Bachmann

Name: Richard H. Bachmann
Title: Executive Vice President

SCHEDULE 1

Name and Address of Unitholder	Class of Units	Number of Units
EL PASO SUB 1: Sabine River Investors I, L.L.C. El Paso Building 1001 Louisiana Houston, Texas 77002 Attention: General Counsel	Series A Common Units	8,262,902
EL PASO SUB 2: Sabine River Investors II, L.L.C. El Paso Building 1001 Louisiana Houston, Texas 77002 Attention: General Counsel	Series A Common Units	2,821,343
EL PASO SUB 3: El Paso EPN Investments, L.L.C. El Paso Building 1001 Louisiana Houston, Texas 77002 Attention: General Counsel	Series C Common Units	10,937,500

Exhibit 2.2(c)

SECOND AMENDED AND RESTATED

LIMITED LIABILITY COMPANY AGREEMENT

OF

ENTERPRISE PRODUCTS GP, LLC

A DELAWARE LIMITED LIABILITY COMPANY

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT
OF
ENTERPRISE PRODUCTS GP, LLC
A DELAWARE LIMITED LIABILITY COMPANY

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SECOND AMENDED AND RESTATED

LIMITED LIABILITY COMPANY AGREEMENT

OF

ENTERPRISE PRODUCTS GP, LLC

A Delaware Limited Liability Company

THIS SECOND AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT (this "AGREEMENT") of ENTERPRISE PRODUCTS GP, LLC, a Delaware limited liability company (the "COMPANY"), dated and effective as of [_______________] (the "EFFECTIVE DATE"), is adopted, executed and agreed to, by and among EPC Partners II, Inc., a Delaware corporation ("ENTERPRISE PARENT 1"), Dan Duncan LLC, a Texas limited liability company ("ENTERPRISE PARENT 2") (Enterprise Parent 1 and Enterprise Parent 2, collectively, "ENTERPRISE PARENT") and GulfTerra GP Holding Company, a Delaware corporation ("EL PASO GP HOLDCO").

RECITALS

Enterprise Products Company ("ORIGINAL ENTERPRISE PARENT 1") and Enterprise Parent 2 formed the Company on April 9, 1998 with Original Enterprise Parent I as a 95% member and Enterprise Parent 2 as a 5% member. Original Enterprise Parent 1 assigned its 95% membership interest in the Company to Enterprise Parent 1 effective as of July 30, 1998. Shell US Gas & Power LLC (as successor to Tejas Energy, LLC) ("SHELL") acquired a 30% membership interest in the Company from Enterprise Parent 1 effective as of September 17, 1999, and Shell thereupon became a member of the Company. Enterprise Parent 1 reacquired such 30% membership interest from Shell effective as of September 12, 2003, and Shell thereupon ceased to be a member of the Company. El Paso GP Holdco acquired a 50% membership interest in the Company as of the Effective Date.

The Limited Liability Company Agreement of Enterprise Products GP, LLC was executed effective April 9, 1998, was amended and restated pursuant to a First Amended and Restated Limited Liability Company Agreement dated as of September 17, 1999 and was amended pursuant to Amendment No. 1, dated as of September 19, 2002, to such First Amended and Restated Limited Liability Company Agreement (as so amended, the "EXISTING AGREEMENT").

Enterprise Parent and El Paso GP Holdco, the only existing Members of the Company, deem it advisable to amend and restate the limited liability company agreement of the Company in its entirety as set forth herein.

AGREEMENTS

For and in consideration of the premises, the mutual covenants and agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby

acknowledged and agreed by the parties, Enterprise Parent and El Paso GP Holdco hereby agree to amend and restate the Existing Agreement in its entirety as follows:

ARTICLE 1
DEFINITIONS

1.01 DEFINITIONS. Each capitalized term used herein shall have the meaning given such term in Attachment I.

1.02 CONSTRUCTION. Unless the context requires otherwise: (a) the gender (or lack of gender) of all words used in this Agreement includes the masculine, feminine and neuter; (b) references to Articles and Sections refer to Articles and Sections of this Agreement; (c) references to Exhibits refer to the Exhibits attached to this Agreement, each of which is made a part hereof for all purposes; (d) references to Laws refer to such Laws as they may be amended from time to time, and references to particular provisions of a Law include any corresponding provisions of any succeeding Law; (e) references to money refer to legal currency of the United States of America; (f) "including" means "including without limitation" and is a term of illustration and not of limitation; (g) all definitions set forth herein shall be deemed applicable whether the words defined are used herein in the singular or the plural; and (h) neither this Agreement nor any other agreement, document or instrument referred to herein or executed and delivered in connection herewith shall be construed against any Person as the principal draftsperson hereof or thereof.

ARTICLE 2
ORGANIZATION

2.01 FORMATION. The Company was organized as a Delaware limited liability company by the filing of a Certificate of Formation ("ORGANIZATIONAL CERTIFICATE") on April 9, 1998 with the Secretary of State of the State of Delaware under and pursuant to the Act.

2.02 NAME. The name of the Company is "Enterprise Products 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.

2.03 REGISTERED OFFICE; REGISTERED AGENT; PRINCIPAL OFFICE; OTHER OFFICES. The registered office of the Company required by the Act to be maintained in the State of Delaware shall be the office of the initial registered agent for service of process named in the Organizational Certificate or such other office (which need not be a place of business of the Company) as the Board of Directors may designate in the manner provided by Law. The registered agent for service of process of the Company in the State of Delaware shall be the initial registered agent for service of process named in the Organizational Certificate or such other Person or Persons as the Board of Directors may designate in the manner provided by Law. The principal office of the Company in the United States shall be at such a place as the Board of Directors may from time to time designate, which need not be in the State of Delaware, and the Company shall maintain records there and shall keep the street address of such principal office at the registered office of the Company in the State of Delaware. The Company may have such other offices as the Board of Directors may designate.

2.04 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; provided, however, that for so long as it is the general partner of the MLP, the Company's sole business will be (a) to act as the general partner or managing member of the MLP and any other partnership or limited liability company of which the MLP is, directly or indirectly, a partner or managing member and to undertake activities that are ancillary or related thereto and (b) to acquire, own or Dispose of debt or equity securities in the MLP.

2.05 TERM. The period of existence of the Company commenced on April 9, 1998 and shall end at such time as a Certificate of Cancellation is filed in accordance with Section 11.02(c).

2.06 NO STATE-LAW PARTNERSHIP; WITHDRAWAL. The Members intend 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 no Member be a partner or joint venturer of any other Member, 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 Withdrawing Member shall be liable to the Company and the other Members and their Affiliates for all monetary damages suffered by them as a result of such Withdrawal; (b) such other Members shall, in addition thereto, have the rights set forth in Article 11; and (c) such Withdrawing Member shall not have any rights under Section 18.604 of the Act. In no event shall the Company or any Member have the right, through specific performance or otherwise, to prevent a Member from Withdrawing in violation of this Agreement.

ARTICLE 3
MATTERS RELATING TO MEMBERS

3.01 MEMBERS. Enterprise Parent 1 and Enterprise Parent 2 have previously been admitted as Members of the Company, and El Paso GP Holdco is hereby admitted as a Member of the Company effective as of the Effective Date.

3.02 CREATION OF ADDITIONAL MEMBERSHIP INTEREST. During the period that El Paso GP Holdco (including, for this purpose, Permitted Transferees admitted as Substitute Members pursuant to Section 9.02(a)) maintains the Required Economic Interest, additional Membership Interests may be created and issued to (a) existing Members or (b) other Persons (such other Persons to be admitted to the Company as Members), in each case only with the prior written consent of all existing Members, which consent may be granted or withheld in each such Member's sole discretion, and upon such terms and conditions as the existing Members may unanimously determine at the time of admission. The terms of admission or issuance must specify the Sharing Ratios applicable to such Membership Interests, and may provide for the creation of different classes or groups of Members having different rights, powers, and duties. The Board of Directors may reflect the creation of any new class or group of Members in an amendment to this Agreement indicating the different rights, powers, and duties thereof; provided, that, during the period that El Paso GP Holdco (including, for this purpose, Permitted

Transferees admitted as Substitute Members pursuant to Section 9.02(a)) maintains the Required Economic Interest, such an amendment must be executed by each of the existing Members. 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. The provisions of this Section 3.02 shall not apply to a Disposition of a Membership Interest or Change of Member Control, such matters being governed by Article 9. If at any time after El Paso GP Holdco (including, for this purpose, Permitted Transferees admitted as Substitute Members pursuant to Section 9.02(a)) ceases to maintain the Required Economic Interest the Board of Directors proposes to issue additional Membership Interests in the Company in consideration for cash pursuant to this Section 3.02, the Board shall promptly give notice thereof ("ISSUE NOTICE") to each Member, and each Member shall have the right, but not the obligation, to subscribe for such additional Membership Interests in an amount equal to their respective Sharing Ratios within ten Business Days following the receipt of the Issue Notice. The Issue Notice shall state all relevant information with respect to the additional Membership Interests proposed to be created and issued pursuant to the immediately preceding sentence, including the class of Membership Interests to be issued, the rights, powers and duties of Members of such class and the cash price.

3.03 LIABILITY TO THIRD PARTIES. No Member or beneficial owner of any Membership Interest shall be liable for the debts, obligations or liabilities of the Company.

ARTICLE 4
CAPITAL CONTRIBUTIONS; CAPITAL ACCOUNTS

4.01 CAPITAL CONTRIBUTIONS.

(a) In exchange for its Membership Interest in the Company, El Paso GP Holdco has contributed to the Company its Class B Membership Interest in GulfTerra Energy Company, L.L.C., a Delaware limited liability company, and Enterprise Parent 2 has made certain Capital Contributions. Original Enterprise Parent I is the assignee of its predecessor's Membership Interest. The parties hereto agree that in no event shall El Paso GP Holdco be required to make any Capital Contribution to the Company in respect of the transactions to be effected by the MLP on the Effective Date, including any Capital Contributions that may be required pursuant to the MLP Agreement in respect of any of those transactions.

(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," and the amount of such Capital Contribution shall be credited to such Member's Capital Account. Any reference in this Agreement to the Capital Contribution of a Member shall include a Capital Contribution of its predecessors in interest.

4.02 LOANS. If the Company does not have sufficient cash to pay its obligations, any Member that may agree to do so may, with the consent of the Audit and Conflicts Committee, advance all or part of the needed funds for such obligation to or on behalf of the Company. An advance described in this Section 4.02 constitutes a loan from the Member to the Company, may

bear interest at a rate determined by the Board of Directors from the date of the advance until the date of repayment, and is not a Capital Contribution.

4.03 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 either its Capital Account or 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.

4.04 CAPITAL ACCOUNTS.

(a) The Company shall maintain for each Member a separate Capital Account in accordance with the rules of Treasury Regulation Section 1.704-1(b)(2)(iv). Each Member's Capital Account shall be increased by (i) the amount of all Capital Contributions made by that Member to the Company and (ii) all items of Company income and gain (including, without limitation, income and gain exempt from tax) computed in accordance with Section 4.04(b) and allocated to that Member pursuant to Section 5.02, and decreased by (A) the amount of cash or Net Agreed Value of all actual and deemed distributions of cash or property to that Member pursuant to this Agreement and (B) all items of Company deduction and loss computed in accordance with Section 4.04(b) and allocated to that Member pursuant to Section 5.02.

(b) For purposes of computing the amount of any item of income, gain, loss or deduction which is to be allocated pursuant to Article 5 and is to be reflected in the Members' Capital Accounts, the determination, recognition and classification of any such item shall be the same as its determination, recognition and classification for federal income tax purposes (including, without limitation, any method of depreciation, cost recovery or amortization used for that purpose), provided, that:

(i) Any income, gain or loss attributable to the taxable disposition of any Company property shall be determined as if the adjusted basis of such property as of such date of disposition were equal in amount to the Company's Carrying Value with respect to such property as of such date.

(ii) In accordance with the requirements of Section 704(b) of the Code, any deductions for depreciation, cost recovery or amortization attributable to any Contributed Property shall be determined as if the adjusted basis of such property on the date it was acquired by the Company were equal to the Agreed Value of such property. Upon an adjustment to the Carrying Value of any Company property subject to depreciation, cost recovery or amortization, any further deductions for such depreciation, cost recovery or amortization attributable to such property shall be determined (A) as if the adjusted basis of such property were equal to the Carrying Value of such property immediately following such adjustment and (B) using a rate of depreciation, cost recovery or amortization derived from the same method and useful life (or, if applicable, the remaining useful life) as is applied for federal income tax purposes; provided, however, that, if the asset has a zero adjusted basis for federal income tax purposes, depreciation, cost recovery or amortization deductions shall be determined using any reasonable method that the Board of Directors may adopt.

(c) A Transferee of a Membership Interest shall succeed to a pro rata portion of the Capital Account of the transferor relating to the Membership Interest so transferred.

(d) (i) In accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(f), on an issuance of additional Membership Interests for cash or Contributed Property, the Capital Account of all Members and the Carrying Value of each Company property immediately prior to such issuance shall be adjusted upward or downward to reflect any Unrealized Gain or Unrealized Loss attributable to such Company property, as if such Unrealized Gain or Unrealized Loss had been recognized on an actual sale of each such property immediately prior to such issuance and had been allocated to the Members at such time pursuant to Section 5.02 in the same manner as any item of gain or loss actually recognized during such period would have been allocated.

(ii). In accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(f), immediately prior to any actual or deemed distribution to a Member of any Company property (other than a distribution of cash that is not in redemption or retirement of a Membership Interest), the Capital Accounts of all Members and the Carrying Value of all Company property shall be adjusted upward or downward to reflect any Unrealized Gain or Unrealized Loss attributable to such Company property, as if such Unrealized Gain or Unrealized Loss had been recognized in a sale of such property immediately prior to such distribution for an amount equal to its fair market value, and had been allocated to the Members, at such time, pursuant to Section 5.02 in the same manner as any item of gain or loss actually recognized during such period would have been allocated.

ARTICLE 5
DISTRIBUTIONS AND ALLOCATIONS

5.01 DISTRIBUTIONS.

(a) Within 45 days following each Quarter (the "DISTRIBUTION DATE"), the Company shall distribute to each Member, in proportion to its respective Sharing Ratio, 100% of the Company's Available Cash on such Distribution Date. Each distribution in respect of a Membership Interest shall be paid only to the record holder thereof as of the Distribution Date, unless otherwise directed by the record holder.

(b) Any distributions, redemption payments and liquidation distributions (subject to Section 11.02) shall be paid simultaneously to the Members in accordance with their respective Sharing Ratios.

5.02 ALLOCATIONS FOR CAPITAL ACCOUNT PURPOSES. For purposes of maintaining the Capital Accounts and in determining the rights of the Members among themselves, the Company's items of income, gain, loss and deduction (computed in accordance with Section 4.04(b)) shall be allocated among the Members in each taxable year (or portion thereof) as provided herein below.

(a) Except as otherwise required by section 5.02(b), all items of income, gain, loss, deduction and credit of the Company shall be allocated among the Members in accordance with their Sharing Ratios.

(b) Special Allocations. The following special allocations shall be made for each taxable period:

(i) Company Minimum Gain Chargeback. If there is a net decrease in Company Minimum Gain during any taxable period, each Member shall be allocated items of income and gain for such period (and, if necessary, subsequent periods) in the manner and amounts provided in Treasury Regulation Sections 1.704-2(f)(6), 1.704-2(g)(2) and 1.704-2(j)(2)(i), or any successor provision. For purposes of this Section 5.02(b)(i), each Member's Adjusted Capital Account balance shall be determined, and the allocation of income or gain required hereunder shall be effected, prior to the application of any other allocations pursuant to this Section 5.02(b) with respect to such taxable period (other than an allocation pursuant to Sections 5.02(b)(v) and 5.02(b)(vi)). This Section 5.02(b)(i) is intended to comply with the Member Minimum Gain chargeback requirement in Treasury Regulation Section 1.704-2(f) and shall be interpreted consistently therewith.

(ii) Chargeback of Member Nonrecourse Debt Minimum Gain. Except as provided in Treasury Regulation Section 1.704-2(i)(4), if there is a net decrease in Member Nonrecourse Debt Minimum Gain during any taxable period, any Member with a share of Member Nonrecourse Debt Minimum Gain at the beginning of such taxable period shall be allocated items of income and gain for such period (and, if necessary, subsequent periods) in the manner and amounts provided in Treasury Regulation Sections 1.704-2(i)(4) and 1.704-2(j)(2)(ii), or any successor provisions. For purposes of this Section 5.02(b)(ii), each Member's Adjusted Capital Account balance shall be determined, and the allocation of income or gain required hereunder shall be effected, prior to the application of any other allocations pursuant to this Section 5.02(b), other than Section 5.02(b)(i) and other than an allocation pursuant to Sections 5.02(b)(v) and 5.02(b)(vi), with respect to such taxable period. This Section 5.02(b)(ii) is intended to comply with the chargeback of items of income and gain requirement in Treasury Regulation Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(iii) Qualified Income Offset. In the event any Member unexpectedly receives any adjustments, allocations or distributions described in Treasury Regulation 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 income and gain shall be specially allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations promulgated under Section 704(b) of the Code, the deficit balance, if any, in its Adjusted Capital Account created by such adjustments, allocations or distributions as quickly as possible unless such deficit balance is otherwise eliminated pursuant to Section 5.02(b)(i) or (ii).

(iv) Gross Income Allocations. In the event any Member has a deficit balance in its Capital Account at the end of any taxable period in excess of the sum of (A) the amount such Member is required to restore pursuant to the provisions of this Agreement and (B) the amount such Member is deemed obligated to restore pursuant to Treasury Regulation Sections 1.704-2(g) and 1.704-2(i)(5), such Member shall be specially allocated items of gross income and gain in the amount of such excess as quickly as possible; provided, that an allocation pursuant to this Section 5.02(b)(iv) shall

be made only if and to the extent that such Member would have a deficit balance in its Capital Account as adjusted after all other allocations provided for in this Section 5.02 have been tentatively made as if this Section 5.02(b)(iv) were not in this Agreement.

(v) Nonrecourse Deductions. Nonrecourse Deductions for any taxable period shall be allocated to the Members in accordance with their respective Sharing Ratios. If the Board of Directors determines in its good faith discretion that the Company's Nonrecourse Deductions must be allocated in a different ratio to satisfy the safe harbor requirements of the Treasury Regulations promulgated under Section 704(b) of the Code, the Board of Directors is authorized, upon notice to the other Members, to revise the prescribed ratio to the numerically closest ratio that does satisfy such requirements.

(vi) Member Nonrecourse Deductions. Member Nonrecourse Deductions for any taxable period shall be allocated 100% to the Member that 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 Regulation Section 1.704-2(i). If more than one Member bears the Economic Risk of Loss with respect to a Member Nonrecourse Debt, such Member Nonrecourse Deductions attributable thereto shall be allocated between or among such Members in accordance with the ratios in which they share such Economic Risk of Loss.

(vii) Nonrecourse Liabilities. For purposes of Treasury Regulation Section 1.752-3(a)(3), the Members agree that Nonrecourse Liabilities of the Company in excess of the sum of (A) the amount of Company Minimum Gain and (B) the total amount of Nonrecourse Built-in Gain shall be allocated among the Members in accordance with their respective Sharing Ratios.

5.03 ALLOCATIONS FOR TAX PURPOSES.

(a) Except as otherwise provided herein, for federal income tax purposes, each item of income, gain, loss and deduction shall be allocated among the Members in the same manner as its correlative item of "book" income, gain, loss or deduction is allocated pursuant to Section 5.02.

(b) To eliminate Book-Tax Disparities attributable to a Contributed Property or Adjusted Property, items of income, gain, loss, depreciation, amortization and cost recovery deductions shall be allocated for federal income tax purposes among the Members as follows:

(i) (A) In the case of a Contributed Property, such items attributable thereto shall be allocated among the Members in the manner provided under Section 704(c) of the Code that takes into account the variation between the Agreed Value of such property and its adjusted basis at the time of contribution; and (B) any item of Residual Gain or Residual Loss attributable to a Contributed Property shall be allocated among the Members in the same manner as its correlative item of "book" gain or loss is allocated pursuant to Section 5.02.

(ii) (A) In the case of an Adjusted Property, such items shall (1) first, be allocated among the Members in a manner consistent with the principles of Section 704(c) of the Code to take into account the Unrealized Gain or Unrealized Loss attributable to such property and the allocations thereof pursuant to Section 4.04(d)(i) or 4.04(d)(ii), and (2) second, in the event such property was originally a Contributed Property, be allocated among the Members in a manner consistent with Section 5.03(b)(i)(A); and (B) any item of Residual Gain or Residual Loss attributable to an Adjusted Property shall be allocated among the Members in the same manner as its correlative item of "book" gain or loss is allocated pursuant to Section 5.02.

(iii) The Board of Directors shall apply the principles of Treasury Regulation Section 1.704-3(d) to eliminate Book-Tax Disparities.

ARTICLE 6
MANAGEMENT

6.01 MANAGEMENT.

(a) 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. No Member, by virtue of having the status of a Member, shall have any management power over the business and affairs of the Company or 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. 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 (including Section 6.01(b)), the Board of Directors and the Officers shall have full power and authority to do all things 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) Notwithstanding any other provision of this Agreement to the contrary, the Company, the Board of Directors and the Officers shall not undertake, either directly or indirectly, any of the actions described in this Section 6.01(b) unless such action has been approved at a meeting or by written consent by an act of the Board of Directors that includes at least one Enterprise Designated Insider and, during the period that El Paso GP Holdco (including, for this purpose, Permitted Transferees admitted as Substitute Members pursuant to Section 9.02(a)) maintains the Required Economic Interest, one El Paso GP Holdco Designated Insider:

(i) any merger or consolidation of the Company;

(ii) any merger or consolidation involving the MLP in respect of which the MLP would not control at least 51% of the Voting Power of the surviving entity in the transaction;

(iii) any Disposition, whether in one transaction or a series of transactions, of all or substantially all of the properties or assets of the Company or the MLP;

(iv) any declaration or payment of any distributions or dividends in respect of Membership Interests other than as permitted under Section 5.01;

(v) make (on behalf of the Company or the MLP) a general assignment for the benefit of creditors;

(vi) file (on behalf of the Company or the MLP) a petition or answer seeking for the Company or the MLP a reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief;

(vii) file (on behalf of the Company or the MLP) a petition or answer seeking for the Company or the MLP a voluntary bankruptcy petition;

(viii) file (on behalf of the Company or the MLP) an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Company or the MLP in (A) a proceeding of the type described in Section 6.01(b)(vi) or Section 6.01(b)(vii) above or (B) any federal or state bankruptcy or insolvency proceeding;

(ix) seek, consent or acquiesce (on behalf of the Company or the MLP) to the appointment of a trustee, receiver or liquidator of the Company or the MLP for all or any substantial part of the Company or the MLP's properties; and

(x) amending, repealing or modifying this Agreement or the Organizational Certificate in any respect.

6.02 BOARD OF DIRECTORS.

(a) Generally. The Board of Directors shall consist of not less than five nor more than ten natural persons. Each of Enterprise Parent 2 and El Paso GP Holdco shall have the right to appoint five of the Directors, of which at least three of each group of five shall meet the independence, qualification and experience requirements of the New York Stock Exchange (each, an "INDEPENDENT DIRECTOR"), and at least two of such three Independent Directors shall also meet the independence, qualification and experience requirements of Section 10A(m)(3) of the Securities Exchange Act of 1934, the rules and regulations of the SEC, other applicable Law and the charter of the Audit and Conflicts Committee (each, a "SPECIAL INDEPENDENT DIRECTOR"). The five Directors appointed by Enterprise Parent 2 shall be referred to as the "ENTERPRISE APPOINTED DIRECTORS" and the three of such five who are Independent Directors shall be referred to as the "ENTERPRISE INDEPENDENT DIRECTORS." The five Directors appointed by El Paso GP Holdco shall be referred to as the "EL PASO GP HOLDCO APPOINTED DIRECTORS" and the three of

such five who are Independent Directors shall be referred to as the "EL PASO GP HOLDCO INDEPENDENT DIRECTORS." Enterprise Parent 2 shall designate one or more of the Enterprise Appointed Directors as "ENTERPRISE DESIGNATED Insiders", and El Paso GP Holdco shall designate one or more of the El Paso GP Holdco Appointed Directors as "EL PASO GP HOLDCO DESIGNATED INSIDERS." Notwithstanding the foregoing, the number of directors appointed by El Paso GP Holdco shall be decreased automatically, and the number of directors appointed by Enterprise Parent 2 shall be increased automatically, upon reductions in El Paso GP Holdco's ownership of Membership Interests, as follows:

(i) If El Paso GP Holdco's Membership Interest constitutes between 40%-49.9% of the Outstanding Membership Interests, El Paso GP Holdco shall have the right to appoint four members of the ten-member Board of Directors (of which four members, two shall be Independent Directors), and Enterprise Parent 2 shall have the right to appoint a total of six members of the ten-member Board of Directors (of which group of six, four shall be Independent Directors);

(ii) If El Paso GP Holdco's Membership Interest constitutes between 30%-39.9% of the Outstanding Membership Interests, El Paso GP Holdco shall have the right to appoint three members of the ten-member Board of Directors (of which three members, one shall be an Independent Director), and Enterprise Parent 2 shall have the right to appoint a total of seven members of the ten-member Board of Directors (of which group of seven, four shall be Independent Directors);

(iii) If El Paso GP Holdco's Membership Interest constitutes between 10%-29.9% of the Outstanding Membership Interests, El Paso GP Holdco shall have the right to appoint one member of the ten-member Board of Directors (and such one member shall not be required to be an Independent Director), and Enterprise Parent 2 shall have the right to appoint a total of nine members of the ten-member Board of Directors (of which group of nine, five shall be Independent Directors); and

(iv) If El Paso GP Holdco's Membership Interest constitutes between 0%-9.9% of the Outstanding Membership Interests, El Paso GP Holdco shall not have the right to appoint any member to the Board of Directors, and Enterprise Parent 2 shall have the right to appoint all ten members of the ten-member Board of Directors (of which group of ten, six shall be Independent Directors).

(b) Appointment of Directors. The initial Enterprise Appointed Directors, Enterprise Independent Directors, Enterprise Designated Insiders, El Paso GP Holdco Appointed Directors, El Paso GP Holdco Independent Directors and El Paso GP Holdco Designated Insiders are listed on Exhibit B. A Director shall serve on the Board of Directors until such time as the applicable Member ceases to be a Member, ceases to have the right to appoint a Director pursuant to Section 6.02(a) (and at such time El Paso GP Holdco shall specify which of its Directors shall so cease to be a Director, or if El Paso GP Holdco fails to so specify within five Business Days following El Paso GP Holdco's receipt of written notice from Enterprise Parent 2, Enterprise Parent 2 shall so specify), or such Director resigns, dies or is removed by the Member that appointed the Director. Each Member has the right to remove any Director appointed by

such Member at any time, and any such removal of a Director from the Board of Directors shall become effective as of the date specified by the applicable Member.

(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 as provided in Section 6.02(c)(iii) and 6.02(c)(iv), the presence at a meeting of a majority of the members of the Board of Director shall constitute a quorum at any such meeting for the transaction of business; provided, however, that (A) if none of the El Paso GP Holdco Appointed Directors are present at any meeting duly called in accordance with Section 6.02(d), the presence at such meeting of five Directors shall constitute a quorum, and (B) during the period that El Paso GP Holdco (including, for this purpose, Permitted Transferees admitted as Substitute Members pursuant to Section 9.02(a)) maintains the Required Economic Interest, the presence of at least one El Paso GP Holdco Designated Insider shall be required to vote on any actions described in Section 6.01(b);

(iii) except as provided in Section 6.02(c)(iv), the act of a majority of the members of the Board of Directors present at a meeting duly called in accordance with Section 6.02(d) at which a quorum is present shall be deemed to constitute the act of the Board of Directors; provided, however, (A) if there is a tie vote among the Board of Directors with respect to any matter brought before them for a vote, and Enterprise Parent 2 Individual is one of the Directors, then the vote of Enterprise Parent 2 Individual shall be the tie-breaking vote and the vote by the Enterprise Parent 2 Individual and other Directors that collectively represent half of the members of the Board of Directors present at a meeting at which a quorum is present shall be deemed to constitute the act of the Board of Directors, and (B) during the period that El Paso GP Holdco (including, for this purpose, Permitted Transferees admitted as Substitute Members pursuant to Section 9.02(a)) maintains the Required Economic Interest, no actions described in Section 6.01(b) shall be approved pursuant to clause (A) of this Section 6.02(c)(iii) absent the approval of at least one El Paso GP Holdco Designated Insider; and

(iv) if Subject Business is to be discussed at a meeting of the Board of Directors in accordance with the provisions of Section 10.02, then the notice of such meeting delivered pursuant to Section 6.02(d) shall so specify, and (A) the Directors appointed by any Member whose Affiliate desires to pursue such Subject Business may recuse themselves from any discussions and votes with respect to such Subject Business by the Board, the Company or the MLP, (B) the presence at a meeting of a majority of the members of the Board of Directors (excluding the recused Directors) (the "SUBJECT BUSINESS BOARD") shall constitute a quorum at any such meeting for the transaction of business, and (C) the act of a majority of the members of the Subject Business Board present at a meeting 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 of 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. Each Enterprise Appointed Director and each El Paso GP Holdco Appointed Director shall be entitled to receive ten Days advance written notice of any regular or special meeting of, or any proposal that action by written consent be taken by, the Board of Directors and, unless such notice is given or such advance notice requirement is waived by each Enterprise Appointed Director and each El Paso GP Holdco Appointed Director, no regular or special meeting of the Board of Directors shall have been duly called under, and no action by written consent may be taken pursuant to, this Section 6.01(d). Any such notice, or waiver thereof, shall state the purpose of such meeting. Attendance of a Director at a meeting (including pursuant to the last sentence of this Section 6.02(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 the third preceding sentence, 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 all members of the Board of Directors or 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 6.02(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 6.02(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. 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 a Special 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 a Special Independent Director.

(ii) In addition to any other committees established by the Board of Directors pursuant to Section 6.02(e)(i), the Board of Directors shall maintain an "AUDIT AND CONFLICTS COMMITTEE," which shall be composed of at least three Special Independent Directors.

During the period that El Paso GP Holdco (including, for this purpose, Permitted Transferees admitted as Substitute Members pursuant to Section 9.02(a)) maintains the Required Economic Interest, the Board shall appoint, as members of the Audit and Conflicts Committee, the lesser of two El Paso GP Holdco Special Independent Directors or the number of Directors that El Paso GP Holdco has the right to appoint pursuant to Section 6.02(a). The Board shall appoint two Enterprise Special Independent Directors as the other members of the Audit and Conflicts Committee. When El Paso GP Holdco (including, for this purpose, Permitted Transferees admitted as Substitute Members pursuant to Section 9.02(a)) ceases to maintain the Required Economic Interest, all of the members of the Audit and Conflicts Committee shall be Enterprise Special 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, the MLP and the OLP required to be considered by, or submitted to, such Audit and Conflicts Committee pursuant to the terms of the MLP Agreement and the Amended and Restated Agreement of Limited Partnership of the OLP, (B) assisting the Board in monitoring (1) the integrity of the MLP's, the OLP's and the Company's financial statements, (2) the qualifications and independence of the MLP's, the OLP's and the Company's independent accountants, (3) the performance of the MLP's, the OLP's and the Company's internal audit function and independent accountants, and (4) the MLP's, the OLP'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 the MLP's and OLP's annual report on Form 10-K, (D) approving any proposed increases in the administrative services fee payable under the EPCO Agreement, (E) approving or disapproving, as the case may be, entering into any transaction with any Affiliate of a Member, other than any transaction in the ordinary course of business, and (F) performing such other functions as the Board may assign from time to time, or as may be specified in the charter of the Audit and Conflicts Committee.

(f) Ability of El Paso GP Holdco to Transfer Voting and Other Rights. If, subject to its compliance with Article 9, El Paso GP Holdco elects to Dispose of all (but not less than all) of its Membership Interests in the Company to any Permitted Transferee, such Transferee shall succeed to all of El Paso GP Holdco's rights and obligations under this Agreement, including (i) its consent and preemptive rights with respect to the creation and issuance of additional Membership Interests pursuant to Section 3.02, (ii) its rights pursuant to Section 6.01(b), (iii) its ability to appoint directors pursuant to 6.02(a), (v) its rights pursuant to Section 6.02(c), (vi) its preferential purchase rights pursuant to Section 9.03, and (vii) its consent rights in respect of amendments and restatements of this Agreement pursuant to Section 13.04.

6.03 OFFICERS.

(a) Generally. The Board of Directors, as set forth below, shall appoint officers of the Company ("OFFICERS"), who shall (together with the Directors) constitute "managers" of the Company for the purposes of the Act. Unless provided otherwise by resolution of the Board of Directors, the Officers shall have the titles, power, authority and duties described below in this Section 6.03.

(b) Titles and Number. The Officers of the Company shall be the Chairman of the Board (unless the Board of Directors provides otherwise), the Vice Chairman and Chief Executive Officer, the President and Chief Operating Officer, any and all Vice Presidents, the

Secretary, the Chief Financial Officer, any Treasurer and any and all Assistant Secretaries and Assistant Treasurers and the Chief Legal Officer. At the Effective Time, the Chairman of the Board, the Vice Chairman and Chief Executive Officer and the President and Chief Operating Officer shall be the individuals so named on Exhibit C hereto. There shall be appointed from time to time such Vice Presidents, Secretaries, Assistant Secretaries, Treasurers and Assistant Treasurers as the Board of Directors may desire. Any person may hold two or more offices.

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

(d) President and Chief Operating Officer. 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 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. The President and Chief Operating Officer 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.

(e) Vice Chairman and Chief Executive Officer. Subject to the limitations imposed by this Agreement, any employment agreement, any employee plan or any determination of the Board of Directors, the Vice Chairman and Chief Executive Officer, subject to the direction of the Board of Directors, 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. The Vice Chairman and Chief Executive Officer 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.

(f) Vice Presidents. In the absence of the President, each Vice President appointed by the Board of Directors 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 of Directors or the President.

(g) 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.

(h) 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. 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, 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.

(i) 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.

(j) Chief Legal Officer. The Chief Legal Officer, subject to the discretion of the Board of Directors, shall be responsible for the management and direction of the day-to-day legal affairs of the Company. The Chief Legal Officer shall perform such other duties and may exercise such other powers as may from time to time be assigned to him by the Board of Directors or the President.

(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:

6.04 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.

6.05 COMPENSATION. The Officers shall receive such compensation for their services as may be designated by the Board of Directors. In addition, the Officers shall be entitled to be reimbursed for out-of-pocket costs and expenses incurred in the course of their service hereunder. The members of the Board of Directors that 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.

6.06 INDEMNIFICATION.

(a) To the fullest extent permitted by Law but subject to the limitations expressly provided in this Agreement, each person 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 person may be involved, or is threatened to be involved, as a party or otherwise, by reason of such person's status as (i) a present or former member of the Board of Directors or any committee thereof, (ii) a present or former Officer, employee, agent or trustee of the Company, or (iii) a person serving at the request of the Company in another entity in a similar capacity as that referred to in the immediately preceding clauses (i) or (ii), provided, that in each case the person described in the immediately preceding clauses (i), (ii) or (iii) ("INDEMNITEE") acted in good faith and in a manner which such Indemnitee believed to be in, or not opposed to, the best interests of the Company and, with respect to any criminal proceeding, had no reasonable cause to believe such Indemnitee's conduct was unlawful. 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 6.06 shall be made only out of the assets of the Company.

(b) To the fullest extent permitted by law, expenses (including reasonable legal fees and expenses) incurred by an Indemnitee who is indemnified pursuant to Section 6.06(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 6.06.

(c) The indemnification provided by this Section 6.06 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 (i) a present or former member of the Board of Directors or any committee thereof, (ii) a present or former Officer, employee, agent or trustee of the Company, or (iii) a Person serving at the request of the Company in another entity in a similar capacity, 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.

(d) 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.

(e) For purposes of this Section 6.06, 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 6.06(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.

(f) An Indemnitee shall not be denied indemnification in whole or in part under this Section 6.06 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.

(g) The provisions of this Section 6.06 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.

(h) No amendment, modification or repeal of this Section 6.06 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 6.06 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.

(i) THE PROVISIONS OF THE INDEMNIFICATION PROVIDED IN THIS SECTION 6.06 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.

6.07 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 constituting a breach of such Indemnitee's fiduciary duty if such Indemnitee acted in good faith.

(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 6.07 or any provision hereof shall be prospective only and shall not in any way affect the limitations on liability under this Section 6.07 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.

ARTICLE 7
TAX MATTERS

7.01 TAX RETURNS.

(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 the elections described in Section 7.02. Upon written request by the Company, each Member shall furnish to the Board of Directors all pertinent information in its possession relating to the Company's operations that is necessary to enable the Company's tax returns to be timely prepared and filed. The Company shall deliver a copy of each such tax return to the Members within ten Days following the date on which of any such tax return is filed, together with such additional information as may be required by the Members. The Company shall bear the costs of the preparation and filing of its returns.

(b) The Board of Directors shall cause to be prepared and timely filed (on behalf of the MLP) all federal, state and local tax returns required to be filed by the MLP. 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.

7.02 TAX ELECTIONS. The Company shall make the following elections on the appropriate tax returns:

(a) to adopt as the Company's fiscal year the calendar year;

(b) to adopt the accrual method of accounting;

(c) if a distribution of the Company's property as described in Code Section 734 occurs or if a transfer of Membership Interest as described in Code Section 743 occurs, on request by notice from any Member, to elect, pursuant to Code Section 754, to adjust the basis of the Company's properties;

(d) to elect to amortize the organizational expenses of the Company ratably over a period of 60 months as permitted by Section 709(b) of the Code; and

(e) any other election the Board of Directors may deem appropriate.

Neither the Company nor any Member shall make an election for the Company to be excluded from the application of the provisions of subchapter K of chapter 1 of subtitle A of the Code or any similar provisions of applicable state law and no provision of this Agreement (including Section 2.06) shall be construed to sanction or approve such an election. If an election is made under Code Section 754 as provided in clause (c) above, such election may not be revoked without the consent of all Members.

7.03 TAX MATTERS MEMBER.

(a) Enterprise Parent 1 shall be the "tax matters member" of the Company pursuant to Section 6231(a)(7) of the Code (the "TAX MATTERS MEMBER"). The Tax Matters Member shall take such action as may be necessary to cause to the extent possible each other Member to become a "notice partner" within the meaning of Section 6223 of the Code and will inform each other Member of all significant matters that may come to its attention in its capacity as Tax Matters Member by giving notice thereof on or before the 30th Business Day after becoming aware thereof and, within that time, will forward to each other Member copies of all significant written communications it may receive in that capacity.

(b) The Tax Matters Member shall take no action (including settling or compromising any material state tax return on behalf of the Company or the MLP or settling or compromising any material claim with respect to taxes of the Company or the MLP) without the authorization of the Board of Directors, other than such action as may be required by Law. Any cost or expense incurred by the Tax Matters Member in connection with its duties, including the preparation for or pursuance of administrative or judicial proceedings, shall be paid by the Company.

(c) The Tax Matters Member shall not enter into any extension of the period of limitations for making assessments on behalf of the Members without first obtaining the consent of the Board of Directors. The Tax Matters Member shall not bind any Member to a settlement agreement without obtaining the consent of such Member. Any Member that enters into a settlement agreement with respect to any Company item (as described in Code Section 6231(a)(3)) shall notify the other Members of such settlement agreement and its terms within 90 Days from the date of the settlement.

(d) No Member shall file a request pursuant to Code Section 6227 for an administrative adjustment of Company items for any taxable year without first notifying the other Members. If the Board of Directors consents to the requested adjustment, the Tax Matters Member shall file the request for the administrative adjustment on behalf of the Members. If such consent is not obtained within 30 Days from such notice, or within the period required to timely file the request for administrative adjustment, if shorter, any Member, including the Tax Matters Member, may file a request for administrative adjustment on its own behalf. Any Member intending to file a petition under Code Sections 6226, 6228 or other Code Section with

respect to any item involving the Company shall notify the other Members of such intention and the nature of the contemplated proceeding. In the case where the Tax Matters Member is the Member intending to file such petition on behalf of the Company, such notice shall be given within a reasonable period of time to allow the other Members to participate in the choosing of the forum in which such petition will be filed.

(e) If any Member intends to file a notice of inconsistent treatment under Code Section 6222(b), such Member shall give reasonable notice under the circumstances to the other Members of such intent and the manner in which the Member's intended treatment of an item is (or may be) inconsistent with the treatment of that item by the other Members.

ARTICLE 8
BOOKS, RECORDS, REPORTS, AND BANK ACCOUNTS

8.01 MAINTENANCE OF BOOKS.

(a) 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.

(b) The books of account of the Company shall be maintained on the basis of a fiscal year that is the calendar year and on an accrual basis in accordance with generally accepted accounting principles, consistently applied.

8.02 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.

8.03 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.

8.04 TAX STATEMENTS. The Company shall use reasonable efforts to furnish, within 90 Days of the close of each taxable year of the Company, estimated tax information reasonably required by the Members for federal and state income tax reporting purposes.

ARTICLE 9
DISPOSITIONS

9.01 DISPOSITIONS OF MEMBERSHIP INTERESTS. Except to the extent expressly permitted by this Article 9, no Member may Dispose of all or any part of a Membership Interest. References in this Section 9.01 to Dispositions of a "Membership Interest" shall also refer to Dispositions of a portion of a Membership Interest. Any attempted transfer, sale or other Disposition of all or any part of a Membership Interest, other than in strict accordance with this Article 9, shall be, and is hereby declared, null and void ab initio. The Members agree that a

breach of the provisions of this Article 9 may cause irreparable injury to the Company and to the other Members for which monetary damages (or other remedies at law) are inadequate in view of (a) the complexities and uncertainties in measuring the actual damages that would be sustained by reason of the failure of a Member to comply with such provisions and (b) the uniqueness of the Company's business and the relationship among the Members. Accordingly, the Members agree that the provisions of this Article 9 may be enforced by specific performance.

9.02 PERMITTED DISPOSITIONS OF MEMBERSHIP INTERESTS AND GENERAL RESTRICTIONS.

(a) Permitted Dispositions. Any Member may transfer all or any portion of its Membership Interest hereunder to its Parent or any Subsidiary Affiliate of its Parent (such Transferee, a "PERMITTED TRANSFEREE"), and such Permitted Transferee will, subject to Section 9.02(b), be admitted as a Substitute Member and be bound by the terms and conditions of this Agreement. The restrictions in (i) this Section 9.02 shall not apply in the case of a merger or consolidation involving the entire Company, which requires approval pursuant to Section 12.03, (ii) Sections 9.03 and 9.04 shall not apply to Dispositions to Permitted Transferees and (iii) Sections 9.03 and 9.04 shall not apply to any Dispositions by Enterprise Parent, its Permitted Transferees, or its other Transferees and successors at any time after El Paso GP Holdco (including, for this purpose, Permitted Transferees admitted as Substitute Members pursuant to Section 9.02(a)) ceases to maintain the Required Economic Interest, at which time Enterprise Parent, its Permitted Transferees, and its other transferees and successors shall have the right to Dispose of Membership Interests in compliance with Section 9.02(b).

(b) Admission of Transferee as a Member. Upon compliance with the provisions of this Section 9.02(b) and the other provisions of Article 9, a Transferee has the right to be admitted to the Company as a Member (in such capacity, a "SUBSTITUTED MEMBER"), with the Disposed Membership Interest so transferred to such Transferee.

(i) Any Disposition of a Membership Interest and any admission of a Transferee as a Member shall be subject to the following requirements, and such Disposition shall not be effective unless such requirements are complied with; provided, however, that the Board of Directors, in its sole and absolute discretion, may waive any of the following requirements:

(A) The following documents must be delivered to the Board of Directors and must be reasonably satisfactory, in form and substance, to the Board of Directors:

(I) A copy of the instrument pursuant to which the Disposition is effected.

(II) An instrument, executed by the Disposing Member and its Transferee, containing the following information and agreements, to the extent they are not contained in the instrument described in Section 9.02(b)(i)(A)(I): (a) the notice address of the Transferee; (b) the Transferee's ratification of this Agreement and agreement to be bound by it and assumption of all of the transferor Member's liabilities under this

Agreement; (c) representations and warranties by the Disposing Member and its Transferee that the Disposition is being made in accordance with all applicable Laws; and (d) representations and warranties of the Transferee similar to those contained in Section 10.01 hereof.

(B) The Disposition must be made pursuant to a valid exemption from registration under those Laws and in accordance with those Laws.

(C) The Disposing Member and its Transferee shall pay, or reimburse the Company for, all reasonable costs and expenses incurred by the Company in connection with the Disposition, on or before the tenth Business Day after the receipt by that Person of the Company's invoice for the amount due.

(ii) No Disposition of a Membership Interest shall effect a release of the Disposing Member from any liabilities to the Company or the other Members arising from events occurring prior to the Disposition.

(c) Clarification Regarding Transfer of Equity Interests in Members. The Disposition by the equity owner(s) of a Member of all or any portion of the equity interests in such Member shall not constitute a Disposition of a Membership Interest for purposes of this Agreement.

9.03 PREFERENTIAL PURCHASE RIGHT.

(a) Procedure. If at any time any Member proposes to Dispose of all or a portion of its Membership Interest to anyone other than a Permitted Transferee, the Disposing Member shall promptly give notice thereof ("DISPOSITION NOTICE") to the other Members. Such Disposition Notice shall constitute an offer to sell such Membership Interest and any interest in the MLP to be Disposed of in connection therewith in accordance with this Section 9.03. The Disposition Notice shall include as an attachment the purchase and sale agreement entered into by the Disposing Member, which shall set forth all relevant information with respect to the bona fide third party offer received by the Member (which offer shall be a legal, valid and binding obligation of the potential Transferee) and the proposed Disposition, including the name and address of the prospective Transferee, the Membership Interest (and interest in the MLP, if applicable) that is the subject of the Disposition, the price to be paid for such Membership Interest (and interest in the MLP, if applicable), any other terms and conditions of the offer and proposed Disposition and, if any portion of the purchase price is to be paid in Non-Cash Consideration, the information required by Section 9.03(d). The non-Disposing Members shall have the preferential right ("PREFERENTIAL Right") but not the obligation to acquire in proportion to their ownership of the Company, or as otherwise agreed among such non-Disposing Members, all, but not less than all, of the Membership Interest (and interest in the MLP, if applicable) that is subject to Disposition for 103% of the purchase price proposed to be paid by the potential Transferee pursuant to the immediately preceding sentence (the "PREFERENTIAL PURCHASE PRICE") (which, in the case of Non-Cash Consideration, shall be deemed to be 103% of the fair market value of such Non-Cash Consideration as determined in accordance with Section 9.03(d)), and on the same terms and conditions (other than the purchase price, which shall instead be the

Preferential Purchase Price), as are set forth in the Disposition Notice. Each non-Disposing Member shall have 15 Business Days following the receipt of the Disposition Notice in which to notify the Disposing Member and the Company whether it desires to exercise its Preferential Right, and if it fails to so exercise within such 15 Business Day period, such Member shall be deemed to have waived its Preferential Right (but not any future Preferential Right).

(b) Closing. If the Preferential Right is exercised in accordance with Section 9.03(a), the closing of the purchase of the Membership Interest (and interest in the MLP, if applicable) shall occur at the principal place of business of the Company on the terms set forth in the Disposition Notice, unless the Disposing Member and the purchasing Member agree upon a different place or date. At the closing, the Disposing Member shall execute and deliver to the purchasing Member an assignment of the Membership Interest (and interest in the MLP, if applicable) that is subject to Disposition, free and clear of Encumbrances other than those created pursuant to this Agreement or the purchasing Member and any other instruments reasonably requested by the purchasing Member to give effect to the purchase. The purchasing Member shall deliver to the Disposing Member in immediately available funds the purchase price provided for in Section 9.03(a). Upon the completion of the closing of the purchase, the Membership Interests, Sharing Ratios and Capital Accounts of the Members shall be deemed adjusted to reflect the effect of the purchase.

(c) Waiver of Preferential Right. If the Members waive or are deemed to have waived the Preferential Right, the Disposing Member shall have the right to Dispose of the Membership Interest (and interest in the MLP, if applicable) described in the Disposition Notice to the proposed Transferee strictly in accordance with the Disposition Notice for a period of 15 Business Days after the expiration of the last applicable period referred to in such Section 9.03(a). If, however, the Disposing Member fails so to Dispose of its Membership Interest within such 15-Business Day period, the proposed Disposition shall again become subject to the Preferential Right in accordance with Section 9.03(a).

(d) Non-Cash Consideration. If any portion of the purchase price is to be paid in a form other than cash or cash equivalents (including real or personal property, promissory notes, securities, contractual benefits, assumption of liabilities or anything else of value) ("NON-CASH Consideration"), the Disposing Member shall state in its Disposition Notice its determination of the aggregate fair market value of such Non-Cash Consideration. If any non-Disposing Member disagrees with such determination, it shall notify the Disposing Member of such disagreement within ten Business Days of receiving the Disposition Notice. If a dispute as to the aggregate fair market value of the Non-Cash Consideration is not resolved within five Business Days after such notice, the Disposing Member or any non-Disposing Member may require an appraisal by delivering a written notice ("APPRAISAL NOTICE") requesting an independent appraisal. In such event, the value of the Non-Cash Consideration shall be determined by one investment banking firm of nationally-recognized standing, agreed upon by the Disposing Member and the non-Disposing Members objecting to the fair market value of the Non-Cash Consideration stated in the Disposition Notice, or, failing such agreement, appointed by the Presiding Judge of the United States District Court for the Southern District of Texas, Houston Division, pursuant to a petition to compel appraisal. The fair market value of the Non-Cash Consideration shall be the amount determined by the investment banking firm selected in accordance with the immediately preceding sentence. The Disposing Member, on the one hand,

and the non-Disposing Members who have disagreed with the Disposing Member's determination of the aggregate fair market value of the Non-Cash Consideration, on the other hand, shall bear the expenses associated with any such appraisal equally.

9.04 CHANGE OF MEMBER CONTROL.

(a) Procedure. In the event of a Change of Member Control, the Member with respect to which the Change of Member Control has occurred ("CHANGING Member") shall promptly (and in all events within five Business Days after the Change of Member Control) give notice thereof ("CONTROL NOTICE") to the Company and the other Members. If the Control Notice is not given by the Changing Member as provided above and any other Member becomes aware of such Change of Member Control, such other Member shall have the right to give the Control Notice to the Changing Member, the Company and the other Members. The Company, first, and the other Members, second, shall have the right ("BUY-OUT RIGHT") to acquire the Membership Interest of the Changing Member for the fair market value thereof. For purposes of this Section 9.04, fair market value means the cash value for which a third-party buyer and third-party seller under no compulsion would be willing to buy or sell the Membership Interest of the Changing Member. The Changing Member shall deliver its proposed fair market value ("FMV NOTICE") of its Membership Interest to the Company and the other Members within five Business Days after the delivery of the Control Notice. The Company and each Member shall have 15 Business Days after receipt of the FMV Notice to dispute the fair market value set forth therein by notice to the Changing Member. If the Company or any other Member disputes the fair market value set forth in the FMV Notice, then the parties shall attempt to resolve such dispute. If such dispute is not resolved within 15 Business Days after delivery of the dispute notice, then the fair market value of the Changing Member's Membership Interest shall be determined by one investment banking firm of nationally-recognized standing, agreed upon by the Company, the Changing Member and the other Members or failing such agreement, appointed by the Presiding Judge of the United States District Court for the Southern District of Texas, Houston Division, pursuant to a petition to compel appraisal. If such dispute is submitted to the investment banking firm selected in accordance with the immediately preceding sentence, the fair market value of the Changing Member's Membership Interest shall be the amount determined by such investment banking firm. The fair market value of the Changing Member's Membership Interest determined as set forth in this Section 9.04(a) shall be the "FAIR MARKET VALUE." The Changing Member shall pay the expenses associated with any such appraisal.

(b) Company Right. The Company shall have the right but not the obligation to acquire all, but not less than all, of the Changing Member's Membership Interest at the Fair Market Value. The Company shall have 15 Business Days following the determination of the Fair Market Value in which to notify the Members whether the Company desires to exercise its Buy-out Right. If the Company fails to exercise its Buy-out Right during such 15 Business Day period, then the Company's Buy-out Right shall be deemed to have been waived for the subject Change of Member Control, but not for any future Change of Member Control.

(c) Non-Changing Members Right. If the Company fails to exercise its Buy-out Right within 15 Business Days following the determination of the Fair Market Value, each Member (excluding the Changing Member) shall have the right (but not the obligation) to acquire a portion of the applicable Membership Interest that is equal to a fraction, the numerator

of which is the Sharing Ratio attributable to the Membership Interest held by such non-Changing Member as of the date of the Control Notice and the denominator of which is the aggregate Sharing Ratios for all Membership Interests held by the non-Changing Members as of the date of the Control Notice. Each Member (other than the Changing Member) shall have 15 Business Days following the determination of the Fair Market Value of such Membership Interest in which to notify the other Members (including the Changing Member) whether such Member desires to exercise its Buy-out Right. A notice in which a Member exercises such Buy-out Right is referred to herein as a "CHANGE EXERCISE NOTICE," and a Member that delivers a Change Exercise Notice is referred to herein as a "CHANGE PURCHASING MEMBER." A Member that fails to exercise its Buy-out Right during such 15 Business Day period shall be deemed to have waived such right for the subject Change of Member Control, but not any right for any future Change of Member Control. If the Change Purchasing Members constitute less than all of the Members (other than the Changing Member), and consequently, there is a portion of the Changing Member's Membership Interest for which such Buy-out Right has not been exercised ("CHANGE UNEXERCISED PORTION"), then each Change Purchasing Member shall have three Business Days following the end of such 15 Business Day period in which to notify the other Change Purchasing Members and the Changing Member whether it desires to acquire the portion of the Change Unexercised Portion that is equal to a fraction, the numerator of which is the Sharing Ratio attributable to the Membership Interest held by such Change Purchasing Member and the denominator of which is the aggregate Sharing Ratios for the Membership Interests held by all Change Purchasing Members. If, at the end of such three Business Day period, there remains a Change Unexercised Portion, then the Change Purchasing Members shall have an additional three Business Day period in which to negotiate among themselves for a mutually-agreeable method of sharing the acquisition of the remaining Change Unexercised Portion. If the Change Purchasing Members are able to reach such agreement during such three Business Day period or if there is no longer a Change Unexercised Portion, then the Buy-out Right shall be deemed exercised by the Change Purchasing Members, and the Changing Member and the Change Purchasing Members shall close the acquisition of the Membership Interest in accordance with Section 9.04(d). If, however, the Change Purchasing Members are unable to reach such agreement during such three Business Day period, then the Buy-out Right shall be deemed to have been waived by the Change Purchasing Members. A Member that fails to exercise a right during any applicable period set forth in this Section 9.04(c) shall be deemed to have waived such right for the subject Change of Member Control, but not any right for any future Change of Member Control.

(d) Closing. If the Buy-out Right is exercised in accordance with Section 9.04(b) or (c), the closing of the purchase of the Membership Interest shall occur at the principal place of business of the Company on the 30th Day after the expiration of the last applicable period referred to in such Section 9.04(b) or (c) (or such longer period as may be necessary to comply with any waiting periods imposed by Governmental Authorities or to receive any approvals required by Law, such period not to exceed 180 days after the last applicable period referred to in Section 9.04(b) or (c)), unless the Changing Member and the Company or the Change Purchasing Members, as applicable, agree upon a different place or date. At the closing, the Changing Member shall execute and deliver to the Company or the Change Purchasing Members, as applicable, an assignment of the Membership Interest that is subject to such Change of Member Control free and clear of Encumbrances, other than those created by this Agreement or by the Change Purchasing Members, and any other instruments

reasonably requested by the Company or the Change Purchasing Members, as applicable, to give effect to the purchase. The Company or the Change Purchasing Members, as applicable, shall deliver to the Changing Member in immediately available funds the purchase price provided for in Section 9.04(a), and the Membership Interests, Sharing Ratios and Capital Accounts of the Members shall be deemed adjusted to reflect the effect of the purchase.

ARTICLE 10
REPRESENTATIONS, WARRANTIES AND COVENANTS OF MEMBERS

10.01 REPRESENTATIONS AND WARRANTIES. Each Member represents and warrants as of the date hereof that (a) such Member is duly organized or formed, validly existing, and in good standing under the Law of the state of such Member's incorporation, organization or formation and is duly qualified and in good standing under the Law of any states that require such Member to be so qualified and in good standing in order for the Company to be qualified to do business therein, (b) such Member has full corporate, limited liability company, partnership, trust or other applicable power and authority to execute, agree to and perform such Member's obligations under this Agreement, (c) all necessary actions by the board of directors, shareholders, managers, members, partners, trustees, beneficiaries, or other Persons necessary for the due authorization, execution, delivery, and performance of this Agreement by such Member have been duly taken, (d) such Member has duly executed and delivered this Agreement, and this Agreement is enforceable against such Member in accordance with its terms, subject to Bankruptcy, moratorium, insolvency and principles of equity, and (e) such Member's authorization, execution, delivery and performance of this Agreement does not conflict with any other material agreement or arrangement to which such Member is a party or by which such Member is bound.

10.02 SUBJECT BUSINESS ACTIVITIES.

(a) Nothing in this Agreement (except Section 10.02(b)), nor any fiduciary duties, shall prevent Affiliates of the Members from pursuing or engaging in business opportunities, transactions, ventures or other arrangements of any nature or description, without the consent of the other Members of the Company, in which the Company or the MLP or their Controlled Affiliates are engaged or participating, even if the Member Affiliate's pursuit of or engagement in such activity places it in direct competition with the Company, the MLP or their Controlled Affiliates within a relevant market or geographic location ("SUBJECT BUSINESS"); and no Member, nor any Affiliate of a Member, shall have any obligation to present any business opportunity to the Company or the other Members before pursuing or engaging in such opportunity.

(b) Notwithstanding the foregoing, no Member shall, and each Member shall cause its Affiliates not to, pursue or engage in any Subject Business directly or indirectly, whether by acting as a manager or operator of assets or companies that relate to any Subject Business or by participating in any Subject Business as an owner, investor, joint venturer, member or shareholder or otherwise, if (i) such Member or any of its Affiliates or any of their officers, directors or employees receive Confidential Information regarding such Subject Business from a Director appointed by such Member or a director of the MLP and such Member or its Affiliates use, in a manner competitive or adverse to the Company or the MLP, or disclose such Confidential Information or fail to provide notice to Enterprise Parent of receipt of such

Confidential Information within ten Business Days or (ii) if any of the non-Independent Directors appointed by such Member participate in discussions or review information regarding such Subject Business in their capacities as Directors or Officers of the Company subject to receipt of a notice that conforms to Section 6.02(b)(iv).

10.03 BANKRUPT MEMBERS. If any Member becomes Bankrupt (a "BANKRUPT Member"), the Company, by approval of a Majority Interest (excluding any Bankrupt Member) or, if the Company does not exercise the relevant option, the non-Bankrupt Members which desire to participate, will have the option, exercisable by notice from the Company or the Members, as the case may be, to the Bankrupt Member (or its representative) at any time prior to the 180th day after receipt of notice of the occurrence of the event causing it to become a Bankrupt Member, to buy, and, on the exercise of this option, the Bankrupt Member or its representative will sell, its Membership Interest. The purchase price will be an amount equal to the fair market value thereof determined by agreement by the Bankrupt Member (or its representative) and the potential purchaser; however, if those Persons do not agree on the fair market value on or before the 90th day following the date of receipt by such potential purchaser of notice of the occurrence of the event causing the Member to become a Bankrupt Member, either such Person, by written notice to the other, may require the determination of fair market value to be made by an independent appraiser specified in such notice. If the Person receiving that notice objects on or before the tenth day following receipt to the independent appraiser designated in that notice, and those Persons otherwise fail to agree on an independent appraiser, either such Person may petition the United States District Judge for the Southern District of Texas then senior in active service to designate an independent appraiser, whose determination of the independent appraiser, however designated, is final and binding on all parties. The Bankrupt Member and the potential purchaser each will pay one-half of the costs of the appraisal and court costs in appointing an appraiser (if any). If the potential purchaser then elects, within ten Days after the fair market value has been decided by agreement or by an independent appraiser, to exercise the purchase option, the purchasing Person will pay the fair market value as so determined in cash on closing. The payment to be made to the Bankrupt Member or its representative pursuant to this Section 10.03 is in complete liquidation and satisfaction of all the rights and interest of the Bankrupt Member and its representative (and of all Persons claiming by, through, or under the Bankrupt Member and its representative) in and in respect of the Company, including, without limitation, any Membership Interest, any rights in specific Company property, and any rights against the Company or its Subsidiaries and its Officers, agents, and representatives and (insofar as the affairs of the Company are concerned) against the Members.

ARTICLE 11
DISSOLUTION, WINDING-UP AND TERMINATION

11.01 DISSOLUTION.

(a) Subject to Section 11.01(b), 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 dissolution, Withdrawal or Bankruptcy of a Member; or

(iii) the entry of a decree of judicial dissolution of the Company under Section 18-802 of the Act.

(b) If a Dissolution Event described in Section 11.01(a)(ii) shall occur and there shall be at least one other Member not subject to a Dissolution Event, the Company shall not be dissolved, and the business of the Company shall be continued, if such Member elects to do so within 90 Days following the occurrence of such Dissolution Event (such election is referred to herein as a "CONTINUATION ELECTION").

11.02 WINDING-UP AND TERMINATION.

(a) On the occurrence of a Dissolution Event not subject to a Continuation Election, 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); and

(iii) all remaining assets of the Company shall be distributed to the Members as follows:

(A) the liquidator may sell any or all Company property, including to Members, and any resulting gain or loss from each sale shall be computed and allocated to the Capital Accounts of the Member in accordance with the provisions of Articles 4 and 5;

(B) with respect to all Company property that has not been sold, the fair market value of that property shall be determined and the Capital Accounts of the Members shall be adjusted to reflect the manner in which the unrealized income, gain, loss, and deduction inherent in property that has not been reflected in the Capital Accounts previously would be allocated among the Members if there were a taxable Disposition of that property for the fair market value of that property on the date of distribution; and

(C) after adjusting the Capital Accounts for all distributions made under Section 5.01 and all allocations under Article 5, Company property

(including cash) shall be distributed to all of the Members in amounts equal to the Members' positive Capital Account balances; and those distributions shall be made by the end of the taxable year of the Company during which the liquidation of the Company occurs (or, if later, 90 Days after the date of the liquidation).

(b) The distribution of cash or property to a Member in accordance with the provisions of this Section 11.02 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 11.02.

(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.

11.03 DEFICIT CAPITAL ACCOUNTS. No Member will be required to pay to the Company, to any other Member or to any third party any deficit balance that may exist from time to time in the Member's Capital Account.

ARTICLE 12
MERGER

12.01 AUTHORITY. Subject to Section 6.01(b), the Company may merge or consolidate with one or more limited liability companies, corporations, business trusts or associations, real estate investment trusts, common law trusts or unincorporated businesses, including a general partnership or limited partnership, formed under the laws of the State of Delaware or any other jurisdiction, pursuant to a written agreement of merger or consolidation ("MERGER AGREEMENT") in accordance with this Article 12.

12.02 PROCEDURE FOR MERGER OR CONSOLIDATION. Merger or consolidation of the Company pursuant to this Article 12 requires the prior approval of the Board of Directors in compliance with Section 6.01(b). If the Board of Directors shall determine, in compliance with Section 6.01(b), to consent to the merger or consolidation, the Board of Directors shall approve the Merger Agreement, which shall set forth:

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

(b) The name and jurisdiction of formation or organization of the business entity that is to survive the proposed merger or consolidation ("SURVIVING BUSINESS ENTITY");

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

(d) 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;

(e) 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;

(f) The effective time of the merger or consolidation, which may be the date of the filing of the certificate of merger pursuant to Section 12.04 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

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

12.03 APPROVAL BY MEMBERS OF MERGER OR CONSOLIDATION.

(a) The Board of Directors, upon its approval of the Merger Agreement, shall direct that the Merger Agreement be submitted to a vote of Members whether at a meeting or by written consent. A copy or a summary of the Merger Agreement shall be included in or enclosed with the notice of a meeting or the written consent.

(b) Subject to Section 6.01(b), the Merger Agreement shall be approved upon receiving the affirmative vote or consent of at least a Majority Interest unless the Merger Agreement contains any provision which, if contained in an amendment to this Agreement, the provisions of this Agreement or the Act would require the vote or consent of a greater percentage of the Membership Interest or of any class thereof, in which case such greater percentage vote or consent shall be required for approval of the Merger Agreement.

(c) After such approval by vote or consent of the Members, and at any time prior to the filing of the certificate of merger or consolidation pursuant to Section 12.04, the

merger or consolidation may be abandoned pursuant to provisions therefor, if any, set forth in the Merger Agreement.

12.04 CERTIFICATE OF MERGER OR CONSOLIDATION. Upon the required approval by the Board of Directors and the Members of a Merger Agreement, a certificate of merger or consolidation shall be executed and filed with the Secretary of State of the State of Delaware in conformity with the requirements of the Act.

12.05 EFFECT OF MERGER OR CONSOLIDATION.

(a) At the effective time of the certificate of merger or consolidation:

(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 property 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 interest 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.

(b) A merger or consolidation effected pursuant to this Article 12 shall not (i) be deemed to result in a transfer or assignment of assets or liabilities from one entity to another having occurred or (ii) require the Company (if it is not the Surviving Business Entity) to wind up its affairs, pay its liabilities or distribute its assets as required under Article 11 of this Agreement or under the applicable provisions of the Act.

ARTICLE 13
GENERAL PROVISIONS

13.01 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 on Exhibit A or in the instrument specified in Section 9.02(b)(i)(A)(I) or (II), or such other address 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.

13.02 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 the Company, whether oral or written.

13.03 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.

13.04 AMENDMENT OR RESTATEMENT. This Agreement may be amended or restated only by a written instrument executed by all Members. Notwithstanding the foregoing, each Member agrees that the Board of Directors, without the approval of any Member, may amend any provision of this Agreement, and may authorize any Officer to execute, swear to, acknowledge, deliver, file and record whatever documents may be required in connection therewith, to reflect any change that is expressly permitted under this Agreement or does not adversely affect the Members in any material respect; provided, however, that any amendment to the following rights of El Paso GP Holdco or its successors or Permitted Transferees shall be deemed to materially affect the Members: (a) the consent and preemptive rights with respect to the creation and issuance of additional Membership Interests pursuant to Section 3.02, (b) the rights pursuant to Section 6.01(b), (c) the rights to appoint directors pursuant to 6.02(a), (d) the rights pursuant to Section 6.02(c), (e) the preferential purchase rights pursuant to Section 9.03, and (f) the consent rights in respect of amendments and restatements of this Agreement pursuant to this Section 13.04.

13.05 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.

13.06 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.

13.07 CONFIDENTIALITY.

(a) Except as permitted by Section 13.07(b), (i) each Member shall keep confidential all Confidential Information and shall not disclose any Confidential Information to any Person, including any of its Affiliates, (ii) each Member shall cause its and its Affiliates' directors, officers and employees to keep confidential all Confidential Information and to not disclose any Confidential Information to any Person, and (iii) each Member shall use the Confidential Information only in connection with the Company.

(b) Notwithstanding Section 13.07(a), but subject to the other provisions of this Section 13.07, a Member may make the following disclosures and uses of Confidential Information:

(i) disclosures to another Member in connection with the Company;

(ii) disclosures and uses that are approved by the Board of Directors;

(iii) disclosures to an Affiliate of such Member (A) necessary for obtaining board approvals or as reasonably required for reporting purposes, and (B) on a "need to know" basis in furtherance of the business of the Company, if such Affiliate has agreed to abide by the terms of this Section 13.07;

(iv) disclosures to a Person that is not a Member or an Affiliate of a Member, if such Person has been retained by the Company or a Member to provide services in connection with the Company and has agreed to abide by the terms of this Section 13.07;

(v) disclosures to a bona fide potential direct or indirect purchaser of such Member's Membership Interest, if such potential purchaser has agreed to abide by the terms of this Section 13.07;

(vi) disclosures to recognized financial institutions that are lenders or bona fide potential lenders to such Member, if such financial institution has agreed to abide by the terms of this Section 13.07;

(vii) disclosures that a Member is legally compelled to make by deposition, interrogatory, request for documents, subpoena, civil investigative demand, order of a court of competent jurisdiction, or similar process, or otherwise by Law or securities exchange requirements; provided, however, that prior to any such disclosure, such Member shall, to the extent legally permissible:

(A) provide the Board of Directors with prompt notice of such requirements so that one or more of the Members may seek a protective order or other appropriate remedy or waive compliance with the terms of this Section 13.07(b)(vii);

(B) consult with the Board of Directors on the advisability of taking steps to resist or narrow such disclosure; and

(C) cooperate with the Board of Directors and with the other Members in any attempt one or more of them may make to obtain a protective order or other appropriate remedy or assurance that confidential treatment will be afforded the Confidential Information; and in the event such protective order or other remedy is not obtained, or the other Members waive compliance with the provisions hereof, such Member agrees (I) to furnish only that portion of the Confidential Information that, in the opinion of such Member's counsel, such Member is legally required to disclose, and (II) to exercise all reasonable efforts to obtain assurance that confidential treatment will be accorded such Confidential Information.

(c) Each Member shall take such precautionary measures as may be required to ensure (and such Member shall be responsible for) compliance with this Section 13.07 by any of its Affiliates, and its and their directors, officers, employees and agents, and other Persons to which it may disclose Confidential Information in accordance with this Section 13.07.

(d) Promptly after its withdrawal, a Withdrawing Member shall destroy (and provide a certificate of destruction to the Company with respect to), or return to the Company, all Confidential Information in its possession. Notwithstanding the immediately preceding sentence, but subject to the other provisions of this Section 13.07, a Withdrawing Member may retain for a stated period, but not disclose to any other Person, Confidential Information for the limited purposes of preparing such Member's tax returns and defending audits, investigations and proceedings relating thereto; provided, however, that the Withdrawing Member must notify the Board of Directors in advance of such retention and specify in such notice the stated period of such retention.

(e) The Members agree that no adequate remedy at law exists for a breach or threatened breach of any of the provisions of this Section 13.07, the continuation of which unremedied will cause the Company and the other Members to suffer irreparable harm. Accordingly, the Members agree that the Company and the other Members shall be entitled, in addition to other remedies that may be available to them, to immediate injunctive relief from any breach of any of the provisions of this Section 13.07 and to specific performance of their rights hereunder, as well as to any other remedies available at law or in equity.

(f) The obligations of the Members under this Section 13.07 (including the obligations of any Withdrawing Member) shall terminate on the second anniversary of the filing of a Certification of Cancellation pursuant to Section 11.02(c) of this Agreement following dissolution and winding up of the Company.

13.08 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.

13.09 WAIVER OF CERTAIN RIGHTS. To the extent permitted by the Act and other Law, each Member irrevocably waives any right it may have to maintain any action for dissolution of the Company or for partition of the property of the Company.

13.10 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.

MEMBERS:

EPC PARTNERS II, INC.

By: -----------------------------------

Name: ---------------------------------

Title: --------------------------------

DAN DUNCAN LLC

By: -----------------------------------

Name: ---------------------------------

Title: --------------------------------

GULFTERRA GP HOLDING COMPANY

By: -----------------------------------

Name: ---------------------------------

Title: --------------------------------

Attachment I

DEFINED TERMS

ACT - the Delaware Limited Liability Company Act and any successor statute, as amended from time to time.

ADJUSTED CAPITAL ACCOUNT - the Capital Account maintained for each Member as of the end of each fiscal year of the Company, (a) increased by any amounts that such Member is obligated to restore under the standards set by Treasury Regulation Section 1.704-1(b)(2)(ii)(c) (or is deemed obligated to restore under Treasury Regulation Sections 1.704-2(g) and 1.704-2(i)(5)) and (b) decreased by (i) the amount of all losses and deductions that, as of the end of such fiscal year, are reasonably expected to be allocated to such Member in subsequent years under Sections 704(e)(2) and 706(d) of the Code and Treasury Regulation Section 1.751-1(b)(2)(ii), and (ii) the amount of all distributions that, as of the end of such fiscal year, are reasonably expected to be made to such Member in subsequent years in accordance with the terms of this Agreement or otherwise to the extent they exceed offsetting increases to such Member's Capital Account that are reasonably expected to occur during (or prior to) the year in which such distributions are reasonably expected to be made (other than increases as a result of a minimum gain chargeback pursuant to Section 5.02(b)(i) or (ii)). The foregoing definition of Adjusted Capital Account is intended to comply with the provisions of Treasury Regulation Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

ADJUSTED PROPERTY - any property the Carrying Value of which has been adjusted pursuant to Section 4.04(d)(i) or 4.04(d)(ii).

AFFILIATE - with respect to any Person, each Person Controlling, Controlled by or under common Control with such first Person; provided, however, that for purposes of this Agreement, the Company shall be deemed not to be an Affiliate of any Member or its Affiliates.

AGREED VALUE - with respect to any Contributed Property, the fair market value of such property or other consideration at the time of contribution as determined by the Board of Directors using such reasonable method of valuation as it may adopt. The Board of Directors shall, in its discretion, use such method as it deems reasonable and appropriate to allocate the aggregate Agreed Value of Contributed Properties contributed to the Company in a single or integrated transaction among each separate property on a basis proportional to the fair market value of each Contributed Property. The Agreed Value of the property contributed to the Company by El Paso GP Holdco is $ 425,000,000.

AGREEMENT - this Second Amended and Restated Limited Liability Company Agreement of Enterprise Products GP, LLC, as the same may be amended, modified, supplemented or restated from time to time.

APPRAISAL NOTICE - Section 9.03(d).

AUDIT AND CONFLICTS COMMITTEE - Section 6.02(e)(ii).

AVAILABLE CASH - as of any Distribution Date, (A) all cash and cash equivalents of the Company on hand on such date, less (B) the amount of any cash reserves (including any reserves anticipated for any purchase by the Company of additional equity of the MLP pursuant to the Company's exercising its preemptive rights under the MLP Agreement) (x) determined to be appropriate by the Board of Directors and (y) during the period that El Paso GP Holdco (including, for this purpose, Permitted Transferees admitted as Substitute Members pursuant to Section 9.02(a)) maintains the Required Economic Interest, consented to by each Member, which consent shall not be unreasonably withheld.

BANKRUPT MEMBER - Section 10.03.

BANKRUPTCY OR BANKRUPT - with respect to any Person, that (a) such Person (i) makes an assignment for the benefit of creditors; (ii) files a voluntary petition in bankruptcy; (iii) is insolvent, or has entered against such Person an order for relief in any bankruptcy or insolvency proceeding; (iv) files a petition or answer seeking for such Person any 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) 120 Days have passed after the commencement of any proceeding seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any Law, if the proceeding has not been dismissed, or 90 Days have passed after the appointment without such Person's consent or acquiescence of a trustee, receiver or liquidator of such Person or of all or any substantial part of such Person's properties, if the appointment is not vacated or stayed, or 90 Days have passed after the date of expiration of any such stay, if the appointment has not been vacated.

BOARD OF DIRECTORS OR BOARD - Section 6.01(a).

BOOK-TAX DISPARITY - with respect to any item of Contributed Property or Adjusted Property, as of the date of any determination, the difference between the Carrying Value of such Contributed Property or Adjusted Property and the adjusted basis thereof for federal income tax purposes as of such date.

BUSINESS DAY - any Day other than a Saturday, a Sunday or a Day on which national banking associations in the State of Texas are authorized or required by Law to close.

BUY-OUT RIGHT - Section 9.04(a).

CAPITAL ACCOUNT - the account to be maintained by the Company for each Member in accordance with Section 4.04.

CAPITAL CONTRIBUTION - Section 4.01(b).

CARRYING VALUE - (a) with respect to a Contributed Property, the Agreed Value of such property reduced (but not below zero) by all depreciation, amortization and cost recovery deductions charged to the Members' and assignees' Capital Accounts in respect of such

Contributed Property, and (b) with respect to any other Company property, the adjusted basis of such property for federal income tax purposes, all as of the time of determination. The Carrying Value of any property shall be adjusted from time to time in accordance with Sections 4.04(d)(i) and 4.04(d)(ii) and to reflect changes, additions or other adjustments to the Carrying Value for dispositions and acquisitions of Company properties, as deemed appropriate by the Board of Directors. The aggregate Carrying Value of the Company's property after adjustment pursuant to Section 4.04(d)(i) immediately before the admission of El Paso GP Holdco and after taking into account any cash contributions, if any, made by Enterprise Parent 1 or Enterprise Parent 2 in connection with the consummation of the transactions contemplated by the Merger Agreement, was $425,000,000.

CHANGE EXERCISE NOTICE - Section 9.04(c).

CHANGE OF MEMBER CONTROL - means, in the case of any Member, an event (such as a Disposal of voting securities) or series of related events that result in (i) a Member ceasing to be Controlled by the Person that was such Member's Parent immediately prior to such event, or (ii) a Required Economic Interest ceasing to be owned, directly or indirectly, by the Person that was such Member's Parent immediately prior to such event.

CHANGE PURCHASING MEMBER - Section 9.04(c).

CHANGE UNEXERCISED PORTION - Section 9.04(c).

CHANGING MEMBER - Section 9.04(a).

CODE - the Internal Revenue Code of 1986, as amended from time to time.

COMPANY - initial paragraph.

COMPANY MINIMUM GAIN - that amount determined in accordance with the principles of Treasury Regulation Section 1.704-2(d).

CONFIDENTIAL INFORMATION - information and data (including all copies thereof) regarding or produced by a Member, the Company, the MLP or their controlled Affiliates that is furnished or submitted by or on behalf of a Member or the Company, whether oral, written, or electronic, to the Company (including its directors, officers and employees) or another Member. Notwithstanding the foregoing, the term "Confidential Information" shall not include any information that: (a) is in the public domain at the time of its disclosure or thereafter, other than as a result of a disclosure directly or indirectly in contravention of this Agreement; (b) as to any Member or its Affiliates, was in the possession of such Member or its Affiliates prior to its disclosure; or (c) has been independently acquired or developed by a Member or its Affiliates without violating any of the obligations of such Member or its Affiliates under this Agreement.

CONTINUATION ELECTION - Section 11.01(b).

CONTRIBUTED PROPERTY - each property or other asset, in such form as may be permitted by the Act, but excluding cash, contributed to the Company. Once the Carrying Value

of a Contributed Property is adjusted pursuant to Section 4.04(d), such property shall no longer constitute a Contributed Property, but shall be deemed an Adjusted Property.

CONTROL - shall mean the possession, directly or indirectly, of the power and authority to direct or cause the direction of the management and policies of a Person, whether through ownership or control of Voting Stock, by contract or otherwise.

CONTROL NOTICE - Section 9.04(a).

DAY - a calendar Day; provided, however, that, if any period of Days referred to in this Agreement shall end on a Day that is not a Business Day, then the expiration of such period shall be automatically extended until the end of the first succeeding Business Day.

DELAWARE GENERAL CORPORATION LAW - Title 8 of the Delaware Code, as amended from time to time.

DIRECTOR - each member of the Board of Directors elected as provided in Section 6.02.

DISPOSE, DISPOSING OR DISPOSITION - with respect to any asset (including a Membership Interest or any portion thereof), any sale, assignment, transfer, conveyance, gift, exchange or other disposition of such asset, whether such disposition be voluntary, involuntary or by operation of Law.

DISPOSITION NOTICE - Section 9.03(a).

DISSOLUTION EVENT - Section 11.01(a).

DISTRIBUTION DATE - Section 5.01(a).

ECONOMIC RISK OF LOSS - has the meaning set forth in Treasury Regulation Section 1.752-2(a).

EFFECTIVE DATE - initial paragraph.

EL PASO GP HOLDCO - initial paragraph.

EL PASO GP HOLDCO APPOINTED DIRECTORS - Section 6.02(a).

EL PASO GP HOLDCO DESIGNATED INSIDERS - Section 6.02(a).

EL PASO GP HOLDCO INDEPENDENT DIRECTORS - Section 6.02(a).

ENCUMBER, ENCUMBERING, or ENCUMBRANCE - the creation of a security interest, lien, pledge, mortgage or other encumbrance, whether such encumbrance be voluntary, involuntary or by operation of Law.

ENTERPRISE PARENT - initial paragraph.

ENTERPRISE PARENT 1 - initial paragraph.

ENTERPRISE PARENT 2 - initial paragraph.

ENTERPRISE PARENT 2 INDIVIDUAL - [Dan Duncan].

ENTERPRISE APPOINTED DIRECTORS - Section 6.02(a).

ENTERPRISE DESIGNATED INSIDERS - Section 6.02(a).

ENTERPRISE INDEPENDENT DIRECTORS - Section 6.02(a).

EPCO AGREEMENT -- _________.

EXISTING AGREEMENT - Recitals.

FAIR MARKET VALUE - Section 9.04(a).

FMV NOTICE - Section 9.04(a).

INDEMNITEE - Section 6.06(a).

INDEPENDENT DIRECTOR - Section 6.02(a).

ISSUE NOTICE - Section 3.02.

LAW - 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.

MAJORITY INTEREST - with respect to any matter, Members holding Sharing Ratios possessing a majority of the voting power of all Outstanding Membership Interests entitled to vote with respect to such matter.

MEMBER - 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 NONRECOURSE DEBT - has the meaning set forth in Treasury Regulation Section 1.704-2(b)(4).

MEMBER NONRECOURSE DEBT MINIMUM GAIN - has the meaning set forth in Treasury Regulation Section 1.704-2(i)(2).

MEMBER NONRECOURSE DEDUCTIONS - any and all items of loss, deduction or expenditure (including, without limitation, any expenditure described in Section 705(a)(2)(B) of the Code) that, in accordance with the principles of Treasury Regulation Section 1.704-2(i), are attributable to a Member Nonrecourse Debt.

MEMBERSHIP INTEREST - with respect to any Member, (a) that Member's status as a Member; (b) that Member's share of the income, gain, loss, deduction and credits of, and the right to receive distributions from, the Company; (c) all other rights, benefits and privileges enjoyed by that Member (under the Act, this Agreement, or otherwise) in its capacity as a Member; and (d) all obligations, duties and liabilities imposed on that Member (under the Act, this Agreement or otherwise) in its capacity as a Member, including any obligations to make Capital Contributions.

MERGER AGREEMENT - Section 12.01.

MLP - Enterprise Products Partners L.P., a Delaware limited partnership.

MLP AGREEMENT - the Third Amended and Restated Agreement of Limited Partnership of Enterprise Products Partners L.P., dated as of May 15, 2002, as amended, supplemented, amended and restated, or otherwise modified from time to time.

NET AGREED VALUE - (a) in the case of any Contributed Property, the fair market value of such property reduced by any liability either assumed by the Company upon such contribution or to which such property is subject when contributed, as determined under Section 752 of the Code; provided, however, the fair market value of the property contributed to the Company by El Paso GP Holdco will be deemed to be the Agreed Value of such Contributed Property, and (b) in the case of any property distributed to a Member or Transferee by the Company, the Company's Carrying Value of such property at the time such property is distributed, reduced by any indebtedness either assumed by such Member or Transferee upon such distribution or to which such property is subject at the time of distribution as determined under Section 752 of the Code.

NON-CASH CONSIDERATION - Section 9.03(d).

NONRECOURSE BUILT-IN GAIN - with respect to any Contributed Properties or Adjusted Properties that are subject to a mortgage or negative pledge securing a Nonrecourse Liability, the amount of any taxable gain that would be allocated to the Members pursuant to Section 5.03(b) if such properties were disposed of in a taxable transaction in full satisfaction of such Nonrecourse Liabilities and for no other consideration.

NONRECOURSE DEDUCTIONS - any and all items of loss, deduction or expenditures (described in Section 705(a)(2)(B) of the Code) that, in accordance with the principles of Treasury Regulation Section 1.704-2(b), are attributable to a Nonrecourse Liability.

NONRECOURSE LIABILITY - has the meaning set forth in Treasury Regulation Section 1.752-1(a)(2).

OFFICERS - any person elected as an officer of the Company as provided in Section 6.03(a), but such term does not include any person who has ceased to be an officer of the Company.

OLP - Enterprise Products Operating L.P., a Delaware limited partnership.

ORGANIZATIONAL CERTIFICATE - Section 2.01.

ORIGINAL ENTERPRISE PARENT 1 - Recitals.

OUTSTANDING - with respect to the Membership Interest, all Membership Interests that are issued by the Company and reflected as outstanding on the Company's books and records as of the date of determination.

PARENT - means the Person that Controls and owns a Required Economic Interest in a Member and that has no other Person that Controls and owns a Required Economic Interest in it; provided that (i) for so long as El Paso Corporation (or any successor by merger, consolidation or other business combination) Controls and owns a Required Economic Interest in a Member, it will be the Parent of such Member, and (ii) for so long as Enterprise Parent 1 and Enterprise Parent 2 (in each case, or any successor by merger, consolidation or other business combination) Control and own a Required Economic Interest in one or more Members, they will be the Parents of such Members.

PERMITTED TRANSFEREE - Section 9.02(a).

PERSON - a natural person, partnership (whether general or limited), limited liability company, governmental entity, trust, estate, association, corporation, venture, custodian, nominee or any other individual or entity in its own or any representative capacity.

PREFERENTIAL PURCHASE PRICE - Section 9.03(a).

PREFERENTIAL RIGHT - Section 9.03(a).

QUARTER - unless the context requires otherwise, a calendar quarter.

REQUIRED ECONOMIC INTEREST - the right, directly or indirectly, to more than 25% of the distributions from the Company (including liquidating distributions).

RESIDUAL GAIN or RESIDUAL LOSS - any item of gain or loss, as the case may be, of the Company recognized for federal income tax purposes resulting from a sale, exchange or other disposition of a Contributed Property or Adjusted Property, to the extent such item of gain or loss is not allocated pursuant to Section 5.03(b)(i)(A) or 5.03(b)(ii)(A), respectively, to eliminate Book-Tax Disparities.

SEC - the United States Securities and Exchange Commission.

SHARING RATIO - subject in each case to adjustments in accordance with this Agreement or in connection with Dispositions of Membership Interests, (a) in the case of a Member executing this Agreement as of the date of this Agreement or a Person acquiring such Member's Membership Interest, the percentage specified for that Member as its Sharing Ratio on Exhibit A, and (b) in the case of Membership Interest issued pursuant to Section 3.02, the Sharing Ratio established pursuant thereto; provided, however, that the total of all Sharing Ratios shall always equal 100%.

SHELL - Recitals.

SPECIAL INDEPENDENT DIRECTOR - Section 6.02(a).

SUBJECT BUSINESS - Section 10.02(a).

SUBJECT BUSINESS BOARD - Section 6.02(c)(iv).

SUBSIDIARY - with respect to any relevant Person, (a) a corporation of which more than 50% of the Voting Stock is owned, directly or indirectly, at the date of determination, by such relevant Person, by one or more Subsidiaries of such relevant Person or a combination thereof, (b) a partnership (whether general or limited) in which such relevant Person, one or more Subsidiaries of such relevant Person or a combination thereof 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 relevant Person, by one or more Subsidiaries of such relevant Person, or a combination thereof, or (c) any other Person (other than a corporation or a partnership) in which such relevant Person, one or more Subsidiaries of such relevant 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 other Person.

SUBSIDIARY AFFILIATE - means, with respect to any Member and its Parent, any direct or indirect wholly owned Subsidiary of such Parent.

SUBSTITUTED MEMBER - Section 9.02(b).

SURVIVING BUSINESS ENTITY - Section 12.02(b).

TAX MATTERS MEMBER - Section 7.03.

TRANSFEREE - any Person that acquires a Membership Interest or any portion thereof through a Disposition; provided, however, that, a Transferee shall have no right to be admitted to the Company as a Member except in accordance with Section 9.02(b). The Transferee of a Bankrupt Member is (a) the Person or Persons (if any) to whom such Bankrupt Member's Membership Interest is assigned by order of the bankruptcy court or other governmental authority having jurisdiction over such Bankruptcy, or (b) in the event of a general assignment for the benefit of creditors, the creditor to which such Membership Interest is assigned.

TREASURY REGULATIONS - the regulations promulgated by the United States Department of the Treasury pursuant to and in respect of provisions of the Code. All references herein to sections of the Treasury Regulations shall include any corresponding provisions of succeeding, similar, substitute, proposed or final Treasury Regulations.

UNREALIZED GAIN - attributable to any item of Company property means, as of any date of determination, the excess, if any, of (a) the fair market value of such property as of such

date (as determined under Section 4.04(d)) over (b) the Carrying Value of such property as of such date (prior to any adjustment to be made pursuant to Section 4.04(d) as of such date).

UNREALIZED LOSS - attributable to any item of Company property means, as of any date of determination, the excess, if any, of (a) the Carrying Value of such property as of such date (prior to any adjustment to be made pursuant to Section 4.04(d) as of such date) over (b) the fair market value of such property as of such date (as determined under Section 4.04(d)).

VOTING POWER - means, with respect to any Person, the possession of direct or indirect equity interests in such Person qualified, in the absence of contingencies, to vote for the election of directors (or Persons with management authority performing similar functions) of such Person.

WITHDRAW, WITHDRAWING AND WITHDRAWAL - the withdrawal, resignation or retirement of a Member from the Company as a Member. Such terms shall not include any Dispositions of Membership Interest (which are governed by Article 9), even though the Member making a Disposition may cease to be a Member as a result of such Disposition.

EXHIBIT A

MEMBER	SHARING RATIO(1)	CAPITAL ACCOUNT(2)
EPC Partners II, Inc.	%	$
Dan Duncan LLC	%	$
	50%	$ 425,000,000
GulfTerra GP Holding Company	50%	$ 425,000,000

ADDRESSES:

EPC Partners II, Inc.

Dan Duncan LLC

GulfTerra GP Holding Company

----

(1) EPC Partners II, Inc. and Dan Duncan LLC to collectively equal 50%, and GulfTerra GP Holding Company to equal 50%.

(2) EPC Partners II, Inc. and Dan Duncan LLC to collectively equal $425,000,000, and GulfTerra GP Holding Company to equal $425,000,000.

EXHIBIT B

INITIAL DIRECTORS

[To Come]

EXHIBIT C

INITIAL OFFICERS

1.	Chariman	D. Duncan
2.	President and Chief Operating Officer	R. Phillips
3.	Vice Chairman and Chief Executive Officer	O. Andras

Exhibit D

EXHIBIT 2.3

Execution Copy

SECOND AMENDED AND RESTATED

LIMITED LIABILITY COMPANY AGREEMENT

OF

GULFTERRA ENERGY COMPANY, L.L.C.

(a DELAWARE LIMITED LIABILITY COMPANY)

DATED AS OF DECEMBER 15, 2003

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SECOND AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT OF GULFTERRA ENERGY COMPANY, L.L.C.

(A DELAWARE LIMITED LIABILITY COMPANY)

DATED AS OF DECEMBER 15, 2003

This Second Amended and Restated Limited Liability Company Agreement of GulfTerra Energy Company, L.L.C. (as amended, restated, supplemented or otherwise modified from time to time, this "AGREEMENT") is adopted by GulfTerra GP Holding Company, a Delaware corporation (together with its successors and assigns, "EL PASO GP Holdco"), and the Investor (as defined below) as of the date first written above. This Agreement shall amend and restate in its entirety, and shall supersede, the First Amended and Restated Limited Liability Company Agreement of GulfTerra Energy Company, L.L.C. (the "FIRST AMENDED AND RESTATED AGREEMENT") adopted as of October 2, 2003.

RECITALS:

WHEREAS, on the date hereof, El Paso GP Holdco has sold to the Investor, and the Investor has purchased from El Paso GP Holdco, a portion of El Paso GP Holdco's Class B Membership Interest (as defined in the First Amended and Restated Agreement); and

WHEREAS, pursuant to the terms of this Agreement, the portion of El Paso GP Holdco's Class B Membership Interest (as defined in the First Amended and Restated Agreement) sold to Investor shall convert in connection with such sale (the "CLASS B CONVERSION") into a Class C Membership Interest (as defined below); and

WHEREAS, pursuant to the terms of this Agreement, the Class A Membership Interest (as defined in the First Amended and Restated Agreement) previously held by Goldman, Sachs & Co., a New York limited partnership ("GOLDMAN"), and subsequently transferred to El Paso GP Holdco pursuant to Section 3.11(b) of the First Amended and Restated Agreement shall convert in connection with such transfer (the "CLASS A CONVERSION") into a Class B Membership Interest with a 9.9% Sharing Ratio; and

WHEREAS, the Partnership (as defined below) has agreed, upon the satisfaction of certain conditions, to merge with and into a newly formed, wholly owned subsidiary of Enterprise MLP (as defined below) pursuant to the terms of the Merger Agreement, with the Partnership surviving the merger as a wholly owned subsidiary of Enterprise MLP (the "MLP MERGER"); and

WHEREAS, wholly independent from the consummation of the MLP Merger, this Agreement is necessary to effect (i) the Class A Conversion and (ii) the Class B Conversion;

AGREEMENT:

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements herein made, and in consideration of the representations, warranties and

covenants contained herein, the First Amended and Restated Agreement shall be amended and restated in its entirety as follows:

ARTICLE I
DEFINITIONS

"ACT" means the Delaware Limited Liability Company Act, as amended and in effect from time to time, or any successor Law.

"ACTION" means any action, appeal, petition, plea, charge, complaint, claim, suit, demand, litigation, arbitration, mediation, hearing, inquiry, investigation or similar event, occurrence, or proceeding.

"ADJUSTED CAPITAL ACCOUNT" means the Capital Account maintained for each Member as of the end of each taxable year of the Company, (a) increased by any amounts that such Member is obligated to restore under the standards set by Treasury Regulation Section 1.704-1(b)(2)(ii)(c) (or is deemed obligated to restore under Treasury Regulation Sections 1.704-2(g)(1) and 1.704-2(i)(5)), and (b) decreased by (i) the amount of all losses and deductions that, as of the end of such taxable year, are reasonably expected to be allocated to such Member in subsequent years under sections 704(e)(2) and 706(d) of the Code and Treasury Regulation Section 1.751-1(b)(2)(ii), and (ii) the amount of all distributions that, as of the end of such taxable year, are reasonably expected to be made to such Member in subsequent years in accordance with the terms of this Agreement or otherwise to the extent they exceed offsetting increases to such Member's Capital Account that are reasonably expected to occur during (or prior to) the year in which such distributions are reasonably expected to be made (other than increases as a result of a minimum gain chargeback pursuant to Section 5.1(d) or 5.1(e)). The foregoing definition of Adjusted Capital Account is intended to comply with the provisions of Treasury Regulation Section 1.704-1(b)(2)(ii)(d) and will be interpreted consistently therewith.

"ADJUSTED PROPERTY" means any property, the Carrying Value of which has been adjusted pursuant to Section 4.5(d).

"ADMINISTRATIVE SERVICES AGREEMENT" means the Amended and Restated General and Administrative Services Agreement by and between DeepTech International Inc., El Paso Energy Partners Company and El Paso Field Services, L.P. dated November 27, 2002.

"AFFILIATE" means, with respect to any relevant Person, any other Person that directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with, the relevant Person. Notwithstanding the foregoing, the Partnership and its Subsidiaries will not be deemed to be Affiliates of any Member or any of their Affiliates, and vice versa.

"AGREED VALUE" of any Contributed Property means the fair market value of such property or other consideration at the time of contribution as determined by the Board using such reasonable method of valuation as it may adopt. The Board shall, in its sole discretion, use such method as it deems reasonable and appropriate to allocate the aggregate Agreed Value of Contributed Properties in a single or integrated transaction among such properties on a basis proportional to their fair market value.

"AGREEMENT" is defined in the Preamble.

"APPRAISAL NOTICE" is defined in Section 3.4(f)(iv).

"ASSUMED TAX" means an amount equal to the product of (a) 38% times (b) the Company income or gain allocated to the Class D Member as a result of sale or contribution of any Highest Incentive Distribution Splits pursuant to Section 3.10.

"AVAILABLE CASH" means, as of any Distribution Date,

(a) all cash and cash equivalents of the Company on hand on such date, less

(b) the amount of any cash reserves consented to by the Class C Member, which consent shall not be unreasonably withheld, that are necessary or appropriate in the commercially reasonable discretion of the Board to (i) provide for the proper conduct of the business of the Company (including reserves for anticipated future working capital, contingencies, credit needs of the Company and any other purpose as the Board may determine to be in the best interest of the Company and its Members) subsequent to such date or (ii) comply with applicable Law or any loan agreement, security agreement, mortgage, debt instrument or other agreement or obligation to which the Company is a party or by which it is bound or its assets are subject. Notwithstanding the foregoing, Available Cash with respect to the Quarter in which the Liquidation Date occurs and any subsequent Quarter shall equal zero.

"BANKRUPT MEMBER" means (except to the extent the Members approve otherwise) any Member:

(a) that (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 proceeding; (iv) files a petition or answer seeking for the Member 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 the Member in a proceeding of the type described in subclauses (i) through (iv) of this clause (a); or (vi) seeks, consents, or acquiesces to the appointment of a trustee, receiver, or liquidator of the Member or of all or any substantial part of the Member's properties; or

(b) against which a proceeding 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 the Member's consent or acquiescence, a trustee, receiver, or liquidator of the Member or of all or any substantial part of the Member's properties has been appointed and 90 days have expired without such 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.

"BASIS" means any past or current fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction about which the relevant Person has knowledge that forms or could form the basis for any specified consequence.

"BOARD" means the Board of Directors of the Company.

"BOOK-TAX DISPARITY" means with respect to any item of Contributed Property or Adjusted Property, as of the date of any determination, the difference between the Carrying Value of such Contributed Property or Adjusted Property and the adjusted basis thereof for federal income tax purposes as of such date. A Member's share of the Company's Book-Tax Disparities in all of its Contributed Property and Adjusted Property will be reflected by the difference between such Member's Capital Account balance as maintained pursuant to Section 4.5 and the hypothetical balance of such Member's Capital Account computed as if it had been maintained strictly in accordance with federal income tax accounting principles. The determination of Book-Tax Disparity and a Member's share thereof will be determined consistently with Section 1.704-3(d) of the Treasury Regulations.

"BREACH" means any breach, inaccuracy, failure to perform, failure to comply, conflict with, default, violation, acceleration, termination, cancellation, modification, or required notification.

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

"BUY-OUT RIGHT" is defined in Section 3.12(a).

"CAPITAL ACCOUNT" means the capital account maintained for each Member pursuant to Section 4.5.

"CAPITAL CONTRIBUTION" means any contribution by a Member to the capital of the Company, as contemplated by Section 4.2.

"CARRYING VALUE" means (a) with respect to Contributed Property and Adjusted Property, the Agreed Value of such property reduced (but not below zero) by all depreciation, amortization and cost recovery deductions relating to such property charged to the Members' Capital Accounts, and (b) with respect to any other Company property, the adjusted basis of such property for federal income tax purposes, all as of the time of determination. The Carrying Value of any property will be adjusted from time to time in accordance with Section 4.5(d) and to reflect changes, additions or other adjustments to the Carrying Value for dispositions and acquisitions of Company properties, as deemed appropriate by the Board.

"CERTIFICATE" is defined in Section 2.1.

"CHANGE OF MEMBER CONTROL" means, in the case of any Member, an event (such as a Disposal of voting securities) or series of related events that result in (i) a Member ceasing to be Controlled by the Person that was such Member's Parent immediately prior to such event, or

(ii) a Required Economic Interest ceasing to be owned, directly or indirectly, by the Person that was such Member's Parent immediately prior to such event.

"CHANGING MEMBER" is defined in Section 3.12(a).

"CLASS A CONVERSION" is defined in the Recitals.

"CLASS B CONVERSION" is defined in the Recitals.

"CLASS B MEMBER" means any Person holding the Class B Membership Interest who has been admitted to the Company as a Member pursuant to the terms of this Agreement.

"CLASS B MEMBERSHIP INTEREST" is defined in Section 3.1.

"CLASS C MEMBER" means any Person holding the Class C Membership Interest who has been admitted to the Company as a Member pursuant to the terms of this Agreement.

"CLASS C MEMBERSHIP INTEREST" is defined in Section 3.1.

"CLASS D MEMBER" means (a) any Member that has been issued the Class D Membership Interest pursuant to Section 3.11 or (b) any Person holding the Class D Membership Interest who has been admitted to the Company pursuant to the terms of this Agreement.

"CLASS D MEMBERSHIP INTEREST" is defined in Section 3.11(c).

"CODE" means the United States Internal Revenue Code of 1986, as amended and in effect from time to time, or any successor Law.

"COMMITMENT" means (a) options, warrants, convertible securities, exchangeable securities, subscription rights, conversion rights, exchange rights, or other Contracts that could require a Person to issue any of its Equity Interests or to sell any Equity Interests it owns in another Person; (b) any other securities convertible into, exchangeable or exercisable for, or representing the right to subscribe for any Equity Interest of a Person or owned by a Person; (c) statutory or contractual pre-emptive rights or pre-emptive rights granted under a Person's organizational or constitutive documents; and (d) stock appreciation rights, phantom stock, profit participation, or other similar rights with respect to a Person.

"COMPANY" means GulfTerra Energy Company, L.L.C., a Delaware limited liability company and the general partner of the Partnership.

"COMPANY MINIMUM GAIN" means the amount determined pursuant to Treasury Regulation Section 1.704-2(d).

"COMPETITOR" includes any Person (other than El Paso Parent and its Affiliates) that, together with its Affiliates, derives aggregate revenues of at least $25 million from oil and natural gas production, extraction, processing, transportation, gathering, fractionation, storage or power generation, in each case, that is in competition with the Partnership and such revenues constitute a substantial portion of its total revenues.

"CONFLICTS AND AUDIT COMMITTEE" means one of the committees that may be established by the Board pursuant to Exhibit B.

"CONTRACT" means any contract, agreement, arrangement, commitment, letter of intent, memorandum of understanding, heads of agreement, promise, obligation, right, instrument, document, or other similar understanding, whether written or oral.

"CONTRIBUTED PROPERTY" means each property or other asset, in such form as may be permitted by the Act, but excluding cash and cash equivalents, contributed to the Company. Once the Carrying Value of a Contributed Property is adjusted pursuant to Section 4.5(d), such property will no longer constitute a Contributed Property for purposes of Section 5.2, but will be deemed an Adjusted Property for such purposes.

"CONTRIBUTING MEMBER" is defined in Section 4.2.

"CONTROL" (and its derivatives and similar terms) means the possession, directly or indirectly, of the power and authority to direct or cause the direction of the management and policies of a Person, whether through ownership or control of Voting Stock, by Contract or otherwise.

"CONTROL NOTICE" is defined in Section 3.12(a).

"DAMAGES" means all damages (including incidental and consequential damages), losses (including any diminution in value), Liabilities, payments, amounts paid in settlement, obligations, fines, penalties, costs, expenses (including reasonable fees and expenses of outside attorneys, accountants and other professional advisors and of expert witnesses and other costs (including the allocable portion of the indemnitee's internal costs) of investigation, preparation and litigation in connection with any Action or Threatened Action) of any kind or nature whatsoever.

"DEFAULT" means, for any Member: (a) the failure to remedy, within five (5) Business Days of such Member's receipt of written notice thereof from the Company or any other Member, the failure of such Member to make any Capital Contribution required hereunder; (b) the occurrence of any event that causes such Member to become a Bankrupt Member; or (c) the failure to remedy, within ten (10) Business Days of such Member's receipt of written notice thereof from the Company, the Partnership or any other Member, the non-performance of or non-compliance with any other material obligation or undertaking of such Member or any of its Affiliates contained in this Agreement or in any of the other Transaction Documents.

"DIRECTORS" is defined in Section 6.1.

"DISPOSE," "DISPOSING" or "DISPOSITION" means with respect to any asset (including a Membership Interest or any portion thereof), any sale, assignment, transfer, conveyance, gift, exchange or other disposition of such asset, whether such disposition be voluntary, involuntary or by operation of Law.

"DISPOSITION NOTICE" is defined in Section 3.4(f)(i).

"DISSOLUTION EVENT" is defined in Section 12.1.

"DISTRIBUTION DATE" is defined in Section 5.3.

"ECONOMIC RISK OF LOSS" has the meaning set forth in Treasury Regulation Section 1.752-2(a).

"EL PASO GP HOLDCO" is defined in the Preamble.

"EL PASO PARENT" means El Paso Corporation, a Delaware corporation, and any Person that is a successor thereto by reason of (x) a merger, consolidation or other business combination of El Paso Corporation, (y) the acquisition by any Person of 100% of the Voting Stock of El Paso Corporation or (z) a Person with publicly traded equity Controlling El Paso Corporation.

"ENCUMBRANCE" means any Order, Security Interest, Contract, easement, covenant, community property interest, equitable interest, preferential purchase right, right of first offer or refusal, or restriction of any kind, including any restriction on use, voting, transfer, receipt of income, or exercise of any other attribute of ownership.

"ENFORCEABLE" means a Contract is "Enforceable" if it is the legal, valid, and binding obligation of the applicable Person enforceable against such Person in accordance with its terms, except as such enforceability may be subject to the effects of bankruptcy, insolvency, reorganization, moratorium, or other Laws relating to or affecting the rights of creditors, and general principles of equity.

"ENTERPRISE GP" means Enterprise Products GP, LLC, a Delaware limited liability company and the general partner of Enterprise MLP.

"ENTERPRISE MLP" means Enterprise Products Partners, L.P., a Delaware limited partnership, and any Person that is a successor thereto by reason of (x) a merger, consolidation or other business combination of Enterprise MLP, (y) the acquisition by any Person of 100% of the Voting Stock of Enterprise MLP or (z) a Person with publicly traded equity Controlling Enterprise MLP.

"EQUITY INTEREST" means (a) with respect to a corporation, any and all shares of capital stock and any Commitments with respect thereto, (b) with respect to a partnership, limited liability company, trust or similar Person, any and all units, interests or other partnership, limited liability company, trust or similar interests, and any Commitments with respect thereto, and (c) any other direct or indirect equity ownership or participation in a Person.

"EXCESS AMOUNT" is defined in Section 4.2.

"FAILING MEMBER" is defined in Section 4.2.

"FAIR MARKET VALUE" is defined in Section 3.12(a).

"FIRST AMENDED AND RESTATED AGREEMENT" is defined in the Preamble.

"FMV NOTICE" is defined in Section 3.12(a).

"FORMATION DATE" means the date the Certificate was initially filed with the Delaware Secretary of State.

"GAAP" means United States generally accepted accounting principles, consistently applied.

"GOLDMAN" is defined in the Recitals.

"GOVERNANCE AND COMPENSATION COMMITTEE" means a committee that may be established by the Board pursuant to Exhibit B.

"GOVERNMENTAL AUTHORITY" means any legislature, agency, bureau, branch, department, division, commission, court, tribunal, magistrate, justice, multi-national organization, quasi-governmental body, or other similar recognized organization or body of any federal, state, county, municipal, local, or foreign government or other similar recognized organization or body exercising similar powers or authority.

"GP CONTRIBUTION" is defined in Section 4.2.

"HIDS NOTICE" is defined in Section 3.11(b).

"HIDS PARTICIPATING MEMBER" is defined in Section 3.11(c).

"HIDS SELLER" is defined in Section 3.11(b).

"HIGHEST INCENTIVE DISTRIBUTION SPLITS" means the right of partners of the Partnership to (i) receive distributions of Cash from Operations pursuant to Section 5.5(a)(viii) and Section 5.5(b)(viii) of the Partnership Agreement and (ii) receive allocations of Net Termination Gain pursuant to Section 5.1(c)(i)(G) of the Partnership Agreement. Capitalized terms used in this definition but not defined in this Agreement shall have the meanings assigned to such terms in the Partnership Agreement. References to sections of the Partnership Agreement in the definitions include references to such sections as they may be amended in accordance with the Incentive Distribution Reduction Agreement.

"INCENTIVE DISTRIBUTIONS" has the meaning set forth in the Partnership Agreement.

"INCENTIVE DISTRIBUTION REDUCTION AGREEMENT" means the Incentive Distribution Reduction Agreement, dated as of October 2, 2003, between the Company and the Partnership, as amended, restated, supplemented or otherwise modified from time to time.

"INDEMNITEE" is defined in Section 8.2(a).

"INDEPENDENT DIRECTOR" means a Director who is eligible to serve on the Conflicts and Audit Committee of the Board and is otherwise independent as defined in (a) Sections 303.01(B)(2)(a) and (3) or any successor provision of the listing standards of the New York

Stock Exchange or (b) the applicable provisions of the listing standards of the principal exchange or quotation system on which the Partnership's common units are listed for trading or quoted.

"INITIAL MEMBERS" means El Paso GP Holdco and the Investor.

"INVESTOR" means Enterprise Products GTM, LLC.

"LAW" means any law (statutory, common, or otherwise), constitution, treaty, convention, ordinance, equitable principle, code, rule, regulation, executive order, or other similar authority enacted, adopted, promulgated, or applied by any Governmental Authority, each as amended and now and hereinafter in effect.

"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.

"LIQUIDATION DATE" means the date on which a Dissolution Event arises pursuant to Section 12.1.

"LIQUIDATOR" is defined in Section 12.2.

"MANAGING MEMBER" is defined in Section 6.1.

"MEMBER" means the Initial Members and any Person hereafter admitted to the Company as an additional Member or a Substituted Member as provided in this Agreement, but does not include (i) any Person who has ceased to be a Member in the Company or (ii) any Member during the period in which such Member is in Default. Effective upon the execution of this Agreement and in compliance with the terms of this Agreement, the Investor shall be admitted to the Partnership as the Class C Member.

"MEMBERS" means, collectively, all of the Members, including the Class B Member, the Class C Member, and (if applicable) the Class D Member , and, if there is only one Member, the Member.

"MEMBER NONRECOURSE DEBT" has the same meaning as the term "partner nonrecourse debt" set forth in Treasury Regulation Section 1.704-2(b)(4).

"MEMBER NONRECOURSE DEDUCTIONS" means any and all items of loss, deduction or expenditure (including any expenditure described in Section 705(a)(2)(B) of the Code) that, in accordance with the principles of Treasury Regulation Section 1.704-2(i), are attributable to a Member Nonrecourse Debt.

"MEMBERSHIP INTEREST" means the ownership interest of a Member in the Company, including rights to distributions (liquidating or otherwise), allocations, information, and to consent or approve (subject to the limitations set forth in this Agreement).

"MEMBERSHIP INTEREST CERTIFICATES" is defined in Section 14.1(a).

"MERGER AGREEMENT" means the Merger Agreement dated December 15, 2003 among Enterprise MLP, Enterprise GP, the Partnership, the Company, and Enterprise Products Management, LLC, as amended, restated, supplemented or otherwise modified from time to time.

"MINIMUM GAIN ATTRIBUTABLE TO MEMBER NONRECOURSE DEBT" means that amount determined in accordance with the principles of Treasury Regulation Section 1.704-2(i)(3).

"MLP MERGER" is defined in the Recitals.

"NET AGREED VALUE" means (a) in the case of any Contributed Property, the fair market value of such property reduced by any liability either assumed by the Company upon such contribution or to which such property is subject when contributed, as determined under Section 752 of the Code; provided, however, the fair market value of any Contributed Property set forth on Exhibit A will be deemed to be the Agreed Value of such Contributed Property set forth therein, and (b) in the case of any property distributed to a Member or Transferee by the Company, the Company's Carrying Value of such property at the time such property is distributed, reduced by any indebtedness either assumed by such Member or Transferee upon such distribution or to which such property is subject at the time of distribution as determined under Section 752 of the Code.

"NET INCOME" means, for any taxable period, the excess, if any, of the Company's items of income and gain for such taxable period over the Company's items of loss and deduction for such taxable period. The items included in the calculation of Net Income will be determined in accordance with Section 4.5(b) and will not include any items specifically allocated under Sections 5.1(d) through 5.1(l). For purposes of Sections 5.1(a) and 5.1(b), in determining whether Net Income has been allocated to any Member for any previous taxable period, any Unrealized Gain or Unrealized Loss allocated pursuant to Section 4.5(b) will be treated as an item of gain or loss in computing Net Income.

"NET LOSS" means, for any taxable period, the excess, if any, of the Company's items of loss and deduction for such taxable period over the Company's items of income and gain for such taxable period. The items included in the calculation of Net Loss will be determined in accordance with Section 4.5(b) and will not include any items specifically allocated under Sections 5.1(d) through 5.1(l). For purposes of Sections 5.1(a) and 5.1(b), in determining whether Net Income has been allocated to any Member for any previous taxable period, any Unrealized Gain or Unrealized Loss allocated pursuant to Section 4.5(b) will be treated as an item of gain or loss in computing Net Loss.

"NON-CASH CONSIDERATION" is defined in Section 3.4(f)(iv).

"NON-CHANGING MEMBER" is defined in Section 3.12(a).

"NONRECOURSE BUILT-IN GAIN" means with respect to any Contributed Properties or Adjusted Properties that are subject to a mortgage or negative pledge securing a Nonrecourse Liability, the amount of any taxable gain that would be allocated to the Members pursuant to Section 5.2(a) if such properties were disposed of in a taxable transaction in full satisfaction of such Liabilities and for no other consideration.

"NONRECOURSE DEBT" is defined in Treasury Regulation Section 1.704-2(b)(4).

"NONRECOURSE DEDUCTIONS" means any and all items of loss, deduction, or expenditure (described in Section 705(a)(2)(B) of the Code) that, in accordance with the principles of Treasury Regulation Section 1.704-2(b)(1) are attributable to a Nonrecourse Liability.

"NONRECOURSE LIABILITY" is defined in Treasury Regulation Section 1.704-2(b)(3).

"OFFICERS" is defined in Section 14 of Exhibit B.

"ORDER" means any order, ruling, decision, verdict, decree, writ, subpoena, mandate, precept, command, directive, consent, approval, award, judgment, injunction, or other similar determination or finding by, before, or under the supervision of any Governmental Authority, arbitrator, or mediator.

"PARENT" means the Person that Controls and owns a Required Economic Interest in a Member and that has no other Person that Controls and owns a Required Economic Interest in it; provided that (i) for so long as El Paso Parent (or any successor by merger, consolidation or other business combination) Controls and owns a Required Economic Interest in a Member, it will be the Parent of such Member, and (ii) for so long as Enterprise MLP (or any successor by merger, consolidation or other business combination) Controls and owns a Required Economic Interest in a Member, it will be the Parent of such Member.

"PARTNERSHIP" means GulfTerra Energy Partners, L.P., a Delaware limited partnership.

"PARTNERSHIP AGREEMENT" means the Agreement of Limited Partnership of the Partnership, as amended, restated, supplemented or otherwise modified from time to time.

"PERMITTED TRANSFEREE" is defined in Section 3.4(c).

"PERSON" means any individual or entity, including any corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or Governmental Authority (or any department, agency or political subdivision thereof).

"PREFERENTIAL RIGHT" is defined in Section 3.4(f)(i).

"PREFERENTIAL RIGHT PREMIUM" is defined in Section 3.4(f)(i).

"PRICING COMMITTEE" means a committee that may be established by the Board pursuant to Exhibit B.

"PROPOSED TAG-ALONG TRANSFER" is defined in Section 3.10.

"PUHCA" means the Public Utility Holding Company Act of 1935, as amended.

"PURCHASING MEMBER" is defined in Section 3.4(f)(i).

"QUARTER" means, unless the context requires otherwise, a calendar quarter.

"RECAPTURE INCOME" means any gain recognized by the Company (computed without regard to any adjustment required by Section 734 or 743 of the Code) upon the disposition of any

property or asset of the Company, which gain is characterized as ordinary income because it represents the recapture of deductions previously taken with respect to such property or asset.

"RECORD DATE" means the date established by the Board for determining (a) the identity of Members (or Transferees, if applicable) entitled to notice of, or to vote at any meeting of Members or entitled to vote by ballot or give approval of Company action in writing without a meeting or entitled to exercise rights in respect of any lawful action of Members, or (b) the identity of Record Holders entitled to receive any report or distribution; provided, that with respect to (b), if the Board does not establish such date for a relevant quarterly distribution, such date will be the last day of the Quarter ending immediately prior to the date of such distribution.

"RECORD HOLDER" means the Person in whose name a Membership Interest is registered on the Register of the Company as of the opening of business on a particular Business Day.

"REDUCTION IN DISTRIBUTIONS" means the reduction in distributions from the Partnership to the Company and attributable to any Separation Event, after taking into account the effect of any continuing support or services provided to the Partnership by El Paso Parent and its Subsidiary Affiliates following such Separation Event.

"REGISTER" is defined in Section 14.1(b).

"REMEDIAL METHOD" is defined in Section 5.2(a).

"REQUIRED ECONOMIC INTEREST" means the right to more than 25% of the distributions from the Company (including liquidating distributions).

"SECURITIES ACT" means the Securities Act of 1933, as amended, or any successor federal statute, and the rules and regulations thereunder of the Securities and Exchange Commission or any successor Governmental Authority, all as the same shall be in effect at the time.

"SECURITY INTEREST" means any security interest, deed of trust, mortgage, pledge, lien, Encumbrance, charge, claim, or other similar interest, right, or obligation, whether created by operation of Law or otherwise.

"SELLING MEMBER" is defined in Section 3.10(b).

"SELL-OUT RIGHT" is defined in Section 3.12(a).

"SEPARATION EVENT" means the expiration of the term of the Administrative Services Agreement, any termination of the Administrative Services Agreement or any amendment to the Administrative Services Agreement that materially diminishes the services provided, or materially increases the payments made for such services, pursuant to the Administrative Services Agreement; provided, however, an amendment to (or failure to amend) the Administrative Services Agreement in connection with an acquisition by the Partnership of assets, businesses or operations shall not be deemed to be a Separation Event if such amendment (or failure to amend) does not materially diminish the services provided, or materially increase the payments made for such services, with respect to the Partnership's assets, businesses and operations existing prior to such acquisition, notwithstanding the fact that such amendment (or

failure to amend) (i) may not require that the same level of service be provided with respect to such acquired assets, businesses or operations or (ii) may increase the aggregate payments made by the Partnership thereunder as a result of the provision of services with respect to such acquired assets, businesses or operations.

"SHARING RATIO" means the economic percentage interest attributable to any Member or Membership Interest, as applicable, at any given time as recorded in the Company's Register.

"SUBSIDIARY" means with respect to any relevant Person, (a) a corporation of which more than 50% of the Voting Stock is owned, directly or indirectly, at the date of determination, by such relevant Person, by one or more Subsidiaries of such relevant Person or a combination thereof, (b) a partnership (whether general or limited) in which such relevant Person, one or more Subsidiaries of such relevant Person or a combination thereof 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 relevant Person, by one or more Subsidiaries of such relevant Person, or a combination thereof, or (c) any other Person (other than a corporation or a partnership) in which such relevant Person, one or more Subsidiaries of such relevant 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 other Person.

"SUBSIDIARY AFFILIATE" means, with respect to any Member and its Parent, any direct or indirect wholly owned Subsidiary of such Parent.

"SUBSTITUTED MEMBER" means a Person that has complied with the requirements of Section 3.4 in place of and with all the rights of a Member and who is shown as a Member on the books and records of the Company.

"SUPPORT PERIOD" means the three-year period commencing upon the occurrence of a Separation Event.

"SUCCESSOR" is defined in Section 3.4(c).

"TAG-ALONG ACCEPTANCE NOTICE" is defined in Section 3.10 (b).

"TAG-ALONG ELECTING MEMBER" is defined in Section 3.10(b).

"TAG-ALONG MEMBER" is defined in Section 3.10.

"TAG-ALONG MEMBERSHIP INTEREST" is defined in Section 3.10.

"TAG-ALONG NOTICE" is defined in Section 3.10(a).

"TAG-ALONG OFFER" is defined in Section 3.10.

"TAG-INITIATING MEMBER" is defined in Section 3.10.

"TAX" means any federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Code Section 59A), customs, ad valorem, duties, capital stock, franchise, profits, withholding, social security, unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

"TAX MATTERS PARTNER" is defined in Section 9.3.

"TAX RETURN" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes required to be filed with any Governmental Authority, including any schedule or attachment thereto, and including any amendment thereof.

"THREATENED" means a demand or statement has been made (orally or in writing) or a notice has been given (orally or in writing), or any other event has occurred or any other circumstances exist that would lead a prudent Person to conclude that a cause of Action or other matter is likely to be asserted, commenced, taken, or otherwise pursued in the future.

"TRANSFER" or "TRANSFERRED" means a voluntary or involuntary sale, assignment, transfer, conveyance, exchange, foreclosure, bequest, devise, gift, mortgage, pledge, grant of a Security Interest, Encumbrance, or any other alienation (in each case, with or without consideration) of any right, interest, or obligation with respect to all or any portion of the record or beneficial ownership of any Membership Interest, including a transfer by operation of Law or any Change of Member Control of a Member; provided, however, a Transfer shall not include a Security Interest or Encumbrance incurred in connection with a bona fide financing by a Member or any foreclosure by a third party or Transfer to or pledge in lieu of foreclosure with respect to such Security Interest or Encumbrance.

"TRANSFEREE" means a Person who receives all or part of a Member's Membership Interest through a Transfer but who has not become a Substituted Member.

"TRANSFEROR" means a Member, Substituted Member or a predecessor Transferor who Transfers a Membership Interest.

"TREASURY REGULATION" means any temporary or final regulation published by the Treasury Department.

"UNREALIZED GAIN" attributable to any item of Company property means, as of any date of determination, the excess, if any, of (a) the fair market value of such property as of such date over (b) the Carrying Value of such property as of such date (prior to any adjustment to be made pursuant to Section 4.5(d) as of such date). In determining such Unrealized Gain, the aggregate cash amount and fair market value of any Company asset (including cash or cash equivalents) will be determined by the Board using such reasonable method of valuation as it may adopt.

"UNREALIZED LOSS" attributable to any item of Company property means, as of any date of determination, the excess, if any, of (a) the Carrying Value of such property as of such date (prior to any adjustment to be made pursuant to Section 4.5(d) as of such date) over (b) the fair

market value of such property as of such date. In determining such Unrealized Loss, the aggregate cash amount and fair market value of any Company asset (including cash or cash equivalents) will be determined by the Board using such reasonable method of valuation as it may adopt.

"VOTING STOCK" means, with respect to any Person, Equity Interests in such Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of, or otherwise appoint, directors (or Persons with management authority performing similar functions) of such Person.

ARTICLE II
ORGANIZATION

2.1 Formation. The Company has been organized as a Delaware limited liability company as of the Formation Date by the filing of a Certificate of Formation (the "CERTIFICATE") with the Secretary of State of the State of Delaware pursuant to the Act. The Members intend that, after the execution of this Agreement, the Company will continue to be classified as a partnership for federal, state and local income tax purposes only. For all other purposes, the Company has been, and will continue to be, classified as a limited liability company under the Act.

2.2 Name. The name of the Company is as set forth in the Certificate, and all Company business must be conducted in that name or such other names that comply with applicable Law as the Board may select from time to time.

2.3 Registered Office; Registered Agent; Principal Office in the United States; Other Offices. The registered office of the Company required by the Act to be maintained in the State of Delaware will be the office of the registered agent named in the Certificate or such other office (which need not be a place of business of the Company) as the Board may designate from time to time in the manner provided by Law. The registered agent of the Company in the State of Delaware will be the registered agent named in the Certificate or such other Person or Persons as the Board may designate from time to time in the manner provided by Law. The principal office of the Company in the United States will be at such place as the Board may designate from time to time, which need not be in the State of Delaware. The Company may have such other offices as the Board may designate from time to time.

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; provided, however, that for so long as it is the general partner of the Partnership, the Company's sole purpose will be to act as the general partner of the Partnership and to undertake activities that are ancillary or related thereto. The Company will have no employees, and will have no assets, operations or obligations other than those directly related to (a) its interest in the Partnership or (b) the operation of the Partnership; provided, that except as otherwise provided in this Agreement, the Company is expressly permitted to:

(i) own cash, cash equivalents and similar investments;

(ii) own or lease incidental assets related to its operation, such as office space, office materials and office supplies;

(iii) own or lease any other assets necessary or appropriate to manage and operate the Partnership and the Partnership's businesses (including entering into general and administrative services agreements or similar agreements with Affiliates or third parties;

(iv) have operations directly related to its own existence and maintenance;

(v) incur Liabilities owed to the Partnership or any of its Subsidiaries;

(vi) guarantee Liabilities of the Partnership or any of its Subsidiaries (and to grant Security Interests in support of any such guarantees); and

(vii) incur other Liabilities incidental to the Company's existence, including Tax Liabilities and non-contractual third party claims.

2.5 Foreign Qualification. Prior to conducting business in any jurisdiction other than the State of Delaware, the Company will comply (to the extent procedures are available and reasonably within the Company's control) with all requirements necessary to qualify the Company as a foreign limited liability company, and (if necessary) keep the Company in good standing, in that jurisdiction.

2.6 Term. Subject to earlier termination pursuant to other provisions of this Agreement or the Act, the term of the Company will be perpetual.

2.7 Mergers and Exchanges. Except as otherwise provided in this Agreement or by applicable Law, the Company may be a party to any merger, consolidation, exchange or acquisition, or any other type of reorganization.

2.8 Business Opportunities - No Implied Duty or Obligation. Except to the extent expressly agreed in writing to the contrary by any Member or its Affiliate, the Members and their respective Affiliates may engage, directly or indirectly, without consent of the other Members or the Company, in other business opportunities, transactions, ventures, or other arrangements of any nature or description, independently or with others, including business of a nature which may be competitive with or the same as or similar to the business of the Company or its Subsidiaries, regardless of the geographic location of such business, and without any duty or obligation to offer or account to the other Members, the Company, or its Subsidiaries in connection therewith. Nothing herein is intended to create a partnership, joint venture, agency, or other relationship creating fiduciary or quasi-fiduciary duties or similar duties and obligations or to subject the Members to joint and several or vicarious liability or to impose any duty, obligation, or liability that would arise therefrom with respect to any or all of the Members or their Affiliates.

ARTICLE III
MEMBERSHIP; TRANSFERS OF INTERESTS

3.1 Members. El Paso GP Holdco and the Investor hereby acknowledge that contemporaneously with the execution of this Agreement, (A) the Class A Membership Interest (as defined in the First Amended and Restated Agreement) previously held by Goldman and Transferred to El Paso GP Holdco has been converted into a Class B Membership Interest with a 9.9% Sharing Ratio in the Company concurrently with the consummation of such sale; (B) the portion of El Paso GP Holdco's Class B Membership Interest and Sharing Ratio in the Company sold to the Investor has been (i) Transferred to the Investor and (ii) converted into a Class C Membership Interest with a 50.0% Sharing Ratio in the Company concurrently with the consummation of such Transfer; (C) Goldman has withdrawn as a Class A Member (as defined in the First Amended and Restated Agreement) of the Company; (D) El Paso GP Holdco (previously admitted as a Class B Member of the Company in respect of the retained Class B Membership Interest with a 40.1% Sharing Ratio in the Company not sold to the Investor) likewise is admitted as a Class B Member of the Company in respect of its Class B Membership Interest with a 9.9% Sharing Ratio received from Goldman, after which time it will hold a Class B Membership Interest with a 50.0% Sharing Ratio in the Company (the "CLASS B MEMBERSHIP INTEREST"); and (E) the Investor is admitted as a Class C Member of the Company holding a Class C Membership Interest with a 50.0% Sharing Ratio in the Company (the "CLASS C MEMBERSHIP INTEREST"). As a consequence, the sole Members of the Company after giving effect to the transactions described in this Section 3.1 shall be El Paso GP Holdco as the holder of the Class B Membership Interest and the Investor as the holder of the Class C Membership Interest.

3.2 Membership Interests. The Membership Interests and Sharing Ratios of the Company shall be as set forth in Exhibit A to this Agreement.

3.3 Representations and Warranties. Each of El Paso GP Holdco and the Investor represents and warrants to the Company and each other party that the statements in this Section 3.3 are correct and complete as of the date such party becomes a party to this Agreement.

(a) Such party is an entity duly created, formed or organized, validly existing, and in good standing under the Laws of the jurisdiction of its creation, formation, or organization. There is no pending or, to such party's knowledge, Threatened, Action (or Basis therefor) for the dissolution, liquidation, insolvency, or rehabilitation of such party.

(b) Such party has the entity power and authority to execute and deliver this Agreement and to perform and consummate the transactions contemplated herein. Such party has taken all actions necessary to authorize the execution and delivery of this Agreement, the performance of such party's obligations hereunder, and the consummation of the transactions contemplated herein. This Agreement has been duly authorized, executed, and delivered by, and is Enforceable against, such party.

(c) The execution and the delivery of this Agreement by such party and the performance and consummation of the transactions contemplated herein by such party will not (i) Breach any provision of its organizational documents, (ii) Breach any Law to which such party is subject, (iii) Breach any Contract or Order to which such party is a

party or by which such party is bound or to which any of such party's assets is subject, or (iv) require any approval, consent, ratification, permission, waiver or authorization not already obtained.

(d) In acquiring the Membership Interest, such party is not offering or selling, and shall not offer or sell the Membership Interest, for the Company in connection with any distribution thereof, and such party does not have a participation and shall not participate in any such undertaking or in any underwriting of such an undertaking except in compliance with applicable federal and state securities laws. Such party acknowledges that it is able to fend for itself, can bear the economic risk of its investment in the Membership Interest, and has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of an investment in the Membership Interest. Such party is an "accredited investor" as such term is defined in Regulation D under the Securities Act. Such party understands that the Membership Interest shall not have been registered pursuant to the Securities Act or any applicable state securities laws, that the Membership Interest shall be characterized as a "restricted security" under federal securities laws and that under such laws and applicable regulations the Membership Interest cannot be sold or otherwise disposed of without registration under the Securities Act or an exemption therefrom.

(e) Such party is not a "public utility company," a "holding company," a "subsidiary company" of a "holding company" or an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company," as such terms are defined in PUHCA; nor is such party subject to regulation under PUHCA.

3.4 Restrictions on the Transfer of a Membership Interest. A Membership Interest may be Transferred only in accordance with applicable Law and the terms of this Agreement, including the provisions of this Section 3.4. Any purported Transfer in breach of the terms of this Agreement will be null and void ab initio, and the Company will not recognize any such prohibited Transfer.

(a) Effect of Attempted or Permitted Transfers.

(i) Except as otherwise provided in this Agreement or by applicable Law, (A) a Transfer of a Membership Interest will be effective only to give the Transferee the right to receive the share of allocations and distributions to which the Transferor would otherwise be entitled and (B) no Transferee of a Membership Interest will have the right to become a Substituted Member.

(ii) Unless and until a Transferee is admitted as a Substituted Member, (A) the Transferee will have no right to exercise any of the powers, rights and privileges of a Member hereunder other than to receive its share of allocations and distributions pursuant to Section 3.4(a)(i) and (B) the Member who has Transferred its Membership Interest to such Transferee will cease to be a Member with respect to such Membership Interest upon Transfer of such Membership Interest and thereafter will have no further powers, rights and privileges as a Member hereunder with respect to such Membership Interest (to the extent so

Transferred), but will, unless otherwise relieved of such obligations by approval of all of the other Members or by operation of Law, remain liable for all obligations and duties as a Member with respect to such Membership Interest; provided, however, that if the Transferee reconveys such Membership Interest to the Transferor within ten (10) days after the Transferor becomes aware that the Transferee will not become a Substituted Member, the Transferor once again will be entitled to all of the powers, rights, and privileges of a Member hereunder.

(iii) Notwithstanding anything to the contrary contained herein and in addition to any other requirements of this Agreement and applicable Law, before any Transferee becomes a Substituted Member, the Transferee must make the representations and warranties set forth in Section 3.3 and agree in writing to become a party to and be bound by all the terms and conditions of this Agreement as then in effect.

(iv) At the time a Transferee has become a Substituted Member through compliance with all of the provisions of this Section 3.4, (A) such Substituted Member will have all of the powers, rights, privileges, duties, and Liabilities of a Member, as provided in this Agreement, the Certificate, and by applicable Law to the extent of the Membership Interest so Transferred and (B) any Member that Transfers its Membership Interest to a non-Affiliate will be relieved of all of the Liabilities with respect to such Membership Interest; provided, however, that such Member will remain fully liable for all Liabilities relating to such Membership Interest that accrued prior to such Transfer, including the obligation to make its proportionate share of any applicable Capital Contributions required to be made prior to such Transfer; and provided, further, that any Member that Transfers its Membership Interest to an Affiliate will remain fully liable for all Liabilities relating to such Membership Interest, including the obligation to make its proportionate share of any applicable Capital Contributions, whether such Liabilities accrued prior to or after such Transfer to an Affiliate.

(v) Neither the Company nor any Member will be bound or otherwise affected by the Transfer of any Membership Interest of which such Person has not received notice in accordance with the terms of this Agreement.

(vi) Upon the consummation of the Transfer of any Membership Interest (whether to a Member or any other Transferee) in compliance with the provisions of this Agreement, the applicable Transferee will become party to and be bound by this Agreement, and thereafter will have all of the rights and obligations of a Member hereunder.

(vii) The Company may, in its reasonable discretion, charge a Member a reasonable fee to cover the additional administrative expenses incurred in connection with or as a consequence of any Transfer of all or part of such Member's Membership Interest; provided, however, that the Company shall not charge any fee in connection with any of the transactions described in Section 3.1,

Transfers to Permitted Transferees made in compliance with Section 3.4(c) and Transfers made in compliance with Section 3.4(f).

(viii) If a Transferee does not become a Substituted Member, any payment by the Company to the applicable Transferor will acquit the Company, its subsidiaries, and the Members of all liability to any other Persons who may be interested in such payment by reason of a Transfer by such Transferor.

(b) General Transfer Restrictions. Notwithstanding anything to the contrary contained herein, no Person will Transfer any rights or obligations arising out of or relating to this Agreement, a Membership Interest, or any interest herein or therein:

(i) Unless such Transfer consists of all (but not less than all) of such Member's Membership Interest (including, in the case of El Paso GP Holdco, its rights and obligations as Managing Member);

(ii) At any time between the effectiveness of this Agreement and the consummation of the MLP Merger; provided, however, that such restriction on Transfer shall not apply if the Merger Agreement is terminated in accordance with its terms other than upon consummation of the MLP Merger;

(iii) Except pursuant to an applicable exemption from registration under the Securities Act and other applicable securities Laws;

(iv) If such Transfer would result in the violation of the Act, the Securities Act, or any other Law;

(v) If such Transfer (including the taking of any action, filing, election, or other action which could result in a deemed Transfer), either considered alone or aggregated with prior Transfers by the same Member or any other Members or Transferees, could reasonably be expected to result in the Company being taxed as a corporation or otherwise being taxed as an entity for federal income tax purposes; and

(vi) Subject to the restrictions imposed by Section 3.4(b)(ii), other than (A) the consummation of the transactions contemplated by Section 3.1, (B) Transfers to Permitted Transferees made in compliance with Section 3.4(c), and (C) Transfers made in compliance with Section 3.4(f).

(c) Parent and Subsidiary Affiliate Transfers. Subject to this Section 3.4 and the Transferee assuming (by operation of Law or express agreement in form and substance reasonably acceptable to the Board) all of the Transferor's Liabilities under this Agreement, any Member may Transfer its Membership Interest to its Parent or a Subsidiary Affiliate of its Parent which remains a Subsidiary Affiliate of such Parent for so long as such Subsidiary Affiliate Transferee holds a Membership Interest in the Company, and such Parent or Subsidiary Affiliate Transferee (a "PERMITTED TRANSFEREE") will be admitted as a Substituted Member; provided, that (i) if the Transferor's Membership Interest is subject to a guaranty, the guaranty will apply to the Parent or

Subsidiary Affiliate Transferee and its Membership Interest, (ii) the Transferor is not released from any of its Liabilities under this Agreement unless such release is agreed to in writing by all of the non-Transferring Members, and (iii) such Transfer to a Parent or Subsidiary Affiliate must consist of all (but not less than all) of the Membership Interest (including, in the case of El Paso GP Holdco, its rights and obligations as Managing Member) and such Membership Interest (and rights and obligations as Managing Member) shall not, by operation of Law, or otherwise, thereafter be subdivided between or among or Transferred to multiple Subsidiary Affiliates of such Parent. Any Parent or Subsidiary Affiliate Transferee shall at all times remain subject to the terms and conditions of this Agreement notwithstanding that such Parent or Subsidiary Affiliate has not been admitted as a Substituted Member pursuant hereto. If El Paso GP Holdco Transfers its Class B Membership Interest to its Parent or a Subsidiary Affiliate of such Parent pursuant to this Section 3.4(c) or to a non-Affiliate pursuant to Section 3.4(f)(i) (such transferee, a "SUCCESSOR"), all references herein to the rights and obligations of El Paso GP Holdco under this Agreement shall be deemed to instead refer to the rights and obligations of such Successor as sole Class B Member of the Company and all references to the Managing Member (as defined below) shall be deemed to refer to such Successor rather than El Paso GP Holdco.

(d) Documentation; Validity of Transfer. The Company will not be required to recognize for any purpose any purported Transfer of all or any part of a Membership Interest unless and until all applicable provisions of this Section 3.4 have been satisfied and the Company has received the acknowledgment in substantially the form attached hereto as Appendix A executed by both the Transferor (or if the Transfer is on account of the bankruptcy, or liquidation of the Transferor, a trustee or representative) and the Transferee. Each Transfer and, if applicable, admission of a Substituted Member complying with the provisions of this Section 3.4 is effective when (x) the Company receives the documents required by this Section 3.4 reflecting such Transfer and (y) all other requirements of this Section 3.4 have been met.

(e) Member in Default. A Member in Default or a permitted Transferee not admitted to the Company as a Member in accordance with this Agreement may not Transfer its Membership Interest except upon the written consent of the other Member(s).

(f) Preferential Purchase Right.

(i) Procedure. If at any time any Member proposes to Dispose of its Membership Interest to a non-Affiliate, the Disposing Member shall promptly give notice thereof ("DISPOSITION NOTICE") to the non-Disposing Member. Such Disposition Notice shall constitute an offer to sell such Membership Interest in accordance with this Section 3.4. The Disposition Notice shall include as an attachment the purchase and sale agreement entered into by the Disposing Member which shall set forth all relevant information with respect to the bona fide third party offer received by the Member (which offer shall be a legal, valid and binding obligation of the potential Transferee) and the proposed Disposition, including the name and address of the prospective Transferee, the Membership Interest that is the subject of the Disposition, the price to be paid for such

Membership Interest, any other terms and conditions of the offer and proposed Disposition and, if any portion of the purchase price is to be paid in Non-Cash Consideration, the information required by Section 3.4(f)(iv). The non-Disposing Member shall have the preferential right ("PREFERENTIAL RIGHT") but not the obligation to acquire all, but not less than all, of the Membership Interest subject to such Disposition Notice on the same terms and conditions as are set forth in the Disposition Notice, except that the purchase price will be equal to one hundred three percent (103%) of the price specified in the Disposition Notice (the excess over the price in the Disposition Notice being the "PREFERENTIAL RIGHT PREMIUM"). The fair market value of any Non-Cash Contribution to be received shall be determined in accordance with Section 3.4(f)(iv). The non-Disposing Member shall have 15 Business Days following the receipt of the Disposition Notice in which to notify the Disposing Member whether the non-Disposing Member desires to exercise its Preferential Right (in such capacity, a "PURCHASING MEMBER"). If the non-Disposing Member fails to exercise its Preferential Right during such 15 Business Day period, then the non-Disposing Member's Preferential Right (but not any future Preferential Right) shall be deemed to have been waived.

(ii) If the Preferential Right is deemed exercised in accordance with Section 3.4(f)(i), the closing of the purchase of the Membership Interest shall occur at the principal place of business of the Company on the terms set forth in the Disposition Notice, unless the Disposing Member and the Purchasing Member agree upon a different place or date. At the closing, the Disposing Member shall execute and deliver to the Purchasing Member an assignment of the Membership Interest that is subject to Disposition, free and clear of Encumbrances other than those created pursuant to this Agreement or the Purchasing Member and any other instruments reasonably requested by the purchasing Member to give effect to the purchase. The Purchasing Member shall deliver to the Disposing Member in immediately available funds the purchase price provided for in Section 3.4(f)(i). Upon the completion of the closing of the purchase, the Membership Interests, Sharing Ratios and Capital Accounts of the Members shall be deemed adjusted to reflect the effect of the purchase.

(iii) If the non-Disposing Member waives or is deemed to have waived the Preferential Right, the Disposing Member shall have the right to Dispose of the Membership Interest described in the Disposition Notice to the proposed Transferee strictly in accordance with the Disposition Notice for a period of 90 Days after the expiration of the last applicable period referred to in such Section 3.4(f)(i). If, however, the Disposing Member fails so to Dispose of its Membership Interest within such 90-Day period, the proposed Disposition shall again become subject to the Preferential Right in accordance with Section 3.4(f)(i).

(iv) If any portion of the purchase price is to be paid in a form other than cash or cash equivalents (including real or personal property, promissory notes, securities, contractual benefits, assumption of liabilities or anything else of

value) ("NON-CASH CONSIDERATION"), the Disposing Member shall state in its Disposition Notice its determination of the aggregate fair market value of such Non-Cash Consideration. If the non-Disposing Member disagrees with such determination, it shall notify the Disposing Member of such disagreement within ten Business Days of receiving the Disposition Notice. If a dispute as to the aggregate fair market value of the Non-Cash Consideration is not resolved within five Business Days after such notice, the Disposing Member or the non-Disposing Member may require an appraisal by delivering a written notice ("APPRAISAL NOTICE") requesting an independent appraisal. In such event, the value of the Non-Cash Consideration shall be determined by one investment banking firm of nationally recognized standing, agreed upon by the Disposing Member and the non-Disposing Member or, failing such agreement, appointed by the Presiding Judge of the United States District Court for the Southern District of Texas, Houston Division, pursuant to a petition to compel appraisal. The fair market value of the Non-Cash Consideration shall be the amount determined by the appraiser. The Disposing Member, on the one hand, and the non-Disposing Member, on the other hand, shall bear the expenses associated with any such appraisal equally.

(v) A Membership Interest may only be Transferred to a Competitor pursuant to this Section 3.4.

3.5 Additional Membership Interests. Additional Persons may be admitted to the Company as Members, and Membership Interests may be created and issued to those Persons and to existing Members upon approval thereof by the Members and subject to the terms and conditions set forth herein. Such admission must comply with any additional terms and conditions the Members may, in their sole discretion, determine at the time of admission. A document (which may be an amendment to this Agreement), in a form acceptable to the Members, will specify the terms of admission or issuance and will include, among other things, the Membership Interest applicable thereto. Such document may also provide for the creation of different classes of Membership Interests or groups of Members having different rights, powers and duties. Any such admission of a new Member will not be effective unless such new Member has agreed in writing to be bound by all terms and conditions of this Agreement as then in effect. The provisions of this Section 3.5 will not apply to Transfers of Membership Interests.

3.6 Information.

(a) In addition to the other rights specifically set forth in this Agreement, each Member is entitled to all information to which that Member is entitled to have access pursuant to the Act under the circumstances and subject to the conditions therein stated.

(b) The Members acknowledge that, from time to time, they may receive information from or regarding the Company, the Partnership, or any other Member in the nature of trade secrets or secret or proprietary information or information that is otherwise confidential, the release of which may be damaging to the Company, the Partnership, the Member, or their respective Affiliates, as applicable, or Persons with which they do business. Each Member will hold in strict confidence any written

information it receives regarding the Company or the Partnership and may not use or disclose such information to any Person other than another Member, except for uses or disclosures (i) compelled by Law (but such Member must notify the Company promptly of any such request for information, before disclosing it, if practicable), (ii) to advisers or representatives of the Member or Persons to which that Member's Membership Interest may be Transferred as permitted by this Agreement, but only if the recipients of such information have agreed to be bound by the provisions of this Section 3.6(b), (iii) of information that a Member also has received from a source independent of the Company or the Partnership and that such Member reasonably believes such source obtained such information without breach of any obligation of confidentiality, (iv) of information obtained prior to the formation of the Company, or (v) of public information. The Members acknowledge that a breach of the provisions of this Section 3.6(b) may cause irreparable injury to the Company, the Partnership, or another Member or an Affiliate thereof for which monetary damages are inadequate, difficult to compute, or both. Accordingly, the Members agree that the provisions of this Section 3.6(b) may be enforced by specific performance, injunctive or other equitable relief by a court of competent jurisdiction. Each Member agrees that it will not give any such information to the other Member that the other Member is prohibited by this Section 3.6(b) from using without (x) expressly notifying the other Member that it intends to give such information to such other Member and (y) receiving an express notification from the other Member that such other Member is willing to accept such information.

(c) The Members acknowledge that, from time to time, the Company or the Partnership may need information from any or all of such Members for various reasons, including for complying with various federal and state Laws. Each Member will provide to the Company or the Partnership all information reasonably requested by the Company within a reasonable amount of time from the date such Member receives such request. The Company will reimburse each such Member for any and all reasonable costs associated with furnishing information pursuant to this Section 3.6(c); provided that no Member will be obligated to provide such information to the Company to the extent such disclosure (i) could reasonably be expected to result in the breach or violation of any contractual obligation (if a waiver of such obligation cannot reasonably be obtained) or (ii) involves secret, confidential, or proprietary information.

3.7 Liability to Third Parties. Except as required by the Act or as otherwise expressly agreed to in writing by such Member, no Member will be liable to any Person (including any third party or to another Member) (i) as a result of any act or omission of another Member or (ii) for losses, obligations, or Liabilities of the Company.

3.8 Resignation. No Member has the right to, and will not attempt to, withdraw or resign from the Company as a Member without the prior written consent of all other Members, which consent may be granted or withheld in each such other Member's sole discretion. Any resignation in violation of the previous sentence is void ab initio, and a Member purporting to resign in violation of the previous sentence shall not be entitled to the fair market value of its Membership Interest pursuant to Section 18-604 of the Act or pursuant to any other theory.

3.9 Lack of Member Authority. No Member has the authority or power to act as agent for or on behalf of the Company, do any act that would be binding on the Company, or incur any expenditures on behalf of the Company, unless authorized to do so in writing by the Company.

3.10 Tag Along Rights. If a Member (the "TAG-INITIATING MEMBER") proposes to Transfer its Membership Interest to a non-Affiliate (such proposed Transfer is referred to herein as a "PROPOSED TAG-ALONG TRANSFER"), then the Tag-Initiating Member shall offer (the "TAG-ALONG OFFER") to include in the Proposed Tag-Along Transfer all, but not less than all, of the Membership Interest (the "TAG-ALONG MEMBERSHIP INTEREST") held by the other Member (a "TAG-ALONG MEMBER"). The mechanics for a Tag-Along Offer are as follows:

(a) The Tag-Initiating Member shall give the Tag-Along Member written notice prior to the expected consummation of the Proposed Tag-Along Transfer (the "TAG-ALONG NOTICE") of the Proposed Tag-Along Transfer as to which the Tag-Along Member may elect to Transfer all, but not less than all, of its Membership Interest under this Section 3.10. Such Tag-Along Notice shall specify the name of the proposed Transferee, the Membership Interest to be Transferred to such proposed Transferee, the material terms of such Proposed Tag-Along Transfer, including the amount and type of consideration to be received therefor and the anticipated place and date on which the Proposed Tag-Along Transfer is to be consummated.

(b) If the Tag-Along Member wishes to include its Membership Interest in the Proposed Tag-Along Transfer in accordance with the terms of this Section 3.10 (the "TAG-ALONG ELECTING MEMBER"), such Tag-Along Electing Member shall so notify the Tag-Initiating Member not more than fifteen (15) days after its receipt of the Tag-Along Notice ("TAG-ALONG ACCEPTANCE NOTICE"). The Tag-Along Offer shall be conditioned upon the Tag-Initiating Member's Transfer of its Membership Interest pursuant to the transaction(s) contemplated in the Tag-Along Notice with the proposed Transferee named therein. If any Tag-Along Member timely accepts the Tag-Along Offer in accordance with this Section 3.10, then the Tag-Initiating Member shall permit the Tag-Along Electing Member to sell its Membership Interest under this Section 3.10, and the Tag-Initiating Member and the Tag-Along Electing Member (collectively, the "SELLING MEMBERS") shall sell the Membership Interests specified in the Tag-Along Offer to the proposed Transferee in accordance with the terms set forth in the Tag-Along Notice; provided, however, that the Tag-Initiating Member may elect in its sole discretion (and shall not otherwise be deemed to owe any duty or responsibility to the Tag-Along Electing Member to proceed) to terminate or otherwise not to sell its Membership Interest in the Proposed Tag-Along Transfer, in which case, the obligations under this Section 3.10 in respect of such Proposed Tag-Along Transfer shall cease.

(c) If the proposed consideration to be paid to the Selling Members by the non-Affiliate purchaser in the Proposed Tag-Along Transfer does not consist entirely of cash and/or marketable securities, then a Tag-Along Electing Member may elect to receive, in lieu of such other consideration, cash equal to the fair market value of such consideration. If the Tag-Initiating Member and the Tag-Along Electing Member do not agree on the fair market value of such consideration within ten (10) days following the date of receipt of the Tag-Along Acceptance Notice by the Tag-Along Electing Member, the fair market

value of such consideration shall be determined by one investment banking firm of nationally recognized standing, agreed upon by the Selling Members or, failing such agreement, appointed by the Presiding Judge of the United States District Court for the Southern District of Texas, Houston Division, pursuant to a petition to compel appraisal. The determination of fair market value of the consideration by the selected firm, however such firm was selected, shall be final, binding and conclusive on all parties. The aggregate fees and expenses of any such firms shall be borne one-half by the Tag-Initiating Member and one-half by the Tag-Along Electing Member. Such cash election shall be made in the Tag-Along Acceptance Notice provided by the Tag-Along Electing Member to the Tag-Initiating Member. Upon receipt of such an election, the Tag-Initiating Member shall be obligated to pay such consideration or to cause such consideration to be paid to the Tag-Along Electing Member in cash.

(d) If at the time of the proposed Tag-Along Transfer, one of the Members is a Class D Member, then (i) if the Tag-Initiating Member is the Class D Member, then the consideration payable to the Tag-Along Electing Member shall equal the consideration payable to the Tag-Initiating Member pursuant to the proposed Tag-Along Transfer, less the fair market value of the Class D Membership Interest and (i) if the Tag Along Electing Member is the Class D Member, then the consideration payable to the Tag-Along Electing Member shall equal the consideration payable to the Tag-Initiating Member pursuant to the proposed Tag-Along Transfer, plus the fair market value of the Class D Membership Interest. The fair market value of the Class D Membership Interest such consideration will be determined in the manner set forth in Section 3.10(c) if the parties do not agree.

(e) If for any reason an agreement for such Proposed Tag-Along Transfer is not executed by the Selling Members and the prospective Transferee within one-hundred eighty (180) days after the date of the Tag-Along Notice or, if so executed, the transaction with such prospective Transferee thereafter should fail to close, the Tag-Initiating Member must comply with the provisions set forth in this Section 3.10, to the extent applicable, prior to making any subsequent Transfer of its Membership Interest.

3.11 Right to Sell Highest Incentive Distribution Splits. Notwithstanding anything in this Agreement to the contrary (including the requirements for Member approval in Section 6.3(b)), if the Merger Agreement is terminated in accordance with its terms, each Member shall have the right, exercisable at any time following the termination of the Merger Agreement in its sole discretion (subject to the terms of this Section 3.11), to cause the Company to sell or to contribute directly or indirectly to the Partnership its Sharing Ratio of all right, title and interest of the Company in and to the Highest Incentive Distribution Splits, such that after giving effect to such sale or contribution the Company's right to distributions with respect to such portion of the Highest Incentive Distribution Splits will be eliminated from the Partnership Agreement (and the Company will cause the Partnership Agreement to be amended as necessary to effectuate such sale or contribution) and will cease to be an asset owned by the Company; provided, however, that a sale or contribution of the Highest Incentive Distribution Splits pursuant to this Section 3.11 may only be made if each of the following conditions are satisfied:

(a) the Merger Agreement shall have been terminated in accordance with its terms;

(b) the Member who proposes to cause the Company to make such sale or contribution (the "HIDS SELLER") shall have delivered notice to the other Member (the "HIDS PARTICIPATING MEMBER"), which notice may be given orally and shall be promptly confirmed in writing, of the proposed sale or contribution of the Highest Incentive Distribution Splits, such notice to be given not less than fifteen (15) Business Days prior to the proposed sale or contribution and which notice shall include a summary of the consideration proposed to be paid to the Company for the sale or contribution of such portion of the Highest Incentive Distribution Splits (such notice, the "HIDS NOTICE").

(c) the HIDS Participating Member shall have the right, exercisable at any time during the period commencing upon its receipt of the HIDS Notice and ending immediately prior to the closing of such sale or contribution, to cause the Company to include the HIDS Participating Member's Sharing Ratio of the Highest Incentive Distribution Splits in the proposed sale or contribution. The HIDS Participating Member shall exercise its right under this Section 3.11 by delivery to the HIDS Seller of written notice of such election (which notice, once so delivered to the HIDS Seller, shall be irrevocable. Upon any such exercise, the Company shall sell or contribute directly or indirectly to the Partnership its entire right to distributions with respect to the Highest Incentive Distribution Splits. If the HIDS Participating Member does not deliver to the HIDS Seller written notice of its election pursuant to this Section 3.11 prior to the closing of the sale or contribution of the Highest Incentive Distribution Splits, then upon such closing, the HIDS Participating Member shall be issued a Class D Membership interest (a "CLASS D MEMBERSHIP INTEREST") having a right to distributions in accordance with SECTION 5.3.

3.12 Change of Member Control.

(a) In the event of a Change of Member Control, the Member with respect to which the Change of Member Control has occurred ("CHANGING MEMBER") shall promptly (and in all events within five Business Days after the Change of Member Control) give notice thereof ("CONTROL NOTICE") to the other Member (in such capacity, the "NON-CHANGING MEMBER"). If the Control Notice is not given by the Changing Member as provided above and the Non-Changing Member becomes aware of such Change of Member Control, such Non-Changing Member shall have the right to give the Control Notice to the Changing Member. The Non-Changing Member shall have the right, but not the obligation, either: (i) to acquire the Membership Interest of the Changing Member for the fair market value thereof (as such, a "BUY-OUT RIGHT") or (ii) to sell the Membership Interest of the Non-Changing Member to the Changing Member for the fair market value thereof (as such, a "SELL-OUT RIGHT"). For purposes of this Section 3.12, "fair market value" means the cash value for which a willing buyer and willing seller under no compulsion would be willing to buy or sell the Membership Interest of the Changing Member. If the Non-Changing Member elects to proceed under clause (i), then the Changing Member shall deliver its proposed fair market value ("FMV NOTICE") of its Membership Interest to the Non-Changing Member within five Business Days after the

delivery of the Control Notice. The Non-Changing Member shall then have 15 Business Days after receipt of the FMV Notice to dispute the fair market value set forth therein by notice to the Changing Member. If the Non-Changing Member disputes the fair market value set forth in the FMV Notice, then the parties shall attempt to resolve such dispute. If such dispute is not resolved within 15 Business Days after delivery of the dispute notice, then the fair market value of the Changing Member's Membership Interest shall be determined by one investment banking firm of nationally recognized origin agreed upon by the Changing Member and the Non-Changing Member or failing such agreement, appointed by the Presiding Judge of the United States District Court for the Southern District of Texas, Houston Division, pursuant to a petition to compel appraisal. If such dispute is submitted to the appraiser, the fair market value of the Changing Member's Membership Interest shall be the amount determined by the appraiser. The fair market value of the Changing Member's Membership Interest determined as set forth in this Section 3.12(a) shall be the "FAIR MARKET VALUE." The Changing Member shall pay the expenses associated with any such appraisal. Alternatively, if the Non-Changing Member elects to proceed under clause (ii), then the Non-Changing Member shall deliver its proposed fair market value ("FMV NOTICE") of its Membership Interest to the Changing Member within five Business Days after the delivery of the Control Notice. The Changing Member shall then have 15 Business Days after receipt of the FMV Notice to dispute the fair market value set forth therein by notice to the Non-Changing Member. If the Changing Member disputes the fair market value set forth in the FMV Notice, then the parties shall attempt to resolve such dispute. If such dispute is not resolved within 15 Business Days after delivery of the dispute notice, then the fair market value of the Non-Changing Member's Membership Interest shall be determined by one investment banking firm of nationally recognized standing, agreed upon by the Changing Member and the Non-Changing Member or failing such agreement, appointed by the Presiding Judge of the United States District Court for the Southern District of Texas, Houston Division, pursuant to a petition to compel appraisal. If such dispute is submitted to the appraiser, the fair market value of the Non-Changing Member's Membership Interest shall be the amount determined by the appraiser. The fair market value of the Non-Changing Member's Membership Interest determined as set forth in this Section 3.12(a) shall also be the "FAIR MARKET VALUE." The Non-Changing Member shall pay the expenses associated with any such appraisal.

(b) If either the Buy-out Right or the Sell-out Right is exercised in accordance with Section 3.12(a), the closing of the purchase of the Membership Interest shall occur at the principal place of business of the Company on the 30th Day after the expiration of the last applicable period referred to in such Section 3.12(a), unless the Changing Member and the Non-Changing Members, as applicable, agree upon a different place or date. At the closing, following the course of events specified in Section 3.12(a)(i), the Changing Member shall execute and deliver to the Non-Changing Member, as applicable, an assignment of the Membership Interest that is subject to such Change of Member Control free and clear of Encumbrances, other than those created by this Agreement or by the Non-Changing Member, and any other instruments reasonably requested by the Non-Changing Member, as applicable, to give effect to the purchase. The Non-Changing Member, as applicable, shall deliver to the Changing Member in immediately available funds the purchase price provided for in Section 3.12(a), and the Membership Interests,

Sharing Ratios and Capital Accounts of the Members shall be deemed adjusted to reflect the effect of the purchase. Alternatively, at the closing following the events specified in Section 3.12(a)(ii), the Non-Changing Member shall execute and deliver to the Changing Member, as applicable, an assignment of the Membership Interest that is subject to such Change of Member Control free and clear of Encumbrances, other than those created by this Agreement or by the Changing Member, and any other instruments reasonably requested by the Changing Member, as applicable, to give effect to the purchase. The Changing Member, as applicable, shall deliver to the Non-Changing Member in immediately available funds the purchase price provided for in Section 3.12(a), and the Membership Interests, Sharing Ratios and Capital Accounts of the Members shall be deemed adjusted to reflect the effect of the purchase.

ARTICLE IV
CAPITAL CONTRIBUTIONS

4.1 Capital Account Balances.

(a) Upon consummation of the transactions contemplated in Section 3.1, the balance of the Capital Account of the Class C Member shall be $425,000,000, as set forth on Exhibit A, and the balance of the Capital Account of the Class B Member shall be $425,000,000, as set forth on Exhibit A.

(b) No Member shall have any obligation or right to make any Capital Contribution to the Company except as provided in Sections 4.2 and 4.4.

4.2 Capital Contributions by the Company to the Partnership. Pursuant to Section 4.4(c)(iii) of the Partnership Agreement, upon the issuance of any Units (as defined in the Partnership Agreement) or other Partnership Securities (as defined in the Partnership Agreement) by the Partnership, the Company, as general partner of the Partnership, is required to make (a) an additional capital contribution to the Partnership or (b) convert a number of Partnership Securities owned by the Company into additional general partner interests, such that the Company shall at all times have a balance in its Partnership capital account equal to 1.0% of the total positive capital account balances of all partners of the Partnership. Concurrently with the capital contribution required to be made by the Company to the Partnership pursuant to Section 4.4(c)(iii) of the Partnership Agreement (the "GP CONTRIBUTION"), each of the Class B Member and the Class C Member shall contribute to the Company its pro rata share of the GP Contribution based on its respective Sharing Ratio. Such contribution to the Company by the Class B Member and Class C Member may be in cash or in Partnership Securities (as defined in the Partnership Agreement), as such contributing Member may elect in its sole discretion. The value of any such Partnership Securities contributed to the Company pursuant to this Section 4.2 shall be the Agreed Value of same as of the date of the contribution. In the event any Member fails to contribute to the Company its pro rata share of the GP Contribution in accordance with this Section 4.2 (the "FAILING MEMBER"), the other Member(s) may elect to additionally contribute to the Company (the "CONTRIBUTING MEMBER") such Failing Member's pro rata share of the GP Contribution. If such contribution is made by a Contributing Member, as a penalty for Default, the Failing Member shall forfeit all future distributions of Available Cash from the Company pursuant to Section 5.3 and such Failing Member's distributions shall instead be

distributed to the Contributing Member until such time as an amount equal to 150% of the amount so contributed by the Contributing Member on behalf of the Failing Member shall be distributed to the Contributing Member (the amount to be distributed in excess of the amount contributed by a Contributing Member is referred to as the "EXCESS AMOUNT"). In no event shall the Class D Member be obligated to make any capital contributions to the Company in its capacity as such.

4.3 Return of Contributions. No Member is entitled (i) to the return of any part of any Capital Contribution or (ii) to be paid interest in respect of either its Capital Account or any Capital Contribution. An unrepaid Capital Contribution is not a liability of the Company or of any Member. A Member is not required to contribute or to lend any cash or property to the Company to enable the Company to return any other Member's Capital Contributions.

4.4 Advances by Members.

(a) If the Company does not have sufficient cash to pay its obligations, and subject to the obligations of the Members as set forth in Section 4.2 above, the Company, with the agreement of all of the Members, may allow one or more Members to advance all or part of the needed funds to or on behalf of the Company. An advance described in this Section 4.4(a) constitutes a loan or, if all Members agree, a Capital Contribution, from the Member to the Company and will be subject to such terms and conditions as may be agreed upon by the Company and such Member. However, if there is any ambiguity as to the nature of the advance contemplated by the preceding sentence or if all of the Members fail to agree to treat the amount as a Capital Contribution, the advance will be conclusively deemed a loan for any and all purposes.

(b) A loan by any Member to the Company as contemplated by Section 4.4(a) or otherwise will not be considered a Capital Contribution and will not increase the Capital Account balance of such Member. Except as otherwise provided in this Agreement or by applicable Law, such loan will be treated as a Liability of the Company and will be paid in accordance with its terms as if such loan was made by an unrelated creditor.

4.5 Capital Accounts. A separate capital account ("CAPITAL ACCOUNT") shall be established and maintained for each Member in accordance with Treasury Regulation Section 1.704-1(b)(2)(iv). The initial balance of the Capital Account of each Member as of the execution of this Agreement will be as set forth in Section 4.1. The Capital Account of each Member shall thereafter be adjusted as follows:

(a) Increases and Decreases. Each Member's Capital Account will be (i) increased by (A) the amount of cash or cash equivalents contributed by that Member to the Company as capital, (B) the Net Agreed Value of property contributed by that Member to the Company as capital (contributions contemplated by subparagraphs (A) and (B) will be referred to as "CAPITAL CONTRIBUTIONS"), and (C) allocations to that Member of Company income and gain (or items thereof), including income and gain exempt from Tax and income and gain described in Treasury Regulation Section 1.704-1(b)(2)(iv)(g), but excluding income and gain described in Treasury Regulation Section 1.704-1(b)(4)(i); and (ii) decreased by (A) the amount of cash or cash equivalents

distributed to that Member by the Company, (B) the Net Agreed Value of property distributed to that Member by the Company, and (C) allocations of Company losses and deductions (or items thereof), including losses and deductions described in Treasury Regulation Section 1.704-1(b)(2)(iv)(g) (but excluding losses or deductions described in Treasury Regulation Section 1.704-1(b)(4)(i) or (iii));

(b) Method for Determining Income, Gain, Loss and Deductions. For purposes of computing the amount of any item of income, gain, loss or deduction to be reflected in the Members' Capital Accounts, the determination, recognition and classification of any such item will be the same as its determination, recognition and classification for federal income tax purposes (including any method of depreciation, cost recovery or amortization used for that purpose), provided that:

(i) All fees and other expenses incurred by the Company to promote the sale of (or to sell) any interest that can neither be deducted nor amortized under Section 709 of the Code, if any, will, for purposes of Capital Account maintenance, be treated as an item of deduction at the time such fees and other expenses are incurred and will be allocated among the Members pursuant to Sections 5.1 and 5.2.

(ii) Except as otherwise provided in Treasury Regulation Section 1.704-1(b)(2)(iv)(m), the computation of all items of income, gain, loss and deduction will be made without regard to any election under Section 754 of the Code which may be made by the Company and, as to those items described in Section 705(a)(1)(B) or 705(a)(2)(B) of the Code, without regard to the fact that such items are not includable in gross income or are neither currently deductible nor capitalized for federal income tax purposes.

(iii) Any income, gain or loss attributable to the taxable disposition of any Company property will be determined as if the adjusted basis of such property as of such date of disposition were equal in amount to the Company's Carrying Value with respect to such property as of such date.

(iv) In accordance with the requirements of Section 704(b) of the Code, any deductions for depreciation, cost recovery or amortization attributable to any Contributed Property will be determined as if the adjusted basis of such property on the date it was acquired by the Company was equal to the Agreed Value of such property on the date it was acquired by the Company. Upon an adjustment pursuant to Section 4.5(d) to the Carrying Value of any Company property subject to depreciation, cost recovery or amortization, any further deductions for such depreciation, cost recovery or amortization attributable to such property will be determined (A) as if the adjusted basis of such property were equal to the Carrying Value of such property immediately following such adjustment and (B) using a rate of depreciation, cost recovery or amortization derived from the same method and useful life (or, if applicable, the remaining useful life) as is applied for federal income tax purposes; provided, however, that if the asset has a zero adjusted basis for federal income tax purposes, depreciation, cost recovery or

amortization deductions will be determined using any reasonable method that the Company may adopt.

(v) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Net Income or Net Loss will be added to such taxable income or loss.

(c) Succession in Interests. A Transferee will succeed to the Capital Account of the Transferor relating to the Membership Interest so Transferred.

(d) (i) Additional Membership Interests. Consistent with the provisions of Treasury Regulation Section 1.704-1(b)(2)(iv)(f), on an issuance of additional Membership Interests for cash or Contributed Property, the Capital Accounts of all Members and the Carrying Value of each Company property immediately prior to such issuance will be adjusted upward or downward to reflect any Unrealized Gain or Unrealized Loss attributable to such Company property, as if such Unrealized Gain or Unrealized Loss had been recognized on an actual sale of each such property immediately prior to such issuance and had been allocated to the Members at such time pursuant to Section 5.1.

(ii) Adjustments Prior to a Distribution. In accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(f), immediately prior to any distribution to a Member of any Company property (other than a distribution of cash or cash equivalents that are not in redemption or retirement of a Membership Interest), the Capital Accounts of all Members and the Carrying Value of each Company property will be adjusted upward or downward to reflect any Unrealized Gain or Unrealized Loss attributable to such Company property, as if such Unrealized Gain or Unrealized Loss had been recognized in a sale of such property immediately prior to such distribution for an amount equal to its fair market value (which will be determined by the Company using any valuation method it deems reasonable under the circumstances), and had been allocated to the Members at such time, pursuant to Section 5.1.

ARTICLE V
ALLOCATIONS AND DISTRIBUTIONS

5.1 Allocations for Capital Account Purposes. For purposes of maintaining the Capital Accounts and in determining the rights of the Members among themselves, the Company's items of income, gain, loss and deduction (computed in accordance with Section 4.5(b)) will be allocated among the Members for each taxable year (or portion thereof) as provided below:

(a) Net Income. All items of income, gain, loss and deduction taken into account in computing Net Income for such taxable period, determined after any special allocations required by Sections 5.1(d) through 5.1(l) have first been made, will be allocated to each Member in proportion to its respective Sharing Ratio.

(b) Net Loss. All items of income, gain, loss and deduction taken into account in computing Net Loss for such taxable period, determined after any special allocations required by Sections 5.1(d) through 5.1(l) have first been made, will be allocated to each Member in proportion to its respective Sharing Ratio.

(c) Nonrecourse Liabilities. For purposes of Treasury Regulation Section 1.752-3(a)(3), the Members agree that Nonrecourse Liabilities of the Company in excess of the sum of (A) the amount of Company Minimum Gain and (B) the total amount of Nonrecourse Built-in Gain will be allocated to each Member in accordance with its respective Sharing Ratio.

(d) Company Minimum Gain Chargeback. Notwithstanding the other provisions of this Section 5.1, except as provided in Treasury Regulation Section 1.704-2(f)(2) through (5), if there is a net decrease in Company Minimum Gain during such taxable period, each Member will be allocated items of Company income and gain for such period (and, if necessary, subsequent periods) in the manner and amounts provided in Treasury Regulation Section 1.704-2(f)(6) and (g)(2) and Section 1.704-2(j)(2)(i), or any successor provisions. For purposes of this Section 5.1(d), each Member's Adjusted Capital Account balance will be determined, and the allocation of income or gain required hereunder will be effected, prior to the application of any other allocations pursuant to this Section 5.1 with respect to such taxable period (other than an allocation pursuant to Section 5.1(h) or (i)).

(e) Chargeback of Minimum Gain Attributable to Member Nonrecourse Debt. Notwithstanding the other provisions of this Section 5.1 (other than Section 5.1(d), except as provided in Treasury Regulation Section 1.704-2(i)(4)), if there is a net decrease in Minimum Gain Attributable to Member Nonrecourse Debt during such taxable period, any Member with a share of Minimum Gain Attributable to Member Nonrecourse Debt at the beginning of such taxable period will be allocated items of Company income and gain for such period (and, if necessary, subsequent periods) in the manner and amounts provided in Treasury Regulation Sections 1.704-2(i)(4) and 1.704-2(j)(2)(ii), or any successor provisions. For purposes of this Section 5.1, each Member's Adjusted Capital Account balance will be determined and the allocation of income or gain required hereunder will be effected, prior to the application of any other allocations pursuant to this Section 5.1, other than Sections 5.1(d), (h) and (i), with respect to such taxable period.

(f) Qualified Income Offset. In the event any Member unexpectedly receives any adjustments, allocations or distributions described in Treasury Regulation Section 1.704-1(b)(2)(ii)(d)(4) through (6) (or any successor provisions), items of Company income and gain will be specifically allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations promulgated under Section 704(b) of the Code, the deficit balance, if any, in its Adjusted Capital Account created by such adjustments, allocations or distributions as quickly as possible unless such deficit balance is otherwise eliminated pursuant to Section 5.1(d) or 5.1(e).

(g) Gross Income Allocations. In the event any Member has a deficit balance in its Adjusted Capital Account at the end of such taxable period, such Member will be specifically allocated items of Company gross income and gain in the amount of such excess as quickly as possible; provided that an allocation pursuant to this Section 5.1(g) will be made only if and to the extent that such Member would have a deficit balance in its Adjusted Capital Account after all other allocations provided in this Section 5.1 have been tentatively made for such taxable period as if this Section 5.1(g) was not in the Agreement.

(h) Nonrecourse Deductions. Nonrecourse Deductions for any such taxable period will be allocated to the Members in proportion to their respective Sharing Ratios. If the Members determine in their good faith discretion that the Company's Nonrecourse Deductions must be allocated in a different ratio to satisfy the safe harbor requirements of the Treasury Regulations promulgated under Section 704(b) of the Code, the Company is authorized, upon notice to the Members, to revise the prescribed ratio to the numerically closest ratio which does satisfy such requirements.

(i) Member Nonrecourse Deductions. Member Nonrecourse Deductions for any taxable period will be allocated 100% to the Member that bears the Economic Risk of Loss for such Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Treasury Regulation Section 1.704-2(i) (or any successor provision). If more than one Member bears the Economic Risk of Loss with respect to a Member Nonrecourse Debt, such Member Nonrecourse Deductions attributable thereto will be allocated between or among such Members ratably in proportion to their respective shares of such Economic Risk of Loss.

(j) Allocation in Event of Failure to Contribute. In the event a Contributing Member is distributed cash pursuant to the last sentence of Section 4.2 in excess of the amount of cash contributed by such Contributing Member due to the failure to contribute by a Failing Member, such Contributing Member will be allocated items of Company gross income and gain in the amount of such excess.

(k) Class D Interests. Following the issuance of a Class D Membership Interest, all items of income, gain, loss and deduction attributable to the portion of the Highest Incentive Distribution Splits that was excluded from the sale or contribution of any Highest Incentive Distribution Splits pursuant to Section 3.10, shall be allocated to the Member holding such Class D Membership Interest.

(l) Administrative Services Allocation. The Investor shall be allocated items of income and gain equal to the amount of any distribution received pursuant to Section 5.4(c).

5.2 Allocations for Tax Purposes. Except as otherwise provided herein, for federal income tax purposes, each item of income, gain, loss and deduction which is recognized by the Company for federal income tax purposes will be allocated among the Members in the same manner as its correlative item of "book" income, gain, loss or deduction is allocated pursuant to Section 5.1.

(a) In an attempt to eliminate Book-Tax Disparities attributable to a Contributed Property or Adjusted Property, items of income, gain, loss, depreciation, amortization and cost recovery deductions will be allocated for federal income tax purposes among the Members in accordance with Treasury Regulation Section 1.704-3(d) (the "REMEDIAL METHOD").

(b) For the proper administration of the Company, the Company will (i) adopt such conventions as it deems appropriate in determining the amount of depreciation, amortization and cost recovery deductions; provided, that such depreciation, amortization and cost recovery methods will be the most accelerated methods allowed under federal tax Laws, and (ii) amend the provisions of this Agreement as appropriate to reflect the promulgation of Treasury Regulations under Section 704(b) or Section 704(c) of the Code. The Company may adopt such conventions, make such allocations and make such amendments to this Agreement as provided in this Section 5.2(b) only if such conventions, allocations or amendments are consistent with the principles of Section 704 of the Code.

(c) Any gain allocated to the Members upon the sale or other taxable disposition of any Company asset will, to the extent possible, after taking into account other required allocations of gain pursuant to this Section 5.2 be characterized as Recapture Income in the same proportions and the same extent as such Members (or their predecessors in interest) have been allocated any deductions directly or indirectly giving rise to the treatment of such gains as Recapture Income.

(d) All items of income, gain, loss, deduction and credit recognized by the Company for federal income tax purposes and allocated to the Members in accordance with the provisions hereof will be determined without regard to any election under Section 754 of the Code which may be made by the Company; provided, however, that such allocations, once made, will be adjusted as necessary or appropriate to take into account those adjustments permitted or required by Sections 734 and 743 of the Code.

5.3 Distributions. Except as provided for in Section 12.2, within forty-five (45) days following each Quarter (the "DISTRIBUTION DATE"), the Company shall distribute to the Members in accordance with Section 5.5 one hundred percent (100%) of the Company's Available Cash on such Distribution Date, any non-cash consideration received by the Company in connection with any sale or contribution of any Highest Incentive Distribution Splits pursuant to Section 3.11, and any other property of the Company the Managing Member determines should be distributed to the Members. Each distribution in respect of a Membership Interest shall be paid by the Company only to the Record Holder thereof as of the Distribution Date, unless otherwise directed by the Record Holder. Such payment shall constitute full payment and satisfaction of

the Company's Liability with respect to such payment, regardless of any claim of any Person who may have an interest in such payment by reason of Transfer or otherwise.

5.4 Sharing of Distributions.

(a) Subject to Sections 5.4(b), 5.4(c) and 12.2, all distributions shall be made to the Members in proportion to their respective Sharing Ratios.

(b) If the Company has issued a Class D Membership Interest, then:

(i) The portion of the Company's Available Cash on any Distribution Date attributable to any sale or contribution of any Highest Incentive Distribution Splits pursuant to Section 3.11 and any non-cash consideration received by the Company in connection with any sale or contribution of any Highest Incentive Distribution Splits pursuant to Section 3.11 shall be distributed (A) first, to the Members in proportion to their respective Sharing Ratios until the Class D Member has received an amount equal to any Assumed Tax that such Member will be deemed to incur in respect of the year in which the sale or contribution of any Highest Incentive Distribution Splits pursuant to Section 3.11 occurs as a result of such sale or contribution, and (B) the remainder to the HIDS Seller; and

(ii) The portion of the Company's Available Cash on the Distribution Date and any other property received by the Company attributable to the portion of the Highest Incentive Distribution Splits that was excluded from the sale or contribution of any Highest Incentive Distribution Splits pursuant to Section 3.11 shall be distributed to the Class D Member.

(c) During the Support Period, the Company shall first distribute to the Investor an amount of Available Cash equal to 100% of the Reduction in Distributions since the immediately preceding Distribution Date, determined as follows:

(i) At least 10 Business Days prior to each Distribution Date during the Support Period, El Paso GP Holdco will notify Investor of its good faith estimate of the Reduction in Distributions since the immediately preceding Distribution Date, such notice to include the basis of El Paso GP Holdco's calculation of such amount and reasonable supporting documentation therefore;

(ii) Absent manifest error, the good faith estimate provided by El Paso GP Holdco of the Reduction in Distributions shall be used for purposes of determining the distributions to be made hereunder upon such Distribution Date;

(iii) El Paso GP Holdco shall provide any additional information and access to relevant personnel as may reasonably be requested by Investor in connection with determining whether the good faith estimate provided by El Paso GP Holdco of the Reduction in Distributions since the immediately preceding Distribution Date equals the actual Reductions in Distributions since such Distribution Date; and

(iv) Investor shall have the right (and such right shall survive the expiration of the Support Period) to make a claim against El Paso GP Holdco for any shortfall between any estimate of the Reduction in Distributions used to determine the distributions hereunder and the actual Reduction in Distributions for a period of 18 months following the applicable Distribution Date.

5.5 Distribution Restrictions. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make a distribution to a Member to the extent that such distribution is not permitted under any applicable Law, including the Act.

ARTICLE VI
MANAGEMENT OF THE COMPANY

6.1 Management.

(a) Number of Directors; Managing Member; Powers of Directors and Managing Member. The business, affairs, operations and property of the Company shall be managed by or under the direction of the Board, which shall consist of a number of individuals designated as directors of the Company (the "DIRECTORS"), a majority of whom must be Independent Directors. Each Director shall serve for a term of one year from the date of his of her designation or until his or her earlier resignation, removal or inability to serve. For as long as El Paso GP Holdco retains ownership of the Class B Membership Interest and so elects to serve, El Paso GP Holdco shall serve as the Managing Member of the Company for purposes of the Act (in such capacity, the "MANAGING MEMBER"). If El Paso GP Holdco Transfers its Class B Membership Interest (and in so doing, transfer its status as Managing Member) to any other Person, all references to the Managing Member in this Agreement shall thereafter be deemed to refer to such transferee. The Directors (including the Independent Directors) shall be designated by the Managing Member. Except to the extent the Managing Member specifically retains such power or authority herein, the power and authority granted to the Board hereunder shall include all those necessary or convenient for the furtherance of the purposes of the Company and shall include the power to make or delegate to Officers all decisions with regard to the management, operations, assets, financing and capitalization of the Company and/or the Partnership (as appropriate). The number of Directors shall initially be five (5), but such number may be increased or decreased from time to time by resolution of the Board or by the Managing Member; provided, however, that a majority of the Directors elected must be Independent Directors; and provided, further, that if at any time a majority of the Directors are not Independent Directors the Board shall still have all powers and authority granted to it hereunder but that the Board and the Managing Member shall endeavor to elect additional Independent Directors to come into compliance with this Section 6.1.

(b) Other Board Matters. The Board shall be governed by Exhibit B, which Exhibit B may be amended, supplemented, modified or replaced from time to time by the Managing Member or by the affirmative vote of a majority of the entire Board.

6.2 Directors as Agents. No Director, in such capacity, acting singly or with any other Director, shall have any authority or right to act on behalf of or bind the Company other than by exercising the Director's voting power as a member of the Board, unless specifically authorized by the Board in each instance.

6.3 Matters Requiring Member Approval. (a) Without Member approval (which shall include the approval of the Managing Member and the Class C Member except as set forth in Section 3.4(f)(v), Section 6.3(b), Section 6.3(c) and Section 7.4 or as otherwise provided for in this Agreement), the Company shall not, and shall not permit any of its Subsidiaries to:

(i) make (for itself or on the Partnership's behalf) a general assignment for the benefit of creditors,

(ii) file (for itself or on the Partnership's behalf) a voluntary bankruptcy petition,

(iii) file (for itself or on the Partnership's behalf) a petition or answer seeking for the Company or the Partnership a reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any Law;

(iv) file (for itself or on the Partnership's behalf) an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Company or the Partnership in a proceeding (A) of the type described in (i) through (iii) above or (B) in any federal or state bankruptcy or insolvency proceeding; or

(v) seek, consent, or acquiesce (for itself or on the Partnership's behalf) to the appointment of a trustee, receiver, or liquidator of the Company or the Partnership or of all or any substantial part of its or the Partnership's properties.

(b) Without Member approval (which shall include the approval of the Managing Member and the Class C Member except as set forth in Section 3.4(f)(v), this Section 6.3(b), Section 6.3(c) and Section 7.4 or as otherwise provided for in this Agreement), except in connection with the MLP Merger or as contemplated by the Merger Agreement, the Company shall not, and shall not permit any of its wholly owned Subsidiaries or, with respect to clauses (xii) and (xiii) below, the Partnership, to:

(i) effect any merger, consolidation or share exchange into or with any other Person, or any other similar business combination transaction involving the Company or any of its significant subsidiaries (as defined in Rule 1-02(w) of Regulation S-X promulgated by the Securities and Exchange Commission, as amended from time to time) or reorganization, recapitalization or financial restructuring of the Company;

(ii) effect any amendment or repeal of the Certificate other than to effect (A) changes pursuant to Section 13.1, (B) non-substantive changes or

(C) changes that do not adversely affect any Member (unless such affected Member's consent has been obtained);

(iii) effect any amendment to (A) Section 2.4 of this Agreement or (B) any other provision of this Agreement that would (i) materially adversely affect the rights of the Class C Member hereunder or (ii) if the Class C Member also is the Class D Member, materially adversely affect the rights of the Class D Member hereunder;

(iv) effect any amendment to the Partnership Agreement that would reduce the Company's allocable share of distributions from the Partnership or that would otherwise (i) materially adversely affect the Class C Member or (ii) if the Class D Member also is the Class C Member, materially adversely affect the Class D Member;

(v) effect any sale, lease, transfer, pledge or other disposition of all or substantially all of the properties or assets of the Company or the Company and any of its Subsidiaries taken as a whole;

(vi) other than equity securities issued upon exercise of convertible securities approved pursuant to this Section 6.3, effect any authorization, sale and/or issuance by the Company of any Membership Interests or other equity securities, whether in a private or public offering, including an initial public offering, or the grant, sale or issuance of other securities (including rights, warrants and options) convertible into, exchangeable for or exercisable for any Membership Interests, partnership interests, capital stock, or other equity securities, whether or not presently convertible, exchangeable or exercisable;

(vii) effect any (A) incurrence of any indebtedness by the Company, (B) assumption, incurrence, or undertaking by the Company of, or the grant by the Company of any security for, any financial commitment of any type whatsoever, including any purchase, sale, lease, loan, contract, borrowing or expenditure, or (C) lending of money by the Company to, or the guarantee by the Company of the debts of, any other Person other than the Partnership or its Subsidiaries (collectively, "COMPANY OBLIGATIONS") other than Company Obligations incurred (x) pursuant to Section 4.4 and, (y) pursuant to joint and several liability for the Partnership's Liabilities under Delaware Law; provided, however, that no consent of the Members shall be required for the Company to make a capital contribution to the Partnership pursuant to Section 4.4(c)(iii) of the Partnership Agreement;

(viii) limit, restrict or terminate distributions of Available Cash by the Company to the Members, other than pursuant to Sections 4.2 and 15.1;

(ix) assign, transfer, sell or otherwise dispose of the Company's general partner interest in the Partnership or any Incentive Distribution (or Highest Incentive Distribution Splits) rights relating to the Partnership which are owned by the Company;

(x) own or lease any assets other than the Company's general partner interest and Incentive Distributions (and Highest Distribution Interest Splits) in the Partnership unless the Company shall be reimbursed for the cost of such ownership or lease by the Partnership;

(xi) file any federal or material state Tax Return on behalf of the Company or the Partnership or settle or compromise any material claim with respect to Taxes of the Company or the Partnership;

(xii) any merger or consolidation involving the Partnership in respect of which the Partnership would not control at least 51% of the Voting Power of the surviving entity in the transaction; or

(xiii) any Disposition, whether in one transaction or a series of transactions, of all or substantially all of the properties or assets of the Company or the Partnership.

provided, however, that notwithstanding the foregoing provisions in this Section 6.3(b), the approval of the Members shall not be required for the Company to take any of the actions set forth in this Section 6.3(b) in connection with any sale of Highest Incentive Distribution Splits pursuant to Section 3.11.

(c) No Member in Default shall be entitled to consent on any of the matters set forth in this Section 6.3.

6.4 Resolutions of Conflicts of Interest; Affiliate Transactions.

(a) Unless otherwise expressly provided in this Agreement, whenever a potential conflict of interest exists or arises between the Company, on the one hand, and any Director or Officer, on the other hand, any resolution or course of action in respect of such conflict of interest shall be permitted, and shall not constitute a breach of this Agreement, any other agreement contemplated herein, or any duty stated or implied by Law or equity (including fiduciary duties), if the resolution or course of action is reasonable and fair to the Company.

(b) Unless otherwise expressly provided in this Agreement, whenever a transaction is proposed between El Paso Parent or any of its Subsidiaries (excluding the Company), on the one hand, and the Partnership or any of its Subsidiaries, on the other hand, any resolution or course of action in respect of such transaction shall be permitted, and shall not constitute a breach of this Agreement, any other agreement contemplated herein, or any duty of the Company, the Board, any Director or any Member stated or implied by applicable Law or equitable principles (including fiduciary duties), if such transaction is approved on behalf of the Partnership or its applicable Subsidiary or Subsidiaries by the Partnership's Conflicts and Audit Committee (as defined in the Partnership Agreement).

(c) Unless otherwise expressly provided in this Agreement, whenever a transaction is proposed between El Paso Parent or any of its Subsidiaries (excluding the

Company), on the one hand, and the Company or any of its Subsidiaries, on the other hand, any resolution or course of action in respect of such transaction shall be permitted, and shall not constitute a breach of this Agreement, any other agreement contemplated herein, or any duty stated or implied by applicable Law or equitable principles (including fiduciary duties), if such transaction is approved by a majority of the Independent Directors and consented to by the Class C Member, which consent shall not be unreasonably withheld; provided, however, that the consent of the Class C Member shall not be required for any arrangement or transaction whereby the Company utilizes shared services with, or employees of, El Paso Parent or its Subsidiaries (excluding the Company) to perform services on behalf of the Company provided that the terms of such arrangement are no less favorable in the aggregate to the Company and its Subsidiaries than would be reasonably expected in a similar transaction with an unaffiliated Person.

(d) The Board or Independent Directors, as applicable, shall be authorized in connection with its resolution of any conflict of interest to consider (i) the relative interests of any party to such conflict, agreement, transaction or situation and the benefits and burdens relating to such interest; (ii) any customary or accepted industry practices and any customary or historical dealings with a particular Person; (iii) any applicable generally accepted accounting or engineering practices or principles; and (iv) such additional factors as the Board determines in its sole discretion to be relevant, reasonable or appropriate under the circumstances.

(e) Whenever a particular transaction, course of action, 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, course of action, arrangement or resolution shall (unless otherwise provided herein) be considered in the context of all similar or related transactions, as well as in the context of any other matters considered by the Board pursuant to clauses (i) - (iv) of Section 6.4(d).

(f) The Board may rely upon any resolution, certificate, statement, instrument, opinion, report, notice, request consent, Order, bond, debenture, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties and any act taken or omitted in reliance upon any such paper or document shall be conclusively presumed to have been done or omitted in good faith.

(g) The Board may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisers selected by it and any act taken or omitted in reliance upon the opinion or advice of such Persons as to matters that the Board reasonably believes to be within such Persons' professional or expert competence shall be conclusively presumed to have been done or omitted in good faith and in accordance with such opinion or advice.

6.5 Duties of the Members and Directors.

(a) The Managing Member shall be "manager" of the Company within the meaning of the Act. However, the business and affairs of the Company shall be fully vested in, and managed by, the Board and any Officers elected or appointed to the Board

pursuant to Section 14 of Exhibit B. Except as otherwise specifically provided in this Agreement, the authority and functions of the Board, on the one hand, and the Officers on the other and, shall be identical to the authority and functions of the board of directors and officers, respectively, of a corporation organized under the General Corporation Law of the State of Delaware. The Officers shall be vested with such powers and duties as are set forth in Exhibit B and as are specified by the Board. Accordingly, except as otherwise specifically provided in this Agreement, the business and affairs of the Company shall be managed under the direction of the Board 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. In addition to the powers and authorities expressly conferred on the Board by this Agreement, the Board may exercise such powers of the Company and do all such acts and things as are not restricted by this Agreement, the Act or applicable Laws.

(b) No provision in this Agreement other than Section 2.8, this Section 6.5 and Article VIII shall in any way restrict, limit or otherwise modify (1) the duties (including fiduciary duties) and Liabilities relating thereto that the Directors of the Company owe to the Members under the Laws of the State of Delaware or (2) any duties and Liabilities relating thereto that any Member may owe to the other Members under the Laws of the State of Delaware; provided, that under no circumstances shall any such duty of a Member hereunder restrict the exercise by Member of its rights under Section 2.8 or Section 6.3 hereof, which such rights may be exercised in any manner that a Member, in its sole discretion and without consideration of the interests of any other Person, deems appropriate, and any provision of this Agreement other than Section 2.8, this Section 6.5 and Article VIII that purports to restrict, limit or otherwise modify the duties and Liabilities relating thereto that the Directors or Members owe to the Members under the Laws of the State of Delaware shall be null and void and of no force and effect

(c) No Director shall have any personal liability to the Company or any Member for monetary damages for any breach of duty set forth in this Agreement or any other duty existing under the Laws of the State of Delaware; provided, however, that this provision shall not eliminate or limit the liability of any Director for (i) any breach of the Director's duty of loyalty to the Company or its Members, (ii) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (ii) any unlawful distribution or unlawful redemption of a membership interest, or (iii) any transaction in which the Director derived an improper personal benefit. In addition, it shall not constitute a breach of any fiduciary duty to the Company or its Members arising under this Agreement or applicable Law for any Director(s) that are then serving on the Conflicts and Audit Committee (as such term is defined in the Partnership Agreement) to take such actions while serving in such capacity (including granting or withholding of Special Approval (as defined in the Partnership Agreement)), as such Conflicts and Audit Committee determines to be appropriate or necessary to resolve conflicts of interest on behalf of the Partnership in a manner that such Committee determines to be fair and reasonable to the Partnership notwithstanding that such resolution may not be in the best interests of the Company.

(d) The provisions of Section 2.8, Section 6.1(c), this Section 6.5 and Article VIII, to the extent they restrict the fiduciary and other duties and Liabilities of a Person otherwise existing at Law or in equity, constitute an agreement to restrict and replace such fiduciary and other duties and Liabilities of such Person pursuant to the provisions of Section 18-1101(c) of the Act. To the extent that, at Law or in equity, a Member or a Director has duties (including fiduciary duties) and Liabilities relating thereto to the Company, a Member, a Director or to any other Person that is a party to or is otherwise bound by this Agreement, such Member or Director shall not be liable to the Company, to any Member, to any Director or to any other Person that is a party to or is otherwise bound by this Agreement for its good faith reliance on the provisions of this Agreement.

6.6 Matters Requiring Director Approval. Notwithstanding anything to the contrary in this Agreement, the Company will not take any of the following actions unless all of the Directors have voted in favor of, or consented to, such action:

(a) make (for itself or on the Partnership's behalf) a general assignment for the benefit of creditors;

(b) file (for itself or on the Partnership's behalf) a voluntary bankruptcy petition;

(c) file (for itself or on the Partnership's behalf) a petition or answer seeking for the Company or the Partnership a reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any Law;

(d) file (for itself or on the Partnership's behalf) an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Company or the Partnership in a proceeding (i) of the type described in (a) through (c) above or (ii) in any federal or state bankruptcy or insolvency proceeding; or

(e) seek, consent, or acquiesce (for itself or on the Partnership's behalf) to the appointment of a trustee, receiver, or liquidator of the Company or the Partnership or of all or any substantial part of its or the Partnership's properties.

None of this Section 6.6, Section 2.4 or Section 6.4 may be amended without the approval of all Independent Directors.

ARTICLE VII
MEETINGS

7.1 Meetings of Members.

(a) A quorum will be present at a meeting of the Members held to vote on any matter if Members of each class of Membership Interests that are entitled to vote on the matter are represented at the meeting in person or by proxy. The Members shall be deemed to have approved any action, proposal, resolution or other matter if (i) a majority of each class of Membership Interests that are entitled to vote on the matter have consented to such action, proposal, resolution or other matter or (ii) Members holding a

majority of each class of Membership Interests that are entitled to vote on the matter present at a meeting at which a quorum is present vote in favor of such action, proposal, resolution or other matter.

(b) All meetings of the Members will be held at the principal place of business of the Company or at such other place within or without the State of Delaware as will be specified or fixed in the notices or waivers of notice thereof; provided that any or all Members or their representatives may participate in any such meeting by means of conference telephone or similar communications equipment.

(c) Notwithstanding the other provisions of this Agreement, a majority of Membership Interests represented (in person or by proxy) at a meeting at which a quorum is present will have the power to adjourn such meeting from time to time, without any notice other than an announcement at the meeting of the time and place of the resumption of the adjourned meeting. The time and place of such adjournment will be determined by a vote of such Membership Interest. Upon the resumption of such adjourned meeting, any business may be transacted that might have been transacted at the meeting as originally called.

(d) Unless otherwise expressly provided in a written notice issued by the Members, meetings of the Members for the transaction of such business as may properly come before such meeting will be held at the principal office of the Company, which meetings will be held at such dates as to which the Members mutually agree. Regularly scheduled, periodic meetings of the Members may be held without special notice to the Members or Member representatives at such times and places as will from time to time be determined by resolution of the Members or such Member representatives and communicated to all Members or their representatives. Each Member will use reasonable efforts to inform the other Members or committee representatives of any business matters that it intends to raise at any regular meeting of the Members within a reasonable time prior to such meeting.

(e) Special meetings of the Members or any class of Members, for any purpose or purposes, unless otherwise prescribed by Law, may be called upon reasonable notice by (i) the Chairman of the Board, if applicable, (ii) the Chief Executive Officer, if applicable, or any other person performing similar functions, or (iii) more of the Directors.

(f) The date on which notice of a meeting of the Members is mailed will be the Record Date for the determination of the Members or Member representatives entitled to notice of or to vote at such meeting, including any adjournment thereof, or the Members or Member representatives entitled to receive such notice.

7.2 Voting List. The Officer or the designated Member who is responsible for the maintenance of the Company's records will make, at least ten (10) days before each meeting of Members, a complete list of the Members or their representatives, as the case may be, entitled to vote thereat or any adjournment thereof, arranged in alphabetical order, with the address of and the Membership Interest held or represented by each, which list, for a period of ten (10) days

prior to such meeting, will be kept on file at the registered office or principal place of business of the Company and will be subject to inspection by any Member or Member representative at any time during usual business hours. Such list will also be produced and kept open at the time and place of the meeting and will be subject to the inspection of any Member or Member representative during the whole time of the meeting. The original Company records will be prima facie evidence as to who are the Members or their representatives entitled to examine such list or transfer records or to vote at any meeting of the Members. Failure to comply with the requirements of this Section 7.2 will not affect the validity of any action taken at the meeting.

7.3 Proxies. A Member or Member representative may vote either in person or by proxy executed in writing by the Member or Member representative. A telegram, telex, cablegram or similar transmission by the Member or Member representative or a photographic, photostatic, facsimile, electronic mail in "portable document format" form or similar reproduction of writing executed by the Member or Member representative will be treated as an execution in writing for purposes of this Section 7.3. Proxies for use at any meeting of the Members or in connection with the taking of any action by written consent will be filed with the Company before or at the time of the meeting or execution of the written consent, as the case may be. All proxies will be received and taken charge of and all ballots will be received and canvassed by an inspector or inspectors appointed by the Chief Executive Officer, the President, a Vice President or, if applicable, Person(s) with similar functions who will decide all questions touching upon the qualification of voters, the validity of the proxies, and the acceptance or rejection of votes.

7.4 Votes. On those matters for which a Member is entitled to vote, each Member or Member representative is entitled to one vote (or a fraction thereof) per percent (or fraction thereof) of Membership Interest held by such Member, as reflected in the Register of the Company; provided, however, that for purposes of determining a quorum, the Membership Interest of any relevant Member will not be counted and such interest will be apportioned pro rata among the remaining Members as applicable if the relevant Member is not permitted to vote under this Agreement because the relevant Member is in Default or is not deemed to be a Substituted Member. Except as specifically provided in the definition of Available Cash and in Sections 3.4(a)(ii), 3.4(b)(iv), 3.4(f), 3.9, 4.4(a), 6.3, 6.5(c), 9.3, 11.1, 12.1(a), 12.1(b) and 13.2 and the Act, (a) the Class C Member shall not be entitled to vote on any matter and (b) there shall be no voting as a separate class and any percentage vote shall be of all Membership Interests voting as a single class. A Member in Default shall not be entitled to vote on any matter, including those set forth in Section 6.3.

7.5 Conduct of Meetings. All meetings of the Members will be presided over by the chairman of the meeting, who will be designated by, in order of priority, the Chairman of the Board (if any), Chief Executive Officer (if any), President (if any), Vice President (if any) or other appropriate Officer. The chairman of any meeting of the Members will determine the order of business and the procedure at the meeting, including regulation of the manner of voting and the conduct of discussion.

7.6 Action by Written Consent.

(a) Except as otherwise provided by applicable Law, any action required or permitted to be taken at any meeting of Members may be taken without a meeting, and without a vote, if a consent or consents in writing, setting forth the action so taken, will be signed by the holder or holders or representatives of not less than the minimum percentage of Membership Interest that would be necessary to take such action at a meeting at which the holders of all Membership Interests entitled to vote on the action were present and voted. To the extent required by Law, every written consent will bear the date of signature of each Member or Member representative who signs the consent. Any such written consent will be effective to take the action that is the subject of such consent unless the Company is not notified of such consent within sixty (60) days after the date of the latest-dated consent. The Company will give prompt written notice (after its notification) of the taking of any action by the Members without a meeting by less than unanimous written consent to those Members or Member representatives who did not consent in writing to the action.

(b) The Record Date for determining Members or their representatives entitled to consent to an action in writing without a meeting will be the first date on which the Company is notified of a signed written consent setting forth the action taken or proposed to be taken.

7.7 Records. An Officer or a designated Member representative will be responsible for maintaining the records of the Company, including keeping minutes at the meetings of the Members and the filing of consents in the records of the Company.

ARTICLE VIII
LIABILITY AND INDEMNIFICATION

8.1 Liability of Indemnitees.

(a) Except as provided in Section 6.5(c), no Indemnitee (as defined below) shall be liable for Damages to the Company, any Member or any other Person that is a party to or is otherwise bound by the provisions of this Agreement for losses sustained or liabilities incurred as a result of any act or omission if such Indemnitee acted in good faith.

(b) Subject to its obligations and duties as set forth in this Article VIII, the Board 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 Officers or other agents, and neither the Board nor any committee thereof shall be responsible for any misconduct or negligence on the part of any such agent appointed by the Board or any committee thereof in good faith.

(c) Any amendment, modification or repeal of this Section 8.1 or any provision hereof shall be prospective only and shall not in any way affect the limitations on liability under this Section 8.1 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.

8.2 Indemnification.

(a) To the fullest extent permitted by Law, but subject to the limitations expressly provided in this Section 8.2, the Company shall indemnify and hold harmless each Person from and against any and all Damages suffered or incurred by such Person by reason of its status as (i) a Member or any Affiliate thereof, (ii) an officer, director, member, manager, employee, partner, agent or trustee of any Member or any of its Affiliates, (iii) a Person serving at the request of the Company in another Person in a similar capacity, (iv) an Officer, Director, manager or other representative of the Company or any Subsidiary thereof or (v) an officer, director, employee, agent or other representative of the Partnership (or of the general partner of the Partnership) (each indemnified Person, an "INDEMNITEE"); provided, however, that in each case the Indemnitee acted in good faith and, to the extent the Damages relate to the Indemnitee's status as an officer, director, employee, agent or other representative of the Partnership (or of the general partner of the Partnership), in the manner which such Indemnitee reasonably believed to be in, or not opposed to, the best interests of the Partnership. The termination of any Action, 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 8.2 shall be made only out of the assets of the Company, it being agreed that the Members, in their capacity as such, shall not be personally liable for such indemnification nor shall they have any obligation to contribute or loan any monies or property to the Company to enable the Company to effectuate such indemnification. The indemnification provided by this Section 8.2 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 (A) a Member or any Affiliate thereof, (B) an officer, director, member, manager, employee, partner, agent or trustee of any Member or any of its Affiliates, (C) a Person serving at the request of the Company in another Person in a similar capacity, (D) an Officer, Director or other representative of the Company or any Subsidiary thereof or (E) an officer, director, employee, agent or other representative of the Partnership (or of the general partner of the Partnership), 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.

(b) To the fullest extent permitted by Law, expenses (including legal fees and expenses) incurred by an Indemnitee who is indemnified pursuant to this Section 8.2 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 Action 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 8.2.

(c) The Company may purchase and maintain insurance, on behalf of such Persons as the Board 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 8.2, the Company shall be deemed to have requested an Indemnitee to serve as fiduciary of an employee benefit plan whenever the performance by it of its duties to the Company also imposes duties on, or otherwise involves services by, it 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 this Section 8.2; and action taken or omitted by it with respect to an employee benefit plan in the performance of its duties for a purpose reasonably believed by it 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) In no event may an Indemnitee subject any Member to personal liability by reason of the indemnification provisions set forth in this Agreement.

(f) An Indemnitee shall not be denied indemnification in whole or in part under this Section 8.2 because the Indemnitee had an interest in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted by Section 6.4.

(g) The provisions of this Section 8.2 are for the benefit of the Indemnitees, their successors, permitted assigns and administrators and shall not be deemed to create any rights for the benefit of any other Persons. No amendment, modification or repeal of this Section 8.2 or any provision hereof shall in any manner terminate, reduce or impair the right of any past, present or future Indemnitee to be indemnified by the Company, nor the obligation of the Company to indemnify any such Indemnitee under and in accordance with the provisions of this Section 8.2 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 Actions may arise or be asserted. Notwithstanding the foregoing, nothing herein shall limit the power or authority of the Members to amend any provision of this Agreement regarding indemnification and reimbursement or similar provisions hereof.

ARTICLE IX
TAXES

9.1 Tax Returns. (a) The Company will cause to be prepared and timely filed all necessary Tax Returns for the Company, including making the elections described in Section 9.2. Upon written request by the Company, each Member will furnish to the Company all pertinent information in its possession relating to Company operations that is necessary to enable the Company's Tax Returns to be prepared and filed. 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. The Company shall bear the costs of the preparation and filing of its Tax Returns.

(b) The Company shall cause to be prepared and timely filed (on behalf of the Partnership) all federal, state and local Tax Returns required to be filed by the Partnership. 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.

9.2 Tax Elections. The Company will make the following elections on the appropriate Tax Returns:

(a) to adopt the accrual method of accounting;

(b) an election pursuant to Section 754 of the Code;

(c) to elect to amortize the organizational expenses of the Company and the start-up expenditures of the Company under Section 195 of the Code ratably over a period of sixty (60) months as permitted by Section 709(b) of the Code; and

(d) any other election that the Company may deem appropriate and in the best interests of the Company or Members, as the case may be.

Neither the Company nor any Member may make an election for the Company to be excluded from the application of the provisions of subchapter K of chapter 1 of subtitle A of the Code or any similar provisions of applicable state Law, and no provision of this Agreement will be construed to sanction or approve such an election.

9.3 Tax Matters Partner. The Company will select one of the Members as the "TAX MATTERS PARTNER" of the Company pursuant to Section 6231(a)(7) of the Code. The Tax Matters Partner will take such action as may be necessary to cause each Member to become a "NOTICE PARTNER" within the meaning of Section 6223 of the Code and will inform each Member of all significant matters that may come to its attention in its capacity as Tax Matters Partner by giving notice thereof on or before the fifth Business Day after becoming aware thereof and, within that time, will forward to each other Member copies of all significant written communications it may receive in that capacity. The Tax Matters Partner may not take any action contemplated by sections 6222 through 6232 of the Code, file any federal or material state Tax Return on behalf of the Company or the Partnership, or settle or compromise any material claim with respect to taxes of the Company or the Partnership without Member approval, but this sentence does not authorize the Tax Matters Partner to take any action left to the determination of an individual Member under sections 6222 through 6232 of the Code. The initial Tax Matters Partner will be El Paso GP Holdco.

ARTICLE X
BOOKS, RECORDS, REPORTS, AND BANK ACCOUNTS

10.1 Maintenance of Books. The Company will keep books and records of accounts and will keep minutes of the proceedings of the Board and the Members. The books of account

for the Company will be maintained on an accrual basis in accordance with the terms of this Agreement and GAAP, except that the Capital Accounts of the Members will be maintained in accordance with Section 4.5. The accounting year of the Company will be determined by the Board. The initial custodian of the company records will be the Tax Matters Partner.

10.2 Financial Statements. On or before the last day of each calendar month during the term of the Company, the Company will cause each Member to be furnished with an operating report, a balance sheet, an income statement and a statement of cash flows, a statement of changes in each Member's Capital Account, an accounts receivable schedule and an accounts payable schedule for, or as of the end of, the calendar month immediately preceding such calendar month. On or before the last day of each March during the term of the Company, the Company will cause each Member to be furnished with an accounts receivable schedule, an accounts payable schedule, and audited financial statements, including, a balance sheet, an income statement, a statement of cash flows, and a statement of changes in each Member's Capital Account for, or as of the end of, the immediately preceding calendar year. Annual financial statements must be prepared in accordance with GAAP. The Company also may cause to be prepared or delivered such other reports as it may deem, in its sole judgment, appropriate. The Company will bear the costs of all such reports and financial statements.

10.3 Tax Statements. The Company shall use reasonable efforts to furnish, within 30 days of the close of each taxable year of the Company, estimated tax information reasonably required by the Members for federal and state income tax reporting purposes.

10.4 Accounts. The Company will establish and maintain one or more separate bank and investment accounts and arrangements for Company funds in the Company's name with financial institutions and firms that the Board or the Officers may determine. The Company may not commingle the Company's funds with the funds of any other Person. All such accounts will be and remain the property of the Company and all funds will be received, held and disbursed for the purposes specified in this Agreement.

ARTICLE XI
BANKRUPTCY OF A MEMBER

11.1 Bankrupt Members. If any Member becomes a Bankrupt Member, the Company, by approval of at least a majority in interest of the Members excluding any Bankrupt Member or, if the Company does not exercise the relevant option, the non-Bankrupt Members which desire to participate, will have the option, exercisable by notice from the Company or the Members, as the case may be, to the Bankrupt Member (or its representative) at any time prior to the 180th day after receipt of notice of the occurrence of the event causing it to become a Bankrupt Member, to buy, and, on the exercise of this option, the Bankrupt Member or its representative will sell, its Membership Interest. The purchase price will be an amount equal to the fair market value thereof determined by agreement by the Bankrupt Member (or its representative) and the potential purchaser; however, if those Persons do not agree on the fair market value on or before the 90th day following the date of receipt by such potential purchaser of notice of the occurrence of the event causing the Member to become a Bankrupt Member, either such Person, by written notice to the other, may require the determination of fair market value to be made by an investment banking firm of nationally recognized standing specified in such notice. If the Person

receiving that notice objects on or before the tenth (10th) day following receipt to the investment banking firm designated in that notice, and those Persons otherwise fail to agree on an investment banking firm, either such Person may petition the United States District Judge for the Southern District of Texas then senior in active service to designate an independent appraiser, whose determination of the independent appraiser, however designated, is final and binding on all parties. The Bankrupt Member and the potential purchaser each will pay one-half of the costs of the appraisal and court costs in appointing an appraiser (if any). If the potential purchaser then elects, within ten (10) days after the fair market value has been decided by agreement, by an investment banking firm or by an independent appraiser, to exercise the purchase option, the purchasing Person will pay the fair market value as so determined in cash on closing. The payment to be made to the Bankrupt Member or its representative pursuant to this Section 11.1, is in complete liquidation and satisfaction of all the rights and interest of the Bankrupt Member and its representative (and of all Persons claiming by, through, or under the Bankrupt Member and its representative) in and in respect of the Company, including any Membership Interest, any rights in specific Company property, and any rights against the Company or its Subsidiaries and its Officers, agents, and representatives and (insofar as the affairs of the Company are concerned) against the Members.

ARTICLE XII
DISSOLUTION, LIQUIDATION, AND TERMINATION

12.1 Dissolution. Subject to the provisions of Section 12.2 and any applicable Laws, the Company will dissolve and its affairs will be wound up on the first to occur, and only in the event of, the following events (each a "DISSOLUTION EVENT"):

(a) the affirmative vote or consent of a majority of the Independent Directors and the Class C Member;

(b) the consent of all of the Members; and

(c) entry of a decree of judicial dissolution of the Company under Section 18-802 of the Act.

Each Member expressly agrees that the bankruptcy or dissolution of a Member or other event described in Section 18-801(b) of the Act that terminates the continued membership of a Member of the Company will not, in and of itself, cause or result in the dissolution of the Company.

12.2 Liquidation and Termination. Subject to Section 3.4, Section 3.5 and Section 7.4, upon dissolution of the Company, a representative of the Company selected by the Board (not including any Member in Default at the time of dissolution) will act as a liquidator or may appoint one or more Members as liquidator ("LIQUIDATOR"). The Liquidator will proceed diligently to wind up the affairs of the Company and make final distributions as provided herein and in the Act. The costs of liquidation will be borne as a Company expense. Until final distribution, the Liquidator will continue to operate the Company properties for a reasonable period of time to allow for the sale of all or a part of the assets thereof with all of the power and authority of the Members. The steps to be accomplished by the Liquidator are as follows:

(a) as promptly as possible after dissolution and again after final liquidation, the Liquidator will cause a proper accounting to be made of the Company's assets, liabilities, and operations through the last day of the calendar month in which the dissolution occurs or the final liquidation is completed, as applicable;

(b) the Liquidator will cause any notices required by Law to be mailed to each known creditor of and claimant against the Company in the manner described by such Law;

(c) subject to the terms and conditions of this Agreement and the Act (including Section 18-803 thereof), the Liquidator will distribute the assets of the Company in the following order:

(i) the Liquidator will pay, satisfy or discharge from Company funds all of the debts, liabilities and obligations of the Company, including all expenses incurred in liquidation or otherwise make adequate provision for payment and discharge thereof (including the establishment of a cash escrow fund or trust for contingent liabilities in such amount and for such term as the Liquidator may reasonably determine); provided, however, such payments will not include any Capital Contributions described in Article IV or any other obligations in favor of the Members created by this Agreement other than a loan made pursuant to any provision;

(ii) the Liquidator will pay, satisfy or discharge from Company funds all of the advances and loans (but not Capital Contributions) made to the Company by Members, as described in Section 4.4; and

(iii) all remaining assets of the Company will be distributed to the Members as follows:

(A) the Liquidator may sell any or all Company property, including to one or more of the Members (other than any Member in Default at the time of dissolution); provided any such sale to a Member is made on an arms' length basis under terms which are in the best interest of the Company and any resulting gain or loss from each sale will be computed and allocated to the Capital Accounts of the Members (i) first, to the Contributing Members to the extent that an amount equal to the Excess Amounts (as described in Section 4.2) with respect to such Contributing Members has not already been allocated to such Contributing Members pursuant to Section 5.1(j), and (ii) thereafter, on a pro rata basis in accordance with each of their respective Sharing Ratio;

(B) with respect to all Company property that has not been sold, the fair market value of that property (as determined by the Liquidator using any method of valuation as it, in good faith, deems reasonable) will be determined and the Capital Accounts of the Members will be adjusted to reflect the manner in which the unrealized income,

gain, loss, and deduction inherent in property that has not been reflected in the Capital Accounts previously would be allocated among the Members (including pursuant to Section 12.2(c)(iii)(A) hereof) if there were a taxable disposition of that property for the fair market value of that property on the date of distribution; and

(C) Company property will be distributed among the Members ratably in proportion to each Member's Capital Account balances, as determined after taking into account all Capital Account adjustments for the taxable year of the Company during which the liquidation of the Company occurs (other than those made by reason of this clause (C)), and in each case, those distributions will be made by the end of the taxable year of the Company during which the liquidation of the Company occurs (or, if later, ninety (90) days after the date of the liquidation);

All distributions in kind to the Members will be made subject to the liability of each distributee for costs, expenses, and liabilities theretofore incurred or for which the Company has committed prior to the date of termination and those costs, expenses, and liabilities will be allocated to the distributee pursuant to this Section 12.2. The distribution of cash and/or property to a Member in accordance with the provisions of this Section 12.2 constitutes a complete return to the Member of its Capital Contributions and a complete distribution to the Member of its Membership Interest and all the Company's property. To the extent that a Member returns funds to the Company, it has no claim against any other Member for those funds.

12.3 Provision for Contingent Claims.

(a) The Liquidator will make a reasonable provision to pay all Liabilities, claims and obligations, including all contingent, conditional or unmatured claims and obligations, actually known to the Company but for which the identity of the claimant is unknown; and

(b) If there are insufficient assets to both pay the creditors pursuant to Section 12.2(c)(i) and to establish the provision contemplated by Section 12.3(a), the claims will be paid as provided for in accordance to their priority, and, among claims of equal priority, ratably to the extent of assets therefor.

12.4 Deficit Capital Accounts. Notwithstanding anything to the contrary contained in this Agreement, and notwithstanding any custom or rule of Law to the contrary, a deficit, if any, in the Capital Account of any Member resulting from or attributable to any adjustments, allocations, losses, deductions, distributions or similar events, including deductions and losses of the Company (including non-cash items such as depreciation) or distributions of money pursuant to this Agreement to all Members ratably in proportion to their respective Sharing Ratio, upon the dissolution and winding up of the Company will not be an asset of the Company and no such Member will be obligated to contribute any amounts to the Company to bring the balance of such Member's capital account to zero.

ARTICLE XIII
AMENDMENT OF THE AGREEMENT

13.1 Amendments to be Adopted by the Company. The appropriate Officer, in accordance with and subject to the limitations contained in Section 6.3 and Section 6.6 and Article VII, may amend the Certificate and this Agreement and execute, swear to, acknowledge, deliver, file and record whatever documents may be required to reflect:

(a) a change in the name of the Company, the location of the principal place of business of the Company or the registered agent or office of the Company;

(b) any change in the Members, address, Capital Account balances, Membership Interests or Sharing Ratio as set forth on Exhibit A;

(c) admission or substitution of Members effected in accordance with this Agreement;

(d) a change that the Board believes is reasonable and necessary or appropriate to qualify or continue the qualification of the Company as a limited liability company under the Laws of any state or foreign jurisdiction or that is necessary or advisable in the opinion of the Company to ensure that the Company will not be taxable as a corporation or otherwise taxed as an entity for federal income tax purposes;

(e) a change that the Board believes is necessary or appropriate for the Company to satisfy any requirements, conditions, guidelines or interpretations contained in any opinion, interpretative release, directive, Order, ruling or regulation of any Governmental Authority (including the Act);

(f) an amendment that is necessary, in the opinion of counsel selected by the Board, to prevent the Company or its officers from in any manner being subjected to the provisions of the Investment Company Act of 1940, as amended, or "PLAN ASSET" regulations adopted under the Employee Retirement Income Security Act of 1974, as amended, whether or not substantially similar to plan asset regulations currently applied or proposed by the United States Department of Labor; and

(g) subject to the terms of Section 3.5, an amendment that the Board determines to be necessary or appropriate in connection with the authorization for issuance of any Membership Interest pursuant to Section 3.5.

13.2 Amendment or Restatement. This Agreement may be amended or restated only by a written instrument executed by all Members. Notwithstanding the foregoing, each Member agrees that the Board of Directors, without the approval of any Member, may amend any provision of this Agreement, and may authorize any Officer to execute, swear to, acknowledge, deliver, file and record whatever documents may be required in connection therewith, to reflect any change that is expressly permitted under this Agreement or does not adversely affect the Members in any material respect; provided, however, that any amendment to the following rights of Investor or its successors or Permitted Transferees shall be deemed to materially affect the Members: (i) the right to approve of the making of any loans and the rates of interest thereon

pursuant to Section 6.3(b)(vii), (ii) the consent rights pursuant to Section 6.3(a) and Section 6.3(b), (iii) the voting rights pursuant to Sections 7.1, 7.2, 7.3 and 7.4, (iv) the preferential purchase rights pursuant to Section 3.4(f), (v) the consent rights in respect of amendments and restatements of this Agreement pursuant to Section 13.1 and this Section 13.2, (vi) the Tag-Along rights pursuant to Section 3.10, (vii) the rights under Section 3.11 with respect to the Highest Incentive Distribution Splits, (viii) the restrictions on Transfer pursuant to Section 3.4, (ix) the rights under Section 3.12 with respect to a Change in Member Control, and (x) the distribution and allocation provisions of Article V.

ARTICLE XIV
CERTIFICATED MEMBERSHIP INTERESTS

14.1 Membership Interest Certificates. (a) Certificates ("MEMBERSHIP INTEREST CERTIFICATES") evidencing the Membership Interests shall be in the form attached as Exhibit C. The Company shall issue to each Member a Membership Interest Certificate certifying its Membership Interest (and the class and Sharing Ratio of such Membership Interest) held by such Member. Membership Interest Certificates shall be consecutively numbered and shall be entered in the books and records of the Company as they are issued and shall exhibit the holder's name, and each Membership Interest Certificate shall bear a restrictive legend as required in Section 14.2 below.

(b) The Company shall keep or cause to be kept on behalf of the Company a register (the "REGISTER") that will provide for the registration and transfer of Membership Interests. The Company shall not recognize Transfers of Membership Interests unless the same are effected in compliance with Section 3.4 and in the manner described in this Section 14.1. Upon surrender for registration of Transfer of any Membership Interest Certificate, and subject to the provisions of Section 14.1(c), the Company shall issue, in the name of the holder or the designated Transferee, as required pursuant to the Record Holder's instructions, one or more new Membership Interest Certificates evidencing the same class and the appropriate aggregate Sharing Ratio of the Membership Interest so Transferred or retained.

(c) The Company shall not recognize any Transfer of a Membership Interest until the Membership Interest Certificate evidencing such Membership Interest is surrendered to the Company for registration of Transfer and the requirements of Section 3.4 have been satisfied. The Company may require the payment of a sum sufficient to cover any Tax or other governmental charge that may be imposed with respect thereto.

(d) For purposes of providing for Transfer of, perfecting a Security Interest in, and other relevant matters related to, a Membership Interest, the Membership Interest will be deemed to be a "security" subject to the rules set forth in Chapters 8 and 9 of the Texas Uniform Commercial Code and any similar Uniform Commercial Code provision adopted by the States of New York or Delaware or any other relevant jurisdiction.

14.2 Restrictive Legend. In the absence of a more restrictive legend, any Membership Interest Certificate will be stamped or typed in a conspicuous place with the following legend:

THE MEMBERSHIP INTEREST REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE LIMITED LIABILITY COMPANY AGREEMENT OF THE COMPANY, AS IT EXISTS FROM TIME TO TIME, WHICH RESTRICTS ANY SALE, ASSIGNMENT, TRANSFER, CONVEYANCE, ENCUMBRANCE, PLEDGE OR OTHER TRANSFER OR ALIENATION (WITH OR WITHOUT CONSIDERATION) OF SUCH MEMBERSHIP INTEREST. THE COMPANY WILL FURNISH TO THE RECORD HOLDER OF THIS CERTIFICATE, WITHOUT CHARGE, UPON WRITTEN REQUEST TO THE COMPANY AT ITS PRINCIPAL PLACE OF BUSINESS, A COPY OF SUCH LIMITED LIABILITY COMPANY AGREEMENT. THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE.

14.3 Lost, Stolen or Destroyed Certificates. The Company may issue a new Membership Interest Certificate or certificates in place of any certificate or certificates theretofore issued by the Company alleged to have been lost, stolen or destroyed upon the making of an affidavit of that fact by the Person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new Membership Interest Certificate or certificates, the Company may, as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as it will require and/or to give the Company a bond in such sum as it may direct as indemnity against any claim that may be made against the Company with respect to the certificate alleged to have been lost, stolen or destroyed.

14.4 Registered Holders. The Company will be entitled to recognize the exclusive right of a Record Holder as the owner of the indicated Membership Interest and will not be bound to recognize any equitable or other claim to or interest in such Membership Interest on the part of any Person other than such Record Holder, whether or not it will have express or other notice thereof, except as otherwise provided by Law.

ARTICLE XV
GENERAL PROVISIONS

15.1 Offset. Whenever the Company is to pay any sum to any Member, any amounts that a Member owes the COMPANY under this Agreement shall be deducted from that sum before payment.

15.2 Notices. All notices, requests, demands, claims and other communications hereunder will be in writing. Any notice, request, demand, claim or other communication hereunder will be deemed duly given if (and then three (3) Business Days after) it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to the Company as set forth below:

GulfTerra Energy Company, L.L.C.
Attn: President
Four Greenway Plaza
Houston, Texas, 77046
Tel: (713) 420-2131

With a copy to:

El Paso Corporation
Attn: General Counsel
1001 Louisiana Street
Houston, Texas 77002
Tel: (713) 420-2600

or to any Member at the address specified for such Member on Exhibit A. The Company, or any Member, may send any notice, request, demand, claim, or other communication hereunder to the intended recipient at the address set forth above using any other means (including personal delivery, expedited courier, messenger service, telecopy, telex, ordinary mail, or electronic mail), but no such notice, request, demand, claim, or other communication will be deemed to have been duly given unless and until it actually is received by the intended recipient. The Company, and any Member, may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the Company and the other Members notice in the manner herein set forth.

15.3 Entire Agreement. This Agreement, together with the Exhibits hereto and the certificates, documents, instruments and writings that are delivered pursuant hereto, constitutes the entire agreement and understanding of the Members in respect of its subject matter and supersedes all prior understandings, agreements, or representations by or among the Members, written or oral, to the extent they relate in any way to the subject matter hereof. Except for Indemnitees with respect to Article VIII, there are no third party beneficiaries having rights under or with respect to this Agreement.

15.4 Successors. All of the terms, agreements, covenants, representations, warranties, and conditions of this Agreement are binding upon, and inure to the benefit of and are enforceable by, the Members and their respective successors.

15.5 Specific Performance. Each Member acknowledges and agrees that the other Members would be damaged irreparably if any provision of this Agreement is not performed in accordance with its specific terms or is otherwise Breached. Accordingly, each Member agrees that the other Members will be entitled to an injunction or injunctions to prevent Breaches of the provisions of this Agreement and to enforce specifically this Agreement and its terms and provisions in any Action instituted in any court of the United States or any state thereof having jurisdiction over the Members and the matter, in addition to any other remedy to which they may be entitled, at Law or in equity.

15.6 Time. Time is of the essence in the performance of this Agreement.

15.7 Counterparts. This Agreement may be executed in two or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument.

15.8 Headings. The article and Section headings contained in this Agreement are inserted for convenience only and will not affect in any way the meaning or interpretation of this Agreement.

15.9 Governing Law. This Agreement and the performance of the transactions and obligations of the Members hereunder will be governed by and construed in accordance with the Laws of the State of Delaware, without giving effect to any choice of Law principles.

15.10 Expenses. Except as otherwise expressly provided in this Agreement, each of the Company and the Members will bear its own costs and expenses incurred in connection with the preparation, execution and performance of this Agreement including all fees and expenses of agents, representatives, financial advisors, legal counsel and accountants.

15.11 Construction. The Members have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Members and no presumption or burden of proof will arise favoring or disfavoring any Member because of the authorship of any provision of this Agreement. Any reference to any federal, state, local, or foreign Law will be deemed also to refer to the Law as amended and all rules and regulations promulgated thereunder, unless the context requires otherwise. The terms "herein," "hereby," "hereunder," "hereof," "hereinafter" and other equivalent words refer to this Agreement in its entirety and not solely to the particular portion of the Agreement in which such word is used. The words "including," "include" and "includes" will be deemed to be followed by "without limitation." The Members intend that each representation, warranty, and covenant contained herein will have independent significance. If any Member has Breached any representation, warranty, or covenant contained herein in any respect, the fact that there exists another representation, warranty or covenant relating to the same subject matter (regardless of the relative levels of specificity) that the Member has not breached will not detract from or mitigate the fact that the Member is in Breach of the first representation, warranty, or covenant.

15.12 Incorporation of Exhibits, Annexes, and Schedules. The Exhibits identified in this Agreement are incorporated herein by reference and made a part hereof.

15.13 Effect of Waiver or Consent. A waiver or consent, express or implied, to or of any Breach 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 in the performance by that Person of the same or any other obligations of that Person with respect to the Company. Failure on the part of a Person to complain of any act of any other Person or to declare any Person in Breach 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 Breach until the applicable statute-of-limitations period has run.

15.14 Further Assurances. In connection with this Agreement and the transactions contemplated hereby, each Member will 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 any actions related therefor, or contemplated thereby.

15.15 Waiver of Certain Rights. Except as otherwise expressly provided herein, each Member irrevocably waives any right it may have to maintain any action for dissolution of the Company or for partition of the property of the Company.

15.16 Notice to Members of Provisions of this Agreement. By executing this Agreement, each party hereto acknowledges that it has actual notice of (a) all of the provisions of this Agreement, and (b) all of the provisions of the Certificate. Each party hereto hereby agrees that this Agreement shall constitute adequate notice of all such provisions.

15.17 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 will be construed together and constitute the same instrument.

[The remainder of this page is intentionally left blank; the next page is the signature page.]

IN WITNESS WHEREOF, El Paso GP Holdco and the Investor have executed this Agreement as of the date first above written.

EL PASO GP HOLDCO:

GULFTERRA GP HOLDING COMPANY

By: /s/ JOHN HOPPER

Name: John Hopper
Title: Vice President

THE INVESTOR:

ENTERPRISE PRODUCTS GTM, LLC

By: Enterprise Products Operating L.P., its sole member

By: Enterprise Products OLPGP, Inc., general partner of Enterprise Products Operating L.P.

By: /s/ RICHARD H. BACHMANN

Name: Richard H. Bachmann
Title: Executive Vice President

EXHIBIT A

NAME AND ADDRESS CAPITAL ACCOUNT MEMBERSHIP INTEREST OF EACH MEMBER BALANCE AND SHARING RATIO - --
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CLASS B MEMBER: $ 425,000,000 Class B Membership Interest: 50.0 % GulfTerra GP Holding Company*+ El Paso Building 1001 Louisiana Street Houston, Texas 77002 Fax: (713) 445-8546 Attn: Thomas M. Hart, III

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---- CLASS C MEMBER: $ 425,000,000 Class C Membership Interest: 50.0% Enterprise Products GTM, LLC. 2727 North Loop West Houston, Texas 77210-4324 Fax: (713) 803-8200 Attn: Chief Financial Officer -

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-- TOTAL MEMBERSHIP

INTEREST:
100% - ---

- --------
* Tax Matters Partner
+ Managing Member

EXHIBIT B

MATTERS CONCERNING THE BOARD

SECTION 1. THIS EXHIBIT. This Exhibit B shall constitute part of the Agreement to which it is attached, but may be amended, supplemented, modified or replaced from time to time by the Managing Member or by the affirmative vote of a majority of the entire Board. Terms not otherwise defined herein shall have the meanings attributed to such term in the Agreement.

SECTION 2. ELECTION; TERM OF OFFICE; RESIGNATION; VACANCIES. Each Director shall hold office until the annual meeting of the Members next succeeding his election and until his successor is elected and qualified or until his earlier resignation or removal. Any Director may resign at any time upon written notice to the Board, the Chairman of the Board, to the Chief Executive Officer 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. Unless otherwise provided in the Agreement or in this Exhibit B, vacancies and newly created directorships resulting from any increase in the authorized number of Directors or from any other cause may be filled by a majority of the Directors then in office, although less than a quorum.

SECTION 3. REMOVALS. Any Director may be removed, with or without cause, by the Managing Member at any time, and the vacancy in the Board caused by any such removal may be filled by the Managing Member or by the Board in accordance with Section 2 of this Exhibit B.

SECTION 4. REGULAR MEETINGS. Regular meetings of the Board may be held at such places within or without the State of Delaware and at such times as the Board may from time to time determine, and if so determined notice thereof need not be given.

SECTION 5. SPECIAL MEETINGS. Special meetings of the Board may be held at any time or place within or without the State of Delaware whenever called by the Chairman of the Board, the Chief Executive Officer, the President or by any two Directors. Reasonable notice thereof shall be given by the person or persons calling the meeting.

SECTION 6. TELEPHONIC MEETINGS PERMITTED. Members of the Board, or any committee designated by the Board, may participate in a meeting of the Board or such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

SECTION 7. QUORUM; VOTE REQUIRED FOR ACTION. At all meetings of the Board, Directors constituting a majority of the entire Board, of which aforementioned majority the Independent Directors shall be a majority, shall constitute a quorum for the transaction of business. The vote of a majority of the Directors present at any meeting at which a quorum is present shall be the act of the Board unless this Exhibit B or the Agreement shall require a vote

of a greater number. If at any meeting of the Board a quorum shall not be present, the Directors present may adjourn the meeting from time to time until a quorum shall attend.

SECTION 9. WRITTEN CONSENT OF DIRECTORS. Any action required or permitted to be taken at any meeting of the Board, or of any committee thereof, may be taken without a meeting if all members of the Board or of such committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or committee.

SECTION 10. ADVISORY DIRECTORS. The Board may, from time to time, elect one or more Advisory Directors, each of whom shall serve until the first meeting of the Board next following the annual meeting of the Members or until his earlier resignation or removal by the Board. Advisory Directors shall serve as advisors and consultants to the Board, shall be invited to attend all meetings of the Board and may participate in all discussions occurring during such meetings. Advisory Directors shall not be privileged to vote on matters brought before the Board and shall not be counted for the purpose of determining whether a quorum of the Board is present.

SECTION 11. COMPENSATION. Each Director who is not a full-time salaried Officer of the Company or any of its Affiliates, or of the Partnership, when authorized by resolution of the Board, may receive as a Director a stated salary or an annual retainer, and any other benefits as the Board may determine, and in addition may be allowed a fixed fee or reimbursement of his or her reasonable expenses for attendance at each regular or special meeting of the Board or any committee thereof.

SECTION 12. COMMITTEES OF THE BOARD. The Board may designate one or more committees (with such names as may be determined from time to time by the Board), including the Conflicts and Audit Committee and the Governance and Compensation Committee, each such committee to consist of one or more Directors. The Board may also designate from time to time Pricing Committees to determine the final terms of transactions approved by the Board, which committees may consist of one or more Directors or Officers. The Board may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Vacancies in any such committee shall be filled by the Board, but in the absence or disqualification of a member of such committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another Director to act at the meeting in place of any such absent or disqualified member. Any such committee will have and may exercise all the powers and authority provided in the resolution establishing such committee, subject to any limitations contained in the Agreement or in the Act.

SECTION 13. COMMITTEE RULES. Unless the Board otherwise provides, each committee may make, alter or repeal rules for the conduct of its business. In the absence of a Board resolution or a provision in the committee's rules to the contrary, a majority of the entire authorized number of members of such committee shall constitute a quorum for the transaction of business, the vote of a majority of the members present at a meeting at the time of such vote if a quorum is then present shall be the act of such committee, and in other respects such committee

shall conduct its business in the same manner as the Board conducts its business pursuant to this Agreement.

SECTION 14. OFFICERS.

(a) GENERAL PROVISIONS. The Board may elect or appoint any person(s) as the Company's and/or the Partnership's officers (the "OFFICERS") to act for the Company and/or the Partnership (as appropriate) and to delegate to such Officers such of the powers as are granted to the Board under this Agreement. Any decision or act of an Officer within the scope of the Officer's designated or delegated authority will control and shall bind the Company and/or the Partnership (as appropriate) and any business entity for which the Company and/or the Partnership (as appropriate) exercises direct or indirect executory authority. The Officers may have such titles as the Board deems appropriate, which may include Chairman of the Board, President, Chief Executive Officer, Executive Vice President, Vice President, Chief Operating Officer, Chief Financial Officer, Treasurer, Controller or Secretary. A Director may be an Officer. Unless the authority of an Officer is limited by the Board, any Officer so appointed shall have the same authority to act for the Company and/or the Partnership (as appropriate) as a corresponding officer of a Delaware corporation would have to act for a Delaware corporation in the absence of a specific delegation of authority. In addition, the Chairman of the Board, the Chief Executive Officer, the President, the Vice Presidents, the Secretary, the Treasurer and the Controller shall have those powers and/or duties given to it by Sections 14(b) - (h) of this Exhibit B (as applicable). Each Officer will hold office until his or her respective successor is chosen and qualify or until his or her earlier death, resignation or removal. Any Officer elected or appointed by the Board may be removed at any time by the Board.

(b) CHAIRMAN OF THE BOARD. The Chairman of the Board shall, when present, preside at all meetings of the Members and the Board; have authority to call special meetings of the Members and of the Board; have authority to sign and acknowledge in the name and on behalf of the Partnership or the Company (as applicable) all stock certificates, contracts or other documents and instruments except where the signing thereof shall be expressly delegated to some other officer or agent by the Board or required by Law to be otherwise signed or executed and, unless otherwise provided by Law or by the Board may authorize any officer, employee or agent of the Partnership or the Company (as applicable) to sign, execute and acknowledge in his place and stead all such documents and instruments; he shall fix the compensation of officers of the Partnership or the Company (as applicable), other than his own compensation, and the compensation of officers of its principal operating subsidiaries reporting directly to him unless such authority is otherwise reserved to the Board or a committee thereof; and he shall approve proposed employee compensation and benefit plans of subsidiary companies not involving the issuance or purchase of capital stock of the Partnership or the Company (as applicable). He shall have the power to appoint and remove any Vice President, Controller, General Counsel, Secretary or Treasurer of the Partnership or the Company (as applicable). He shall also have the power to appoint and remove such associate or assistant officers of the Company with such titles and duties as he may from time to time deem necessary or appropriate. He shall have such other powers and perform such other duties as from time to time may be assigned to him by the Board or the Executive Committee of the Board.

(c) CHIEF EXECUTIVE OFFICER. The Chief Executive Officer shall assist the Chairman of the Board in the performance of his duties and shall perform those duties assigned to him in other provisions of this Agreement and such other duties as may from time to time be assigned to him by the Board or the Chairman of the Board. In the absence or disability of the Chairman of the Board, or at his request, the Chief Executive Officer may preside at any meeting of the Members or of the Board and, in such circumstances, may exercise any of the other powers or perform any of the other duties of the Chairman of the Board. Subject to delegations by the Chairman of the Board pursuant to Section 14(b) of this Exhibit B, the Chief Executive Officer may sign or execute, in the name of the Partnership or the Company (as applicable), all stock certificates, deeds, mortgages, bonds, contracts or other documents and instruments, except in cases where the signing or execution thereof shall be required by Law or shall have been expressly delegated by the Board or this Agreement to some other officer or agent of the Partnership or the Company (as applicable).

(d) PRESIDENT. The President shall have general control of the business, affairs, operations and property of the Partnership or the Company (as applicable), subject to the Chairman of the Board, the Chief Executive Officer and the Board. He may sign or execute, in the name of the Partnership or the Company (as applicable), all deeds, mortgages, bonds, contracts or other undertakings or instruments, except in cases where the signing or execution thereof shall have been expressly delegated by the Chairman of the Board or the Board to some other officer or agent of the Partnership or the Company (as applicable). He shall have and may exercise such powers and perform such duties as may be provided by Law or as are incident to the office of President of a corporation and such other duties as are assigned by this Agreement and as may from time to time be assigned by the Chairman of the Board, the Chief Executive Officer of the Board.

(e) VICE PRESIDENTS. Each Executive Vice President, Senior Vice President, Vice President and Assistant Vice President shall have such powers and perform such duties as may be provided by Law or as may from time to time be assigned to him, either generally or in specific instances, by the Board of Directors, the Chairman of the Board, the Chief Executive Officer or the President.

Any Executive Vice President or Senior Vice President may perform any of the duties or exercise any of the powers of the Chairman of the Board, the Chief Executive Officer or the President at the request of, or in the absence or disability of, the Chairman of the Board, the Chief Executive Officer or the President or otherwise as occasion may require in the administration of the business and affairs of the Partnership or the Company (as applicable).

Each Executive Vice President, Senior Vice President, Vice President and Assistant Vice President shall have authority to sign or execute all deeds, mortgages, bonds, contracts or other instruments on behalf of the Partnership or the Company (as applicable), except in cases where the signing or execution thereof shall have been expressly delegated by the Board or this Agreement to some other officer or agent of the Partnership or the Company (as applicable).

(f) SECRETARY. The Secretary shall keep the minutes of meetings of the Members and of the Board in books provided for the purpose; he shall see that all notices are duly given in accordance with the provisions of this Agreement, or as required by Law; he shall be custodian

of the records and of the corporate seal or seals of the Partnership or the Company (as applicable); he shall see that the corporate seal is affixed to all documents requiring same, the execution of which, on behalf of the Partnership or the Company (as applicable), under its seal is duly authorized, and when said seal is so affixed he may attest same; and, in general, he shall perform all duties incident to the office of the secretary of a corporation, and such other duties as from time to time may be assigned to him by the Board, the Chairman of the Board, the Chief Executive Officer or the President or as may be provided by Law. Any Assistant Secretary may perform any of the duties or exercise any of the powers of the Secretary at the request of, or in the absence or disability of, the Secretary or otherwise as occasion may require in the administration of the business and affairs of the Partnership or the Company (as applicable).

(g) TREASURER. The Treasurer shall have charge of and be responsible for all funds, securities, receipts and disbursements of the Partnership or the Company (as applicable), and shall deposit, or cause to be deposited, in the name of the Partnership or the Company (as applicable), all moneys or other valuable effects in such banks, trust companies or other depositories as shall, from time to time, be selected by or under authority of the Board; if required by the Board, he shall give a bond for the faithful discharge of his duties, with such surety or sureties as the Board may determine; he shall keep or cause to be kept full and accurate records of all receipts and disbursements in books of the Company and shall render to the Chairman of the Board, the Chief Executive Officer, the President and the Board, whenever requested, an account of the financial condition of the Partnership or the Company (as applicable); and, in general, he shall perform all the duties incident to the office of treasurer of a corporation, and such other duties as may be assigned to him by the Board, the Chairman of the Board, the Chief Executive Officer or the President or as may be provided by Law.

(h) CONTROLLER. The Controller shall be the chief accounting officer of the Partnership or the Company (as applicable). He shall keep full and accurate accounts of the assets, liabilities, commitments, receipts, disbursements and other financial transactions of the Partnership or the Company (as applicable); shall cause regular audits of the books and records of account of the Company and supervise the preparation of the Partnership's or the Company's (as applicable) financial statements; and, in general, he shall perform the duties incident to the office of controller of a corporation and such other duties as may be assigned to him by the Board, the Chairman of the Board, the Chief Executive Officer or the President or as may be provided by Law. If no Controller is elected by the Board, the Treasurer shall perform the duties of the office of controller.

SECTION 15. FISCAL YEAR. The fiscal year of the Company shall end on the 31st day of December in each year, or on such other day as may be fixed from time to time by the Board.

SECTION 16. WAIVER OF NOTICES. Whenever notice is required to be given by Law or under 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 notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Members, the Board or any committee thereof need be specified in any written waiver of notice.

EXHIBIT C

CERTIFICATE EVIDENCING MEMBERSHIP INTEREST IN A LIMITED LIABILITY COMPANY

NUMBER		MEMBERSHIP INTEREST [CLASS B] [CLASS C] [SHARING RATIO: ___%]
	GULFTERRA ENERGY COMPANY, L.L.C.	

A LIMITED LIABILITY COMPANY UNDER THE
LAWS OF THE STATE OF DELAWARE

THIS CERTIFIES THAT _____________________________ is the owner of a [Class B] [Class C] Membership Interest (the "MEMBERSHIP INTEREST") in GulfTerra Energy Company L.L.C. (hereinafter referred to as the "COMPANY"), which includes a Sharing Ratio of __% (as defined in the Agreement (as defined below), transferable on the books of the Company by the holder hereof in person or by duly authorized attorney upon surrender of this certificate (the "MEMBERSHIP INTEREST CERTIFICATE") properly endorsed. The designations, preferences and relative participating, optional or other special rights, powers and duties of the Membership Interest are set forth in the Second Amended and Restated Limited Liability Company Agreement of the Company, as amended, supplemented or restated from time to time (the "AGREEMENT") and this Membership Interest Certificate, and the Membership Interest represented hereby is issued and shall in all respects be subject to all of the provisions of the Agreement. Copies of the Agreement are on file at, and will be furnished without charge on delivery of written request to the Company at, the principal office of the Company located at Four Greenway Plaza, Houston, Texas 77046. Capitalized terms used but not defined herein shall have the meaning given them in the Agreement.

The holder hereof, by accepting this Membership Interest Certificate, is deemed to have (i) requested admission as, and agreed to become, a Member of the Company and to have agreed to comply with and be bound by and to have executed the Agreement, (ii) represented and warranted that the holder has all right, power and authority and, if an individual, the capacity necessary to enter into the Agreement, and (iii) made the waivers and given the consents and approvals contained in the Agreement.

THE MEMBERSHIP INTEREST REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE LIMITED LIABILITY AGREEMENT OF THE COMPANY, AS IT EXISTS FROM TIME TO TIME, WHICH RESTRICTS ANY SALE, ASSIGNMENT, TRANSFER, CONVEYANCE, ENCUMBRANCE, PLEDGE OR OTHER TRANSFER OR ALIENATION (WITH OR WITHOUT CONSIDERATION) OF SUCH MEMBERSHIP INTEREST. THE COMPANY WILL FURNISH TO THE RECORD HOLDER OF THIS CERTIFICATE, WITHOUT CHARGE, UPON WRITTEN REQUEST TO THE COMPANY AT ITS PRINCIPAL PLACE OF BUSINESS, A COPY OF SUCH LIMITED LIABILITY AGREEMENT. THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE

SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE.

Witness the signature of the duly authorized representative of the Company.

GULFTERRA ENERGY COMPANY, L.L.C.

By: -----------------------------------

Name: --------------------------------

Title: --------------------------------

Dated: _______________, ____

GULFTERRA ENERGY COMPANY, L.L.C.

The Company will furnish without charge to each Member who so requests a statement of the designations, preferences and relative participating, optional or other special rights, powers and duties relating to the applicable class of Membership Interest. Any such request should be made to the Secretary of the Company at its principal place of business.

For Value Received, ______________________ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE

[ ]

- ---

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING
POSTAL ZIP CODE, OF ASSIGNEE)

- ---

- ---

- ---

of the Membership Interest represented by the within Membership Interest Certificate, and do hereby irrevocably constitute and appoint __________________________ Attorney to transfer said Membership Interest on the books of the within-named Company with full power of substitution in the premises.

Dated:___________________

NOTICE: THE SIGNATURE(S) TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME(S) AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER.

SIGNATURE(s) GUARANTEED:

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO S.E.C. RULE 17Ad-15.

APPENDIX A

ACKNOWLEDGMENT AND ACCEPTANCE AGREEMENT

This Acknowledgment and Acceptance Agreement, dated as of , 200 (the "AGREEMENT"), is executed by (the "TRANSFEREE") and by ___________ (the "TRANSFEROR") in accordance with the provisions of the Second Amended and Restated Limited Liability Company Agreement of GulfTerra Energy Company, L.L.C., a Delaware limited liability company (the "COMPANY"), dated as of December [___], 2003, as amended from time to time (the "LLC AGREEMENT"), to acknowledge its (a) receipt of a Class Membership Interest (the "MEMBERSHIP INTEREST") of the Company, representing an initial Sharing Ratio of %, which such Membership Interest has been transferred by the Transferor to the Transferee pursuant to that certain , dated and (b) review and acceptance of the terms and conditions of the LLC Agreement. The Transferor retains a Class __ Membership Interest with a Sharing Ratio of ___% as a result of the transfer described above. Capitalized terms used herein without definition are defined in the LLC Agreement and are used herein with the same meanings set forth therein.

By the execution of this Agreement, the Transferee agrees as follows:

1. Acknowledgment. The Transferee acknowledges that: (a) it has received and reviewed the LLC Agreement, and (b) it is acquiring the Membership Interest of the Company subject to the terms and conditions of the LLC Agreement.

2. Agreement. The Transferee (a) agrees to become a party to and be bound by the LLC Agreement with respect to the Membership Interest acquired by it and (b) agrees, with respect to itself, that the representations and warranties set forth in Section 3.3 of the LLC Agreement are true and complete as of the date hereof; provided, that the agreement of the Transferee to become a party to the LLC Agreement shall not constitute its admission as a Class Member unless and until it is duly admitted as a Class Member by the Company in accordance with the terms of the LLC Agreement.

3. Notice. Any notice required or permitted by the LLC Agreement shall be given to the Transferee at the address listed beneath its signature below.

By execution of this Agreement, the Transferor and Transferee represent and warrant that the Transfer of the Membership Interest was made in accordance with all applicable Laws, including the Act, the Securities Act and state securities Laws and the terms and conditions of the LLC Agreement.

EXECUTED AND DATED on this ______ day of ________________________, 200_____.

Transferor:	Transferee:
- ----------------------------	-----------------------------
By: ---------------------------------	By: --------------------------------------
Name: -------------------------------	Name: ------------------------------------
Title: ------------------------------	Title: -----------------------------------
	Address: ---------------------------------
	--

EXECUTION COPY

Exhibit 2.4

PURCHASE AND SALE AGREEMENT

(GAS PLANTS)

By and Between

EL PASO CORPORATION
(Seller Parent)

and

EL PASO FIELD SERVICES MANAGEMENT, INC.
EL PASO TRANSMISSION, L.L.C.,

EL PASO FIELD SERVICES HOLDING COMPANY
(Seller)

and

ENTERPRISE PRODUCTS OPERATING L.P.
(Buyer)

Covering the Acquisition of

THE FOLLOWING EQUITY INTERESTS IN
(Acquired Company Equity Interests)

100% of El Paso Hydrocarbons, L.P.
100% of El Paso NGL Marketing Company, L.P.
(the Acquired Companies)

December 15, 2003

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PURCHASE AND SALE AGREEMENT
(GAS PLANTS)

THIS PURCHASE AND SALE AGREEMENT (Gas Plants) (this "AGREEMENT"), dated as of December 15, 2003, is by and between El Paso Corporation, a Delaware corporation (the "SELLER PARENT"), El Paso Field Services Management, Inc., a Delaware corporation, El Paso Transmission, L.L.C., a Delaware limited liability company, El Paso Field Services Holding Company, a Delaware corporation (individually and collectively, the "SELLER") and Enterprise Products Operating L.P., a Delaware limited partnership (the "BUYER"). The Seller Parent, the Seller and the Buyer are sometimes referred to collectively herein as the "PARTIES" and individually as a "PARTY."

INTRODUCTION

1. The Acquired Companies own all of the interest in the assets/facilities described on Exhibit A, which assets/facilities consist of various natural gas processing plants, a treating plant, a gathering system, and related assets and rights.

2. The Seller owns all of the beneficial interests in the assets referenced in item 1 above through the Seller's ownership of the following equity interests:

Acquired Companies	GP	Partnership Interest	LP	Partnership Percentage Interest
El Paso Hydrocarbons, L.P.	El Paso Field Services Management, Inc.	1.00%	El Paso Transmission, L.L.C.	90.00%
			El Paso Field Services Holding Company	9.00%
El Paso NGL Marketing Company, L.P.	El Paso Field Services Management, Inc.	1.00%	El Paso Transmission, L.L.C.	99.00%

3. Subject to the terms and conditions set forth in this Agreement, the Seller will sell to the Buyer, and the Buyer will purchase and acquire from the Seller, the Seller's beneficial interest in such assets/facilities in a transaction pursuant to which:

   - the Seller would transfer record and beneficial ownership of such equity interests to the Buyer (or its designee); and

   - the Buyer would pay to the Seller the consideration described in this Agreement.

In consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties, and covenants herein contained, the Parties agree as follows:

AGREEMENT

1. Definitions.

"ACQUIRED COMPANIES" means El Paso Hydrocarbons, L.P. and El Paso NGL Marketing Company, L.P., each a Delaware limited partnership.

"ACQUIRED COMPANY ASSETS" means all assets and rights owned by each of the Acquired Companies, with the material real property interests, gas plants, pipeline gathering systems and tangible personal property comprising such assets being generally described on Exhibit A.

"ACQUIRED COMPANY EQUITY INTERESTS" means the Hydrocarbons GP Interest, the Hydrocarbons LP Interest, the Marketing GP Interest and the Marketing LP Interest, all of which are being acquired by the Buyer pursuant to this Agreement through the Acquired Company Equity Interests Assignment.

"ACQUIRED COMPANY EQUITY INTERESTS ASSIGNMENT" means the assignment of equity interests in the form of Exhibit B.

"ADVERSE CONSEQUENCES" means all actions, suits, proceedings, hearings, investigations, charges, complaints, claims, demands, injunctions, judgments, orders, decrees, rulings, damages, dues, penalties, fines, costs, amounts paid in settlement, liabilities, obligations, Taxes, liens, losses, expenses, and fees, including court costs and attorneys' fees and expenses, but excluding punitive (except as provided in Section 8), exemplary, special or consequential damages.

"AFFILIATE" has the meaning set forth in Rule 12b-2 of the regulations promulgated under the Securities Exchange Act; provided, however, that the Acquired Companies shall be deemed to be Affiliates (i) prior to the Closing, of the Seller and the Seller Parent and (ii) on and after the Closing, of the Buyer.

"AGREEMENT" has the meaning set forth in the preface.

"BEST EFFORTS" means the efforts, time, and costs that a prudent Person desirous of achieving a result would use, expend, or incur in similar circumstances to ensure that such result is achieved as expeditiously as possible; provided, however, that no such use, expenditure, or incurrence shall be required if it could reasonably be expected to have an adverse effect on such Person and would require an expense of such Person in excess of $250,000.

"BUYER" has the meaning set forth in the preface.

"BUYER GP" means Enterprise Products OLPGP, Inc. , a Delaware corporation and the general partner of the Buyer.

"BUYER INDEMNITEES" means, collectively, the Buyer and its Affiliates and each of their respective officers (or natural persons performing similar functions),

directors (or natural persons performing similar functions), employees, agents and representatives to the extent acting in such capacity.

"BUYER PARTY" means each of (i) the Buyer, (ii) each Affiliate of the Buyer (other than, prior to Closing, the Acquired Companies) in which the Buyer owns (directly or indirectly) an Equity Interest and which is a party to any Transaction Agreement and (iii) immediately after the Closing, each of the Acquired Companies.

"CLOSING" has the meaning set forth in Section 2(c).

"CLOSING DATE" has the meaning set forth in Section 2(c).

"CLOSING STATEMENT" has the meaning set forth in Section 2(e)(i).

"CODE" means the Internal Revenue Code of 1986, as amended, or any successor Law.

"COMMITMENT" means (a) options, warrants, convertible securities, exchangeable securities, subscription rights, conversion rights, exchange rights or other contracts that could require a Person to issue any of its Equity Interests or to sell any Equity Interest it owns in another Person; (b) any other securities convertible into, exchangeable or exercisable for, or representing the right to subscribe for any Equity Interest of a Person or owned by a Person; (c) statutory pre-emptive rights or pre-emptive rights granted under a Person's Organizational Documents; and (d) stock appreciation rights, phantom stock, profit participation, or other similar rights with respect to a Person.

"CONFIDENTIALITY AGREEMENT" has the meaning set forth in the Merger Agreement.

"DELAWARE LLC ACT" means the Delaware Limited Liability Company Act as in effect on the date of this Agreement and as amended, restated or replaced from time to time thereafter.

"DELAWARE LP ACT" means the Delaware Revised Uniform Limited Partnership Act as in effect on the date of this Agreement and as amended, restated or replaced from time to time thereafter.

"EFFECTIVE TIME" means the point in time immediately following the last day of the calendar month immediately preceding the calendar month in which the Closing occurs.

"ENCUMBRANCE" means any mortgage, pledge, lien, encumbrance, charge, security interest, purchase or preferential right, right of first refusal, option or other defect in title.

"ENVIRONMENTAL LAW" and "ENVIRONMENTAL LAWS" means any and all applicable laws, statutes, regulations, rules, orders, ordinances, and legally enforceable directives of and agreements between a person that is subject to the applicable

representation and any Governmental Authority and rules of common law pertaining to protection of human health (to the extent arising from exposure to Hazardous Substances) or the environment (including any generation, use, storage, treatment, or Release of Hazardous Substances into the environment) including the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., the Clean Air Act, 42 U.S.C. Section 7401 et seq., the Federal Water Pollution Control Act, 33 U.S.C. Section 1251 et seq., the Oil Pollution Act of 1990, 33 U.S.C. Section 2701 et seq., the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq., the Safe Drinking Water Act, 42 U.S.C. Section 300f et seq., the Occupational Safety and Health Act, 29 U.S.C. Section 651 et seq., the Atomic Energy Act, 42 U.S.C. Section 2014 et seq., the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. Section 136 et seq., and the Federal Hazardous Materials Transportation Law, 49 U.S.C. Section 5101 et seq., as each has been amended from time to time, and all other environmental conservation and protection laws.

"ENVIRONMENTAL PERMITS" has the meaning set forth in Section 4(i).

"EQUITY INTEREST" means (a) with respect to a corporation, any and all shares of capital stock and any Commitments with respect thereto, (b) with respect to a partnership, limited liability company, trust or similar Person, any and all units, interests or other partnership, limited liability company, trust or similar interests, and any Commitments with respect thereto, and (c) any other direct equity ownership or participation in a Person.

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

"EXCHANGE AGREEMENT" has the meaning set forth in Section 9(p).

"FIELD SERVICES" means El Paso Field Services Management, Inc., a Delaware corporation.

"FINANCIAL INFORMATION" has the meaning set forth in Section 4(k)(i).

"FUNDAMENTAL REPRESENTATIONS" means those representations and warranties contained in Sections 3(a)(i) (Organization and Good Standing), 3(a)(ii) (Authorization of Transaction), 3(a)(iii)(A) (Noncontravention), 3(b)(i) (Organization of the Buyer), 3(b)(ii) (Authorization of Transaction), 3(b)(iii)(A) (Noncontravention) and 4(c)(iii) (Capitalization of Acquired Companies).

"GAAP" means accounting principles generally accepted in the United States consistently applied.

"GOVERNMENTAL AUTHORITY" means the United States or any agency thereof and any state, county, city or other political subdivision, agency, court or instrumentality.

"HAZARDOUS SUBSTANCES" means any (i) chemical, product, substance, waste, material, pollutant, or contaminant that is defined or listed as hazardous or toxic or that is otherwise regulated under any Environmental Law; (ii) asbestos containing materials, whether in a friable or non-friable condition, polychlorinated biphenyls, naturally occurring radioactive materials or radon; and (iii) any oil or gas exploration or production waste or any petroleum, petroleum hydrocarbons, petroleum products, crude oil and natural gas and any components, fractions, or derivatives thereof.

"HOLDING" means El Paso Field Services Holding Company, a Delaware corporation.

"HSR ACT" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the regulations thereunder.

"HYDROCARBONS" means El Paso Hydrocarbons, L.P., a Delaware limited partnership.

"HYDROCARBONS GP INTEREST" means the entire general partnership interest in Hydrocarbons which has a percentage interest in Hydrocarbons equal to 1.00%.

"HYDROCARBONS LP INTEREST" means the entire limited partnership interest in Hydrocarbons which has a percentage interest in Hydrocarbons equal to 99.00%.

"INDEBTEDNESS" means, with respect to any Person, on a consolidated basis, all Obligations of the Person to other Persons (including Affiliates) for (a) borrowed money, (b) any capital lease Obligation, (c) any Obligation (whether fixed or contingent) to reimburse any bank or other Person in respect of amounts paid or payable under a standby letter of credit, and (d) any guarantee with respect to indebtedness (of the kind otherwise described in this definition) of any Person.

"INDEMNIFIED PARTY" has the meaning set forth in Section 8(d).

"INDEMNIFYING PARTY" has the meaning set forth in Section 8(d).

"INTERIM PERIOD" has the meaning set forth in Section 5(j).

"INVENTORY" means, collectively, the volume of natural gas, natural gas liquids, and condensate that are owned by the Acquired Companies as of the Effective Time, whether held in storage facilities, as pipeline linefill or as fractionator retainage.

"KNOWLEDGE" means as to each individual listed on Schedule 1(a) as follows: such individual shall be deemed to have "Knowledge" of a particular fact or other matter if such individual is consciously aware of such fact or other matter at the time of determination; and in the case of Joel D. Moxley only, after due inquiry by Joel D. Moxley.

"LAW" or "LAWS" means any statute, code, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any applicable Governmental Authority.

"LEGAL RIGHT" means the legal authority and right (without risk of liability, criminal, civil or otherwise), such that the contemplated conduct would not constitute a violation, termination or breach of, or require any payment under, or cause or permit any termination under, any contract or agreement; arrangement; or applicable Law.

"MAINTENANCE CAPITAL COSTS" has the meaning set forth in Section 5(j).

"MAINTENANCE COMPARISON AMOUNT" has the meaning set forth in Section 5(j).

"MAINTENANCE EXCESS" has the meaning set forth in Section 5(j).

"MAINTENANCE SHORTFALL" has the meaning set forth in Section 5(j).

"MARKETING" means El Paso NGL Marketing Company, L.P., a Delaware limited partnership.

"MARKETING GP INTEREST" means the entire general partnership interest in Marketing which has a percentage interest in Marketing equal to 1.00%.

"MARKETING LP INTEREST" means the entire limited partnership interests in Marketing which has a combined percentage interest in Marketing equal to 99.00%

"MATERIAL ADVERSE EFFECT" means any change, effect, event or occurrence with respect to the condition (financial or otherwise), properties, assets, earnings, Obligations, businesses, operations or results of operations of the Acquired Companies that is, or could be reasonably expected to be, material and adverse to the Acquired Companies taken as a whole, provided that in determining whether a Material Adverse Effect has occurred, changes or effects relating to (i) the natural gas pipeline, treating and processing industry generally (including the price of natural gas and the costs associated with the drilling and/or production of natural gas), (ii) United States or global economic conditions or financial markets in general, or (iii) the transactions contemplated by this Agreement, shall not be considered.

"MERGER AGREEMENT" means that certain Merger Agreement, dated as of December 15, 2003, by and among Enterprise Products Partners L.P., Enterprise Products GP, LLC, Enterprise Products Management LLC, GulfTerra Energy Partners, L.P. and GulfTerra Energy Company, L.L.C.

"MERGER CLOSING" means the consummation of the transactions contemplated by the Merger Agreement, as evidenced by the execution and filing with the Office of the Secretary of the State of Delaware of the Articles of Merger referenced in such Merger Agreement.

"MISCELLANEOUS ASSETS" has the meaning set forth in Section 11(o)(ii).

"OBLIGATIONS" means duties, liabilities and obligations, whether vested, absolute or contingent, asserted or unasserted, accrued or unaccrued, liquidated or unliquidated, due or to become due, and whether contractual, statutory or otherwise.

"ORDINARY COURSE OF BUSINESS" means the ordinary course of business consistent with the applicable Person's past custom and practice (including with respect to quantity and frequency).

"ORGANIZATIONAL DOCUMENTS" means the articles of incorporation, certificate of incorporation, charter, bylaws, articles or certificate of formation, regulations, operating agreement, certificate of limited partnership, partnership agreement, and all other similar documents, instruments or certificates executed, adopted, or filed in connection with the creation, formation, or organization of a Person, including any amendments thereto.

"PARENT COMPANY AGREEMENT" means the Parent Company Agreement dated December 15, 2003, by and among the Seller Parent, Enterprise Products Partners L.P. and various other parties.

"PARTY" and "PARTIES" have the meanings set forth in the preface.

"PERMITTED ENCUMBRANCES" means any of the following: (i) any liens for Taxes and assessments not yet delinquent or, if delinquent, that are being contested in good faith in the Ordinary Course of Business, provided that adequate reserve accounts have been established in accordance with GAAP; (ii) inchoate, mechanic's, materialmen's, and similar liens; provided that such liens were incurred either (a) in the Ordinary Course of Business, (b) for which adequate reserve accounts have been established in accordance with GAAP or (c) the amounts that are secured by such liens as of the Effective Time are included in the Working Capital calculation; (iii) any inchoate liens or other Encumbrances created pursuant to any operating, farmout, construction, operation and maintenance, co-owners, cotenancy, lease or similar agreements listed on Schedule 1(b) for which amounts are not due; and (iv) easements, rights-of-way, restrictions and other similar Encumbrances incurred in the Ordinary Course of Business which, in the aggregate, are not substantial in amount and which do not in any case materially detract from the value of the property subject thereto as it is currently being used or materially interfere with the ordinary conduct of the business.

"PERSON" means an individual or entity, including any partnership, corporation, association, joint stock company, trust, joint venture, limited liability company, unincorporated organization, or Governmental Authority (or any department, agency or political subdivision thereof).

"POST-CLOSING TAX PERIOD" means any Tax period beginning after the Effective Time.

"POST-CLOSING TAX RETURN" means any Tax Return that is required to be filed for any of the Acquired Companies, the Seller or any of its Affiliates with respect to a Post-Closing Tax Period.

"PRE-CLOSING OBLIGATIONS" mean (other than Obligations for which the Buyer Indemnitees are entitled to be indemnified under Sections 8(b)(iii)-(iv)) all Obligations associated with, arising out of, or related to the ownership or operation of the Acquired Company Assets and attributable to the period ending immediately prior to Closing, but excluding Obligations attributable to the period commencing on or after the Effective Time. The provisions of the preceding sentence shall not constitute any amendment or modification of Section 8 other than Section 8(b)(v).

"PRE-CLOSING TAX PERIOD" means any Tax periods or portions thereof ending on or before the Effective Time.

"PRE-CLOSING TAX RETURN" means any Tax Return that is required to be filed for any Acquired Companies, the Seller or any of its Affiliates with respect to a Pre-Closing Tax Period.

"PREFERENTIAL RIGHTS" has the meaning set forth in Section 4(j).

"PRIME RATE" means the prime rate reported in The Wall Street Journal at the time such rate must be determined under the terms of this Agreement.

"PROPOSED CLOSING STATEMENT" has the meaning set forth in Section 2(e)(i).

"PURCHASE PRICE" means $150 million plus (i) the amount, if any, by which the total of the Purchase Price Increases exceeds the total of the Purchase Price Decreases, or minus (ii) the amount, if any, by which the total of the Purchase Price Decreases exceeds the total of the Purchase Price Increases.

"PURCHASE PRICE DECREASES" means, without duplication, (i) 100% of all cash distributions made by the Acquired Companies after the Effective Time (exclusive of cash distributions pertaining to Retained Items) and (ii) the amount of the Maintenance Shortfall (if any).

"PURCHASE PRICE INCREASES" means, without duplication, the following: (i) the interest on the Purchase Price from and including the Effective Time to, but excluding, the Closing Date at a rate per annum equal to the Prime Rate plus two percent, calculated on the basis of a year of 365 days, (ii) 100% of all cash contributions made by Seller to the Acquired Companies after the Effective Time (exclusive of cash contributions used to pay any Retained Obligations or Indebtedness), (iii) the amount of the Maintenance Excess (if any), and (iv) the value of all Inventory owned by the Acquired Companies as of the Effective Time, as such value is determined in accordance with Section 2(e)(vi).

"RECORDS" has the meaning set forth in Section 6(d).

"RELEASE" means any depositing, spilling, leaking, pumping, pouring, placing, emitting, discarding, abandoning, emptying, discharging, migrating, injecting, escaping, leaching, dumping, or disposing.

"RETAINED ITEMS" means the Working Capital (exclusive of Inventory), agreements and other items described on Exhibit C.

"RETAINED OBLIGATIONS" means all Obligations, regardless of when such Obligations actually arise or arose, associated with, arising out of, or related to the ownership, operation or existence of the Retained Items.

"RIGHTS OF WAY" means any and all rights-of-way, easements, surface leases, fee properties, permits, licenses, franchises or other rights of ingress, egress and use of land associated with, arising out of, or related to the ownership or operation of the Acquired Company Assets.

"SECURITIES ACT" means the Securities Act of 1933, as amended from time to time.

"SECURITIES EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended from time to time.

"SELLER" has the meaning set forth in the preface.

"SELLER'S DISCLOSURE SCHEDULES" is defined in Section 5(h).

"SELLER INDEMNITEES" means, collectively, the Seller and its Affiliates and each of their respective officers (or Persons performing similar functions), directors (or Persons performing similar functions), employees, agents, and representatives.

"SELLER PARENT" has the meaning set forth in the preface.

"SELLER PARTY" means each of (i) the Seller, (ii) the Seller Parent, (iii) each Affiliate of the Seller (other than, after the Closing, the Acquired Companies) in which the Seller owns (directly or indirectly) an Equity Interest and which is a party to any Transaction Agreement and (iv) up to and through the Closing, each of the Acquired Companies.

"STRADDLE PERIOD" means a Tax period or year commencing before and ending after the Effective Time.

"STRADDLE RETURN" means a Tax Return for a Straddle Period.

"SUBJECT CONTRACTS" has the meaning set forth in Section 4(g).

"TAX" or "TAXES" means any federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Code Section 59A), custom duties,

capital stock, franchise, profits, withholding, social security (or similar excises), unemployment, disability, ad valorem, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty or addition thereto, whether disputed or not.

"TAX RECORDS" means all Tax Returns and Tax-related work papers relating to any Acquired Company Asset.

"TAX RETURN" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"THIRD PARTY CLAIM" has the meaning set forth in Section 8(d).

"TRANSACTION AGREEMENTS" means this Agreement, the Acquired Company Equity Interests Assignments, the Exchange Agreement (if applicable), and all other agreements, documents, certificates or instruments executed and delivered in connection with the transactions contemplated herein.

"TRANSMISSION" means El Paso Transmission, L.L.C., a Delaware limited liability company.

"WORKING CAPITAL" means current assets and current liabilities as of the Effective Time as determined in accordance with GAAP.

2. The Transaction.

(a) Sale of Acquired Company Equity Interests. Subject to the terms and conditions of this Agreement, the Seller agrees to sell to the Buyer (or its designee(s)) the Acquired Company Equity Interests, free and clear of any Encumbrances, and the Buyer agrees (or agrees to cause its designee(s)) to purchase the Acquired Company Equity Interests.

(b) Consideration. In consideration for the assignment of the Acquired Company Equity Interests, the Buyer agrees to pay the Seller the Purchase Price in cash by wire transfer of immediately available federal funds.

(c) The Closing. The closing of the transactions contemplated by this Agreement (the "CLOSING") shall take place at the offices of the Seller, commencing at 10:00 a.m., local time, on the earlier to occur of (i) the date of the Merger Closing or (ii) such other date as the Parties may mutually determine (the "CLOSING DATE").

(d) Deliveries at the Closing. At the Closing,

(i) the Seller shall deliver to the Buyer the various certificates, instruments, and documents referred to in Sections 7(a) and 9(o);

(ii) the Buyer shall deliver to the Seller the various certificates, instruments, and documents referred to in Section 7(b);

(iii) the Seller shall execute and deliver the Acquired Company Equity Interests Assignment covering the Acquired Company Equity Interests;

(iv) the Seller shall deliver to the Buyer an assignment in a form reasonably acceptable to the Buyer, duly executed by all parties thereto, whereby all of the Retained Items are assigned by the Acquired Companies to the Seller (or its designee) effective as of a date prior to the Closing Date;

(v) the Seller shall deliver to the Buyer true and complete copies of the agreements referenced in Section 5(i), executed by all parties thereto;

(vi) the Seller shall deliver to the Buyer the Proposed Closing Statement;

(vii) the Seller shall have delivered to the Buyer certified copies of the Organizational Documents of each of the Acquired Companies and certificates of good standing for each of the Acquired Companies as of the Closing Date from the applicable Governmental Authorities in Delaware, Texas and each other jurisdiction that requires qualification for such Acquired Companies;

(viii) the Seller shall have delivered to the Buyer a certificate attesting:

(A) that each of the conditions specified in Sections 7(a)(i)-7(a)(vi) is satisfied in all respects,

(B) to the resolutions of the respective Board of Directors (or general partner, in the case of any limited partnership) of the Seller Parent and Seller authorizing the execution and delivery of this Agreement by Seller Parent and Seller and the consummation by Seller Parent and Seller of the transactions contemplated hereby, and certifying that such resolutions were duly adopted and have not been rescinded or amended as of the Closing Date, and

(C) to the incumbency and signature of each officer of Seller Parent or Seller who has executed this Agreement.

(ix) the Buyer shall have delivered to the Seller a certificate of good standing for the Buyer and its designee from the Secretary of State of Delaware; and

(x) the Buyer shall have delivered to the Seller a certificate attesting:

(A) that each of the conditions specified in Section 7(b)(i)-7(b)(vi) is satisfied in all respects

(B) to the resolutions of the Board of Directors of the Buyer GP authorizing the execution and delivery of this Agreement by the Buyer and the consummation by the Buyer of the transactions contemplated hereby, and certifying that such resolutions were duly adopted and have not been rescinded or amended as of the Closing Date, and

(C) to the incumbency and signature of each officer of the Buyer who has executed this Agreement.

(xi) the Seller shall deliver to the Buyer, if applicable, documents necessary to release the Acquired Companies, Acquired Company Equity Interests and Acquired Company Assets from Obligations and liens related to Indebtedness of any Seller Party; and

(xii) the Parties shall execute and/or deliver, or cause to be executed and/or delivered, to each other the other Transaction Agreements (including the Exchange Agreement, if applicable).

(e) Proposed Closing Statement and Post-Closing Adjustment.

(i) On or prior to the Closing Date, the Seller shall cause to be prepared and delivered to the Buyer a statement (the "PROPOSED CLOSING STATEMENT"), as prepared and determined in accordance with GAAP to the extent applicable, setting forth the Seller's good faith estimate, including reasonable detail, of the Purchase Price. As soon as practicable, but in any event no later than 60 days following the Closing Date, the Buyer shall cause to be prepared and delivered to the Seller a statement, including reasonable detail, of the actual Purchase Price (such statement, as it may be adjusted pursuant to Section 2(e)(ii), the "CLOSING STATEMENT").

(ii) Upon receipt of the Closing Statement, the Seller and the Seller's independent accountants shall be permitted during the succeeding 60-day period to examine the work papers used or generated in connection with the preparation of the Closing Statement and such other documents as the Seller may reasonably request in connection with its review of the Closing Statement. Within 60 days of receipt of the Closing Statement, the Seller shall deliver to the Buyer a written statement describing in reasonable detail its objections (if any) to any amounts or items set forth on the Closing Statement. If the Seller does not raise objections within such period, then, the Closing Statement shall become final and binding upon all Parties at the end of such period. If the Seller raises objections, the Parties shall negotiate in good faith to resolve any such objections. If the Parties are unable to resolve any disputed item within 60 days after the Seller's receipt of the Closing Statement, any such disputed item shall be submitted to an independent "Big-Four" accounting firm mutually agreeable to the Parties who shall be instructed to resolve such disputed item within 30 days. The resolution of disputes by the accounting firm so selected shall be set forth in writing and shall be conclusive, binding and non-appealable upon the Parties and the Closing Statement shall become final and binding upon the date of such resolution. The fees and expenses of such accounting firm shall be paid one-half by the Buyer and one-half by the Seller.

(iii) If the Purchase Price as set forth on the Closing Statement exceeds the estimated Purchase Price as set forth on the Proposed Closing Statement, the Buyer shall pay the Seller in cash the amount of such excess. If the estimated Purchase Price as set forth on the Proposed Closing Statement exceeds the Purchase Price as set forth on the Closing Statement, the Seller shall pay to the Buyer (or its designee) in cash the amount of such excess. After giving effect to the foregoing adjustments, any amount to be paid by the Buyer to the Seller, or to be paid by the Seller to the Buyer, as the case may be, shall be paid in the manner and with interest as provided in Section 2(e)(iv) at a mutually convenient time and place within five business days after the later of acceptance of the Closing Statement or the resolution of the Seller's objections thereto pursuant to Section 2(e)(ii)).

(iv) Any payments pursuant to this Section 2(e) shall be made by causing such payments to be credited in immediately available funds to such account or accounts of the Buyer or the Seller, as the case may be, as may be designated by the Buyer or the Seller, as the case may be. If payment is being made after the fifth business day referred to in Section 2(e)(iii), the amount of the payment to be made pursuant to this Section 2(e) shall bear interest from and including such fifth business day to, but excluding, the date of payment at a rate per annum equal to the Prime Rate plus two percent. Such interest shall be payable at the same time as the payment to which it relates and shall be calculated on the basis of a year of 365 days and the actual number of days for which due.

(v) The Seller shall cooperate in the preparation of the Closing Statement, including providing customary certifications to the Buyer, and, if requested, to the Seller's independent accountants or the accounting firm selected by mutual agreement of the Parties pursuant to Section 2(e)(ii).

(vi) The value of the Inventory, as of the Effective Time, shall be mutually determined by the Seller and the Buyer, each acting reasonably, and shall be adjusted to take into account (i) the market valuation of contracts of the Acquired Companies for the fixed price forward sale of propane that are in effect as of the Effective Time using a mutually determined mark-to-market valuation, less an amount equal to the prepaid purchase price associated with the propane inventory corresponding to such contracts, and (ii) any physical exchange imbalances of natural gas, natural gas liquids, and condensates attributable to the Acquired Companies as of the Effective Time. If within 45 days following the Closing Date the Seller and the Buyer have not reached an agreement with regard to the value of any such Inventory, then the Seller and the Buyer shall engage an independent "Big-Four" accounting firm to determine such value and the determination by such accounting firm shall be binding upon the Parties. Each of the Seller and the Buyer shall bear and pay one-half of the fees and expenses of such accounting firm arising out of such engagement.

(vii) Except as set forth in Sections 2(e)(ii) and 2(e)(vi), each Party shall bear its own expenses incurred in connection with the preparation and review of the Closing Statement.

3. Representations and Warranties Concerning the Transaction.

(a) Representations and Warranties of the Seller. The Seller and the Seller Parent hereby jointly and severally represent and warrant to the Buyer as follows:

(i) Organization and Good Standing. Each of Seller and Seller Parent is an entity duly organized, validly existing, and in good standing under the Laws of the State of Delaware. Seller is in good standing under the Laws of jurisdictions which require such qualification, except where the lack of such qualification would not have a Material Adverse Effect.

(ii) Authorization of Transaction. Each Seller Party has full power and authority (including full entity power and authority) to execute and deliver each Transaction Agreement to which such Seller Party is a party and to perform its obligations thereunder. Each Transaction Agreement to which any Seller Party is a party constitutes the valid and legally binding obligation of such Seller Party, enforceable against such Seller Party in accordance with its terms and conditions, subject, however, to the effects of bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally, and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). Except as contemplated by Section 5(g) and as set forth on Schedule 3(a)(ii), no Seller Party need give any notice to, make any filing with, or obtain any authorization, consent, or approval of any Governmental Authority or any other Person in order to consummate the transactions contemplated by this Agreement or any other Transaction Agreement to which such Seller Party is a party.

(iii) Noncontravention. Except as contemplated by Section 5(g) and filings specified in Schedule 3(a)(ii) or as set forth in Schedule 3(a)(iii), neither the execution and delivery of any Transaction Agreement to which any Seller Party is a party, nor the consummation of any of the transactions contemplated thereby, shall (A) violate any Law to which any Seller Party is subject or any provision of its Organizational Documents or (B) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any Person the right to accelerate, terminate, modify, cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which any Seller Party is a party or by which it is bound or to which any of its assets or any of the Acquired Company Assets are subject, except for such violations, defaults, breaches, or other occurrences that do not, individually or in the aggregate, have a Material Adverse Effect on the ability of the Seller or any other Seller Party to consummate the transactions contemplated by such Transaction Agreement.

(iv) Brokers' Fees. No Seller Party has any liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement for which the Buyer could become liable or obligated.

(v) Taxes. To the Knowledge of each Seller Party, the Seller has (i) duly filed all material Tax Returns required to be filed by or with respect to the Seller or its assets or operations with the Internal Revenue Service or other applicable taxing authority, (ii) paid, or adequately reserved against, all Taxes due or claimed due by a taxing authority and (iii) made all material deposits required with respect to Taxes. To the Knowledge of each Seller Party, there has been no material issue raised or material adjustment proposed (and none is pending) by the Internal Revenue Service or any other taxing authority in connection with any Tax Returns relating to the operations of the Acquired Companies, and no waiver or extension of any statute of limitations as to any federal, state, local or foreign tax matter relating to the operations of the Acquired Companies has been given by or requested from Seller with respect to any Tax year.

(b) Representations and Warranties of the Buyer. The Buyer hereby represents and warrants to the Seller as follows:

(i) Organization of the Buyer. Each Buyer Party is a limited liability company, limited partnership or corporation duly organized, validly existing, and in good standing under the Laws of the State of Delaware. Each Buyer Party is in good standing under the Laws of the State of Texas and each other jurisdiction which requires such qualification, except where the lack of such qualification would not have a material adverse effect on its business, operations or financial condition.

(ii) Authorization of Transaction. Each Buyer Party has full power and authority (including full entity power and authority) to execute and deliver each Transaction Agreement to which it is a party and to perform its obligations thereunder. Each Transaction Agreement to which such Buyer Party is a party constitutes the valid and legally binding obligation of such Buyer Party, enforceable against such Buyer Party in accordance with its terms and conditions, subject, however, to the effects of bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally, and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). Except as contemplated by Section 5(g) and as set forth on Schedule 3(b)(ii), no Buyer Party needs to give any notice to, make any filing with, or obtain any authorization, consent, or approval of any Governmental Authority or any other Person in order to consummate the transactions contemplated by this Agreement or any other Transaction Agreement.

(iii) Noncontravention. Except as contemplated by Section 5(g) and filings specified in Schedule 3(b)(ii) or as set forth in Schedule 3(b)(iii), neither the execution and delivery of any Transaction Agreement to which any Buyer Party is a party, nor the consummation of any of the transactions contemplated thereby, shall (A) violate any Law to which such Buyer Party is subject or any provision of its Organizational Documents or (B) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any Person the right to accelerate, terminate, modify, or cancel, or require any notice, approval or consent under any agreement, contract, lease, license, instrument, or other arrangement to which any Buyer Party is a party or by which it is bound or to which any of its assets is subject, except for such violations, defaults, breaches, or other occurrences that do not, individually or in the

aggregate, have a material adverse effect on the ability of any Buyer Party to consummate the transactions contemplated by such Transaction Agreement.

(iv) Brokers' Fees. No Buyer Party has any liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement for which the Seller could become liable or obligated.

(v) Investment. The Buyer is not acquiring the Acquired Company Equity Interests with a view to or for sale in connection with any distribution thereof or any other security related thereto within the meaning of the Securities Act. The Buyer is familiar with investments of the nature of the Acquired Company Equity Interests, understands that this investment involves substantial risks, has adequately investigated the Acquired Company Equity Interests, and has substantial knowledge and experience in financial and business matters such that it is capable of evaluating, and has evaluated, the merits and risks inherent in purchasing the Acquired Company Equity Interests, and is able to bear the economic risks of such investment. The Buyer has had the opportunity to visit with the Seller and its applicable Affiliates and meet with their representative officers and other representatives to discuss the business, assets, liabilities, financial condition, and operations of the Acquired Companies, has received all materials, documents and other information that the Buyer deems necessary or advisable to evaluate the Acquired Companies, and has made its own independent examination, investigation, analysis and evaluation of the Acquired Companies, including its own estimate of the value of the Acquired Companies. The Buyer has undertaken such due diligence (including a review of the properties, liabilities, books, records and contracts of the Acquired Companies) as the Buyer deems adequate.

4. Representations and Warranties Concerning the Acquired Company Equity Interests, Acquired Companies and Acquired Company Assets. The Seller and the Seller Parent hereby jointly and severally represent and warrant to the Buyer as follows:

(a) Organization, Qualification, and Company Power. Each of the Acquired Companies (x) is a limited partnership duly organized, validly existing, and in good standing under the Laws of the State of Delaware, except where the lack of such organization, existence or good standing would not have a Material Adverse Effect; (y) is in good standing under the Laws of the State of Texas and each other jurisdiction which requires qualification, except where the lack of such qualification would not have a Material Adverse Effect; and (z) has full power and authority to carry on the businesses in which it is engaged and to own and use the properties owned and used by it, except where the lack of such power and authority would not have a Material Adverse Effect.

(b) Noncontravention. Except as contemplated by Section 5(g) or as set forth in Schedule 4(b), neither the execution and delivery of any Transaction Agreement, nor the consummation of any of the transactions contemplated thereby, shall (i) violate any Law to which any of the Acquired Companies, any of the Acquired Company Equity Interests or any of the Acquired Company Assets is subject or any provision of the Organizational Documents of any of the Acquired Companies or (ii) conflict with, result

in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, require any notice or trigger any rights to payment or other compensation, or result in the imposition of any Encumbrance on any of the Acquired Companies, any of the Acquired Company Equity Interests or any of the Acquired Company Assets under, any agreement, contract, lease, license, instrument, or other arrangement to which any of the Acquired Companies, any of the Acquired Company Equity Interests or any of the Acquired Company Assets is subject, except where the violation, conflict, breach, default, acceleration, termination, modification, cancellation, failure to give notice, right to payment or other compensation, or Encumbrance would not have a Material Adverse Effect, or would not materially adversely affect the ability of any Seller Party to consummate the transactions contemplated by such Transaction Agreement.

(c) Title to and Condition of Acquired Company Assets.

(i) Each of the Acquired Companies has good, marketable and indefeasible title to all of its respective Acquired Company Assets in each case free and clear of all Encumbrances, except for Permitted Encumbrances, and the Acquired Company Assets and the Miscellaneous Assets constitute all of the assets and rights necessary for the operation and business of the Acquired Companies in order to generate the financial results set forth in the Financial Statements. The material real property interests, gas plants, pipeline gathering systems and other material assets comprising the Acquired Company Assets are described on Exhibit A. The operations of the Acquired Company Assets are the only operations reflected in the Financial Statements.

(ii) To the Seller's Knowledge, except as disclosed in Schedule 4(c)(ii), the Acquired Company Assets are in good operating condition and repair (normal wear and tear excepted), are free from defects (patent and latent), are suitable for the purposes for which they are currently used and are not in need of maintenance or repairs except for ordinary routine maintenance and repairs in the Ordinary Course of Business and the repairs contemplated by Section 5(j).

(iii) Capitalization of the Acquired Companies.

(A) The capitalization of the Acquired Companies is as \
follows:

(1) The Hydrocarbons GP Interest and Hydrocarbons LP Interest constitute all of the Equity Interests of Hydrocarbons. Field Services owns (beneficially and of record) 100% of the Hydrocarbons GP Interest, and Transmission and Holding collectively own (beneficially and of record) 100% of the Hydrocarbons LP Interest.

(2) The Marketing GP Interest and Marketing LP Interest constitute all of the Equity Interests of Marketing. Field Services owns (beneficially and of record) 100% of the Marketing GP Interest, and Transmission owns (beneficially and of record) 100% of the Marketing LP Interest.

(B) The Seller Parent directly or indirectly owns 100% of each Seller. All of the Acquired Company Equity Interests are uncertificated. The Acquired Company Equity Interests constitute 100% of the issued and outstanding Equity Interests of the Acquired Companies, and have been duly authorized, and are validly issued and fully paid and (except (i) as set forth to the contrary in the applicable governing documents and (ii) as set forth in Sections 17-303(a) and 17-607 of the Delaware LP Act with respect to limited partnership interests) non-assessable. Except to the extent created under the Securities Act, state securities Laws, limited liability company Laws, limited partnership Laws, partnership and joint venture Laws and general corporation Laws of the Acquired Companies' jurisdiction of formation, and as created by the Acquired Companies' Organizational Documents, (x) the Acquired Company Equity Interests are held as set forth above, free and clear of any Encumbrances and (y) there are no Commitments with respect to any Equity Interest of any of the Acquired Companies. No Seller Party is party to any voting trusts, proxies, or other agreements or understandings with respect to voting any Equity Interest of any of the Acquired Companies.

(C) After the consummation of the transactions contemplated in this Agreement, the Buyer or its designees shall own, directly or indirectly, 100% of the Acquired Company Equity Interests.

(iv) Acquired Company Asset Ownership. Other than the limited partnership interests described on Exhibit B, none of the Acquired Companies own, directly or indirectly (and the Acquired Company Assets do not include), an Equity Interest in any other Person. The Acquired Companies own no assets other than the Acquired Company Assets and the Retained Items and have no operations or Obligations other than those directly related to the operation of the Acquired Company Assets and the Retained Items.

(v) Encumbrances for Borrowed Money. Except for those Obligations and liens to be released prior to the Closing or related to the operation of the Acquired Company Assets, the Acquired Companies are not a party or subject to any borrowings, loan agreements, promissory notes, pledges, mortgages, guaranties, liens and similar liabilities (direct and indirect), or Encumbrances which are secured by or constitute an Encumbrance on the Acquired Company Equity Interests or the Acquired Company Assets.

(d) Material Change. Except as set forth in Schedule 4(d), since October 31, 2003 (and except as expressly set forth in the Financial Statements):

(i) there has not been any Material Adverse Effect;

(ii) the Acquired Company Assets have been operated and maintained in the Ordinary Course of Business;

(iii) there has not been any damage, destruction or loss to any portion of the Acquired Company Assets, whether or not covered by insurance, that would have a Material Adverse Effect;

(iv) there has been no purchase, sale or lease of any material asset included in the Acquired Company Assets;

(v) there has been no actual, pending, or, to the Seller's Knowledge, threatened change affecting any of the Acquired Company Assets with any customers, licensors, suppliers, distributors or sales representatives of or working for the benefit of any of the Acquired Companies, except for changes that do not have a Material Adverse Effect;

(vi) there has been no (x) amendment or modification in any material respect to any Subject Contract or any other contract or agreement material to the Acquired Company Assets, or (y) termination of any Subject Contract or any other contract or agreement material to the Acquired Company Assets before the expiration of the term thereof other than to the extent any such material contract or agreement terminated pursuant to its terms in the Ordinary Course of Business; except for amendment, modifications or terminations that do not have a Material Adverse Effect;

(vii) except in the Ordinary Course of Business, none of the Acquired Companies have incurred (or assumed responsibility for or guaranteed) any Indebtedness other than Indebtedness to be retired prior to or in connection with the Closing; and

(viii) there is no contract, commitment or agreement to do any of the foregoing, except as expressly permitted hereby.

(e) Legal Compliance. Each of the Acquired Companies are in compliance, and at all times since January 1, 2001, have complied with all applicable Laws of all Governmental Authorities, except where the failure to comply would not have a Material Adverse Effect. Neither Seller nor Seller Parent makes any representations or warranties in this Section 4(e) with respect to Taxes or Environmental Laws, for which the sole representations and warranties of the Seller are set forth in Sections 4(f) and 4(i), respectively.

(f) Tax Matters. Each of the Acquired Companies have been classified as a partnership for U.S. federal income tax purposes from its inception. Except as set forth in Schedule 4(f) or as would not have a Material Adverse Effect, the Acquired Companies have timely filed all Tax Returns with respect to the Acquired Companies and the Acquired Company Assets that they were required to file and such Tax Returns are accurate in all material respects. All Taxes shown as due by any of the Acquired Companies or with respect to the Acquired Company Assets on any such Tax Returns have been paid. Additionally, there is no dispute or claim concerning any Tax liability of the Acquired Companies related to the Acquired Companies or the Acquired Company Assets claimed or raised in writing by any Governmental Authority.

(g) Contracts and Commitments. Except for contracts entered into after the date hereof as permitted pursuant to Section 5(c)(v) and those identified in Section 5(i), Schedule 4(g)(i) contains a list of the contracts, agreements and commitments having a

remaining term of more than one month to which any of the Acquired Companies are a party and which provide for a material amount of revenues to be paid to any of the Acquired Companies or which impose on any of the Acquired Companies any material Obligation (the "SUBJECT CONTRACTS"), and each such Subject Contract is in full force and effect, except where the failure to be in full force and effect would not have a Material Adverse Effect. The Subject Contracts constitute all of the material contracts, agreements, and commitments, in effect as of October 1, 2003, necessary for the operation and business of the Acquired Companies and the Acquired Company Assets, as applicable, in order to generate the financial results set forth in the Financial Statements. The Seller Parties have performed all material obligations required to be performed by them to date under the Subject Contracts, and are not in default under any obligation of any such contract, except when such default would not have a Material Adverse Effect. To the Seller's Knowledge, no other party to any Subject Contract is in default thereunder.

(h) Litigation.

(i) Schedule 4(h) sets forth each instance in which any of the Acquired Companies or any of the Acquired Company Assets (A) is subject to any outstanding injunction, judgment, order, decree, ruling, settlement agreement, deficiency letter or charge or (B) is the subject of any action, suit, proceeding, hearing, or investigation of, in, or before any court or quasi-judicial or administrative agency of any federal, state, local, or foreign jurisdiction, or is the subject of any pending or, to the Seller's Knowledge, threatened claim, demand, or notice of violation or liability from any Person, except where any of the foregoing would not have a Material Adverse Effect.

(ii) No Seller Party has Knowledge of any facts that such relevant Persons reasonably believe are likely to give rise to any present or future injunction, judgment, order, decree, ruling, or charge or action, suit, proceeding, hearing, or investigation of, in, or before any court or quasi judicial or administrative agency of any federal, state, local, or foreign jurisdiction, against any of the them giving rise to any Obligation to which any of the Acquired Companies or any of the Acquired Company Assets would be subject that could reasonably be expected to result in a Material Adverse Effect.

(i) Environmental Matters. Except as set forth in Schedule 4(i):

Except for matters that could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect: (a) the Acquired Companies and their respective businesses, operations, and properties have been and are in compliance with all Environmental Laws and all permits, registrations, licenses, approvals, exemptions, variances, and other authorizations required of the Acquired Companies under Environmental Laws (the "ENVIRONMENTAL PERMITS"); (b) the Acquired Companies have obtained or filed for all Environmental Permits for their respective businesses, operations, and properties as they currently exist and all such Environmental Permits are currently in full force and effect; (c) the Acquired Companies and their respective businesses, operations, and properties are not subject to any pending or, to the Seller's Knowledge,

threatened claims, actions, suits, investigations, inquiries or proceedings under Environmental Laws; (d) there have been no Releases or, to the Seller's Knowledge, threatened Releases of Hazardous Substances on, under or from the properties of the Acquired Companies; (e) the Acquired Companies have not received, to the Seller's Knowledge, any written notice asserting an alleged liability or obligation under any Environmental Laws against the Acquired Companies with respect to the actual or alleged Hazardous Substance contamination of any property offsite of the properties of the Acquired Companies; (f) to the Seller's Knowledge, there has been no exposure of any person or property to Hazardous Substances in connection with the Acquired Companies' businesses, operations, or properties that could reasonably be expected to lead to tort claims by third parties of damages or compensation; and (g) the Seller has made available (or will make available within 60 days following the date of this Agreement) to the Buyer complete and correct copies of all environmental site assessment reports, studies, and correspondence on environmental matters that are in the possession of the Acquired Companies, the Seller or any Affiliate of the Seller and relating to the respective businesses, operations, or properties of the Acquired Companies.

Neither Seller nor Seller Parent makes any representation or warranty regarding any compliance or failure to comply with, or any actual or contingent liability under, any Environmental Law, except as expressly set forth in this Section 4(i).

(j) Preferential Purchase Rights. Except as set forth on Schedule 4(j), there are no preferential purchase rights, options or other rights held by any Person not a party to this Agreement to purchase or acquire any or all of the Equity Interest in any of the Acquired Companies, or any of the Acquired Company Assets, in whole or in part, that would be triggered or otherwise affected as a result of the transactions contemplated by this Agreement (the "PREFERENTIAL RIGHTS").

(k) Financial Information.

(i) Attached as Schedule 4(f)(i) are the following (the "FINANCIAL INFORMATION"):

(A) Balance sheet for El Paso Hydrocarbons, L. P. as of October 31, 2003:

(B) Income statement for El Paso Hydrocarbons, L.P. for the ten month period ended October 31, 2003; and

(C) Income statement for El Paso NGL Marketing, L.P. for the ten month period ended October 31, 2003.

(ii) Financial Information is unaudited financial data for the Acquired Companies. The Financial Information is derived from the books and records of the Seller and was prepared on a basis consistent with that of the audited consolidated financial statements of Seller Parent. However, the Financial Information does not include all closing adjustments or disclosures required to be included in conformity with

GAAP. The Financial Information is true, correct and complete and fairly presents in all material respects the results of the operations and the financial Obligations and financial condition of the Acquired Companies for the periods covered thereby.

(l) Employee Matters. None of the Acquired Companies have had employees since December 22, 2000.

(m) Prohibited Events. None of the matters described in Section 5(c) have occurred since October 31, 2003.

(n) Regulatory Matters. No Seller Party or any of the Acquired Companies is (i) a "holding company," a "subsidiary company" of a "holding company," an "affiliate" of a "holding company," or a "public utility," as each such term is defined in the Public Utility Holding Company Act of 1935, as amended, or (ii) an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder. Except as set forth on Schedule 4(n), none of the Acquired Company Assets are subject to regulation by the Federal Energy Regulatory Commission or rate regulation or comprehensive nondiscriminatory access regulation under any federal laws or the laws of any state or other local jurisdiction.

(o) Disclaimer of Representations and Warranties Concerning Personal Property, Equipment, and Fixtures. The Buyer acknowledges that (i) it has had and pursuant to this Agreement shall have before Closing access to the Acquired Companies and the Acquired Company Assets and the officers of the Seller and (ii) in making the decision to enter into this Agreement and consummate the transactions contemplated hereby, the Buyer has relied solely on the basis of its own independent investigation and upon the express representations, warranties, covenants, and agreements set forth in this Agreement and the other Transaction Agreements. Accordingly, the Buyer acknowledges that, except as expressly set forth in this Agreement, the Seller has not made, and THE SELLER MAKES NO AND DISCLAIMS ANY, REPRESENTATIONS OR WARRANTIES, WHETHER EXPRESS OR IMPLIED, AND WHETHER BY COMMON LAW, STATUTE, OR OTHERWISE, REGARDING (i) THE QUALITY, CONDITION, OR OPERABILITY OF ANY PERSONAL PROPERTY, EQUIPMENT, OR FIXTURES, (ii) THEIR MERCHANTABILITY, (iii) THEIR FITNESS FOR ANY PARTICULAR PURPOSE, OR (iv) THEIR CONFORMITY TO MODELS, SAMPLES OF MATERIALS OR MANUFACTURER DESIGN, AND ALL PERSONAL PROPERTY AND EQUIPMENT IS DELIVERED "AS IS, WHERE IS" IN THE CONDITION IN WHICH THE SAME EXISTS.

5. Pre-Closing Covenants. The Parties agree as follows with respect to the period between the date of this Agreement and the Closing:

(a) General. The Buyer shall use its Best Efforts to take all action and to do all things necessary, proper, or advisable in order to consummate and make effective the transactions contemplated by this Agreement, including the Seller's conditions to closing in Section 7(b). The Seller and the Seller Parent shall use their Best Efforts to take all

action and to do all things necessary, proper, or advisable in order to consummate and make effective the transactions contemplated by this Agreement, including the Buyer's conditions to closing in Section 7(a).

(b) Notices and Consents. Each of the Parties shall give any notices to, make any filings with, and use its Best Efforts to obtain any authorizations, consents, and approvals of Governmental Authorities and third parties it is required to obtain in connection with the matters referred to in Sections 3(a)(ii), 3(a)(iii), 3(b)(ii), and 3(b)(iii) including the corresponding Schedules, so as to permit the Closing to occur simultaneously with the Merger Closing.

(c) Operation of Business. The Seller and the Seller Parent shall not, without the consent of the Buyer (which consent shall not be unreasonably withheld or delayed), except as expressly contemplated by this Agreement, cause or (to the extent any Seller Party or its Affiliate has the Legal Right) permit any of the Acquired Companies to engage in any practice, take any action, or enter into any transaction outside the Ordinary Course of Business or, with respect to the Acquired Company Assets, engage in any practice, take any action, or enter into any transaction outside the Ordinary Course of Business. Without limiting the generality of the foregoing, without the consent of the Buyer (which consent shall not be unreasonably withheld or delayed as to the matters addressed in clauses (ii), (iii), (iv), (v) (B), (C) and (D), and (vii) below), the Seller and the Seller Parent shall not, and shall not cause or (to the extent any Seller Party has the Legal Right) permit any of the Acquired Companies to, do any of the following:

(i) issue, sell, pledge, dispose of, grant, encumber, or authorize the issuance, sale, pledge, disposition, or grant of any Equity Interest of any of the Acquired Companies or any Commitments with respect to any Equity Interest of any of the Acquired Companies;

(ii) cause or allow any part of the Acquired Company Assets to become subject to an Encumbrance, except for Permitted Encumbrances;

(iii) amend in any material respect any contract or agreement material to the Acquired Company Assets or any of the Acquired Companies (or any of the Acquired Companies' Organizational Documents) or terminate any such material contract or agreement before the expiration of the term thereof other than to the extent any such material contract or agreement expires in accordance with its terms in the Ordinary Course of Business;

(iv) except as required by Law, make, change or revoke any Tax election relevant to any of the Acquired Companies or Acquired Company Asset;

(v) (A) acquire (including by merger, consolidation or acquisition of Equity Interest or assets) any corporation, partnership, limited liability company or other business organization or any division thereof or any material amount of assets on behalf of the Acquired Companies; (B) on behalf of the Acquired Companies, incur any Indebtedness or issue any debt securities or assume, guarantee, endorse, or otherwise as

an accommodation become responsible for, the obligations of any Person, or make any loans or advances except for intercompany borrowing among the Acquired Companies in the Ordinary Course of Business; (C) sell, lease or otherwise dispose of any property or assets of the Acquired Companies, other than sales of goods or services in the Ordinary Course of Business; or (D) enter into or amend a material contract, agreement, commitment, or arrangement with respect to any matter set forth in this Section 5(c)(v) or otherwise not in the Ordinary Course of Business;

(vi) change any Acquired Companies' accounting practices in any material respect; or

(vii) initiate or settle any litigation, complaint, rate filing or administrative proceeding related to the Acquired Companies.

(d) Intentionally Omitted.

(e) Full Access. To the extent they have the Legal Right, the Seller and the Seller Parent shall permit, and shall cause their Affiliates to permit, representatives of the Buyer to have full access at all reasonable times and upon reasonable notice, and in a manner so as not to interfere with the normal business operations of the Seller and its Affiliates, to all premises, properties, personnel, books, records (including Tax records), contracts, and documents of or pertaining to any of the Acquired Companies or any of the Acquired Company Assets.

(f) Liens and Encumbrance. Prior to the Closing, the Seller shall obtain releases of all liens on any Acquired Company Equity Interest or Acquired Company Asset securing, and Acquired Company Obligations relating to Indebtedness, without any post-Closing liability or expense to any of the Acquired Companies, Acquired Company Asset, or any Buyer Party, and shall provide proof of such releases to the Buyer at the Closing.

(g) HSR Act. The Parties shall prepare, as soon as is practical following the execution of this Agreement, all necessary filings in connection with the transactions contemplated by this Agreement that may be required under the HSR Act. The Parties shall submit such filings to the appropriate Governmental Authority as soon as practicable after the execution hereof for filings under the HSR Act. The Parties shall request early termination of the waiting period under the HSR Act for the HSR Act filing, shall promptly make any appropriate or necessary subsequent or supplemental filings and shall cooperate in the preparation of such filings as is reasonably necessary and appropriate. The Parties shall use their respective commercially reasonable efforts to resolve such objections, if any, as may be asserted with respect to the transactions contemplated hereby under any antitrust or trade regulatory laws of any Governmental Authority. Anything herein to the contrary notwithstanding, however, nothing in this Agreement shall require the Buyer or any of its Affiliates to sell, hold separate or otherwise dispose of or conduct its business in a specified manner, or agree to sell, hold separate or otherwise dispose of or conduct its business in a specified manner, or permit the sale, holding separate or other disposition of, any assets of the Buyer or its Affiliates,

whether as a condition of obtaining any approval from a Governmental Authority or any other Person or for any other reason.

(h) Notice of Developments. The Seller will give prompt written notice to the Buyer and supplement or amend Seller's disclosure schedules attached hereto (the "SELLER'S DISCLOSURE SCHEDULES") with respect to any applicable development occurring after the date of this Agreement, or any applicable item about which the Seller did not have Knowledge on the date of this Agreement. The Seller will also promptly supplement Schedule 4(g)(i) with respect to any contract entered into after the date hereof pursuant to Section 5(c)(v). The Buyer will give prompt written notice to the Seller of any applicable development (including any actual or anticipated breach or violation of any representation, warranty or covenant herein) occurring after the date of this Agreement, or any applicable item about which the Buyer did not have Knowledge on the date of this Agreement.

(i) Various Agreements. Prior to the Closing Date, the Seller and the Seller Parent shall cause the following to occur:

(i) Hydrocarbons shall enter into agreements with the counterparties described in Schedule 5(i)(i) and shall provide a copy of such agreements to the Buyer, each such agreement to contain terms no less favorable to Hydrocarbons than the terms applicable to such agreement set forth in Schedule 5(i)(i);

(ii) Marketing shall assign to the Seller (or its designee), and such assignee shall assume all obligations of Marketing under, those agreements listed in Exhibit C labeled as "Agreements to be Assigned;" ---------

(iii) Termination of that certain Operating Agreement for the Delmita gathering system between El Paso Field Services, L.P. and the Acquired Companies; and

(iv) Consents executed by Transmission, Field Services and Holding whereby such parties consent to the assignment of the general and limited partnerships in Hydrocarbons and Marketing as contemplated by this Agreement.

(j) 2004 Maintenance.

(i) Commencing as of January 1, 2004, the Seller and the Seller Parent shall cause the Acquired Company Assets to be maintained and repaired at the level that a prudent operator of similar assets would maintain and repair the Acquired Company Assets. The Seller shall maintain or cause to be maintained accurate and complete records regarding Maintenance Capital Costs (hereinafter defined) incurred by the Acquired Companies with respect to the period beginning January 1, 2004 and ending as of the day preceding the Effective Time (the "INTERIM PERIOD"). As used herein the term "MAINTENANCE CAPITAL COSTS" means (A) expenditures incurred by the Acquired Companies during the Interim Period that are classified as capitalized maintenance costs in accordance with GAAP and (B) expenditures covered by the 2004 Revised Maintenance Budget attached as Schedule 5(j)(i).

(ii) As used herein the term "MAINTENANCE COMPARISON AMOUNT" means the sum of the product of $666,666 multiplied by the number of months falling between the beginning of calendar year 2004 and the Effective Time; provided, if the Effective Time occurs after January 1, 2005, for each month in 2005 the preceding reference to "$666,666" shall be deemed to be "366,666". If the total Maintenance Capital Costs exceed the Maintenance Comparison Amount, then such excess shall be referred to herein as the "MAINTENANCE EXCESS"; and if the Maintenance Capital Costs are less than the Maintenance Comparison Amount, then such deficiency shall be referred to herein as the "MAINTENANCE SHORTFALL".

6. Post-Closing Covenants. The Parties agree as follows:

(a) General. In case at any time after the Closing any further action is necessary to carry out the purposes of this Agreement, each of the Parties shall take such further action (including the execution and delivery of such further instruments and documents) as the other Party reasonably may request, all at the sole cost and expense of the requesting Party (unless the requesting Party is entitled to indemnification therefor under Section 8).

(b) Litigation Support. In the event and for so long as any Party actively is contesting or defending against any action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand in connection with (i) any transaction contemplated under this Agreement or (ii) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction on or before the Closing Date involving any of the Acquired Companies or the Acquired Company Assets, the other Party shall cooperate with the contesting or defending Party and its counsel in the defense or contest, make available its personnel, and provide such testimony and access to its books and records (other than books and records which are subject to privilege or to confidentiality restrictions) as shall be necessary in connection with the defense or contest, all at the sole cost and expense of the contesting or defending Party (unless the contesting or defending Party is entitled to indemnification therefor under Section 8).

(c) Surety Bonds; Guarantees. The Buyer agrees to be substituted as the surety or guarantor of any surety bonds or guarantees issued by the Seller or any of its Affiliates with respect to the Acquired Companies or the Acquired Company Assets. The Buyer and the Seller shall cooperate to effect all such substitutions within 90 days of the Closing Date and the Buyer shall indemnify and hold the Seller harmless from and against any Adverse Consequences (including the costs to the Seller of maintaining such surety bonds and guarantees) arising from the failure of the Buyer to be so substituted. The Buyer shall use commercially reasonable efforts to obtain a release of the Seller from any surety or guaranty obligations with respect to the Acquired Companies or the Acquired Company Assets.

(d) Delivery and Retention of Records. On or promptly after the Closing Date, the Seller shall deliver or cause to be delivered to the Buyer, copies of Tax Records which are relevant to Post-Closing Tax Periods and all other files, books, records,

information and data relating to the Acquired Companies or the Acquired Company Assets that are in the possession or control of the Seller or any of its Affiliates (the "RECORDS"). The Buyer agrees to (i) hold the Records and not to destroy or dispose of any thereof for a period of ten years from the Closing Date or such longer time as may be required by Law, provided that, if it desires to destroy or dispose of such Records during such period, it shall first offer in writing at least 60 days before such destruction or disposition to surrender them to the Seller and if the Seller does not accept such offer within 20 days after receipt of such offer, the Buyer may take such action and (ii) following the Closing Date to afford the Seller, its accountants, and counsel, during normal business hours, upon reasonable request, at any time, full access to the Records and to the Buyer's employees to the extent that such access may be requested for any legitimate purpose at no cost to the Seller (other than for reasonable out-of-pocket expenses); provided that such access shall not be construed to require the disclosure of Records that would cause the waiver of any attorney-client, work product, or like privilege; provided, further that in the event of any litigation nothing herein shall limit any Party's rights of discovery under applicable Law.

7. Conditions to Obligation to Close. All proceedings to be taken and all documents to be exchanged and delivered by all parties at the Closing shall be deemed to have been taken and executed simultaneously unless otherwise provided in this Agreement, and no proceedings shall be deemed taken nor any documents executed or delivered until all have been taken, executed, and delivered.

(a) Conditions to Obligation of the Buyer. The obligation of the Buyer to consummate the transactions to be performed by it in connection with the Closing is subject to satisfaction of the following conditions:

(i) the representations and warranties of the Seller and the Seller Parent contained in Sections 3(a) and 4 must be true and correct in all respects and the Seller must have performed and complied in all respects with its covenants hereunder (without giving effect to any supplement to the Schedules, any qualification as to materiality, Material Adverse Effect or concepts of similar import, or any qualification or limitation as to monetary amount or value) as of the date of this Agreement and at Closing (except for those which refer to a specific date, which must be true and correct as of such date), except for any breach of any such representations and warranties as of the Closing (rather than the date of this Agreement) due to actions taken by the Seller in compliance with Sections 5(c) or 11(p) and except where the failure of such representations and warranties to be correct and the failure of such obligations to be performed (combined with any similar failures under the Merger Agreement) could not, in the aggregate, reasonably be expected to result in a GulfTerra Material Adverse Effect (as defined in the Merger Agreement);

(ii) there must not be any injunction, judgment, order, decree, ruling, or charge in effect preventing consummation of any of the transactions contemplated by this Agreement or any suit or action pending by a Governmental Authority to enjoin the consummation of any of the transactions, contemplated by this Agreement;

(iii) the Seller must have obtained all material Governmental Authority and third party consents, including any material consents specified in Sections 3(a)(ii), 3(a)(iii) and 4(b) and including the corresponding Schedules, except where such failure could not reasonably be expected to result in a GulfTerra Material Adverse Effect;

(iv) any required waiting period under the HSR Act shall have expired or early termination shall have been granted with respect to such period;

(v) delivery by Seller of resignations by (or evidence of removal of) all officers, managers and members of the Board of Directors or similar governing board of each of the Acquired Companies from such positions (unless otherwise directed by the Buyer) except where such failure could not reasonably be expected to result in a GulfTerra Material Adverse Effect; and

(vi) the Merger Closing shall have occurred.

The Buyer may waive any condition specified in this Section 7(a) if it executes a writing so stating at or before the Closing.

(b) Conditions to Obligation of the Seller. The obligation of the Seller to consummate the transactions to be performed by them in connection with the Closing is subject to satisfaction of the following conditions:

(i) the representations and warranties of the Buyer contained in Section 3(b) must be true and correct in all respects (without giving effect to any supplement to the Schedules, any qualification as to materiality, Material Adverse Effect or concepts of similar import, or any qualification or limitation as to monetary amount or value) as of the date of this Agreement and at Closing (except for those which refer to a specific date, which must be true and correct as of such date), except where all breaches of such representations and warranties would (or reasonably could be expected to) result in Adverse Consequences of less than $2 million in the aggregate;

(ii) the Buyer must have performed and complied in all respects with each of its covenants hereunder through the Closing (without giving effect to any supplement to the Schedules, any qualification as to materiality, Material Adverse Effect or concepts of similar import, or any qualification or limitation as to monetary amount or value), except where all breaches of such covenants would (or reasonably could be expected to) result in Adverse Consequences of less than $2 million in the aggregate;

(iii) there must not be any injunction, judgment, order, decree, ruling, or charge in effect preventing consummation of any of the transactions contemplated by this Agreement or any suit or action pending by a Governmental Authority to enjoin the consummation of any of the transactions, contemplated by this Agreement;

(iv) the Seller must have obtained all material Governmental Authority and third party consents, including material consents specified in Sections 3(a)(ii), 3(a)(iii) and 4(b) and including the corresponding Schedules;

(v) intentionally omitted;

(vi) any required waiting period under the HSR Act shall have expired or early termination shall have been granted with respect to such period; and

(vii) the Merger Closing shall have occurred.

The Seller may waive any condition specified in this Section 7(b) if they execute a writing so stating at or before the Closing.

(c) Effect of Supplements to Schedules. For the purpose of determining whether the conditions set forth in this Section 7 have been fulfilled, the Seller's Disclosure Schedules shall be deemed to include all information contained therein on the date of this Agreement and shall be deemed to exclude all information contained in any supplement or amendment thereto.

8. Remedies for Breaches of this Agreement.

(a) Survival of Representations and Warranties. (i) All of the representations contained in Sections 3 and 4 (other than the Fundamental Representations and Sections 4(c)(i) (Title to Assets), 4(c)(ii) (Condition of Assets) and 4(f) (Tax Matters)) shall survive the Closing for a period of two years after the Closing Date; (ii) the representations and warranties contained in Sections 4(c)(i) (Title to Assets) and 4(c)(ii) (Condition of Assets) shall survive the Closing for a period of three years after the Closing Date; (iii) the Fundamental Representations shall survive the Closing indefinitely; and (iv) the representations and warranties contained in Section 4(f) (Tax Matters) shall survive the Closing with respect to any given claim that would constitute a breach of such representation or warranty until 90 days after the expiration of the statute of limitations applicable to the underlying Tax matter giving rise to that claim. The covenants and obligations contained in Sections 2 and 6 and all other covenants and obligations contained in this Agreement (other than those contained in Section 8(b)(iv) (Litigation) and the indemnities covering a breach of the Fundamental Representations or Section 4(f) (Tax Matters)) shall survive the Closing for a period of three years after the Closing Date. The covenants and obligations contained in Section 8(b)(iv) (Litigation) shall survive the Closing until 90 days after the expiration of the statute of limitations applicable to the applicable claim.

(b) Indemnification Provisions for Benefit of the Buyer.

(i) General Representations and Warranties. In the event: (x) any of the representations or warranties of the Seller or the Seller Parent is breached (without giving effect to any supplement to the Schedules, any qualification as to materiality, Material Adverse Effect or concepts of similar import, or any qualification or limitation as to monetary amount or value contained herein (other than a Fundamental

Representation or a representation or warranty contained in Section 4(f) (Tax Matters), for which an aggregate deductible or aggregate ceiling set forth in this subsection will not apply); and (y) the Buyer makes a written claim for indemnification against the Seller and the Seller Parent pursuant to Section 11(g) within the applicable survival period specified in Section 8(a), then the Seller and the Seller Parent jointly and severally agree to release, indemnify and hold harmless the Buyer Indemnitees from and against any Adverse Consequences suffered by the Buyer Indemnitees by reason of each such breach; provided, that the Seller and the Seller Parent shall not have any obligation to indemnify the Buyer Indemnitees from and against any such Adverse Consequences by reason of such breaches (A) until the Buyer Indemnitees, in the aggregate, have suffered Adverse Consequences by reason of all such breaches in excess of an aggregate deductible amount equal to 1.00% of the Purchase Price (except with respect to breaches of Section 4(c)(i) (Title to Assets), in which case the deductible amount shall be 0.1% of the Purchase Price) (after which point the Seller and the Seller Parent shall be obligated only to indemnify the Buyer Indemnitees from and against further such Adverse Consequences) or thereafter (B) to the extent the Adverse Consequences the Buyer Indemnitees, in the aggregate, have suffered by reason of all such breaches exceeds an aggregate ceiling amount equal to 50% of the Purchase Price (after which point the Seller and the Seller Parent shall have no obligation to indemnify the Buyer Indemnitees from and against further such Adverse Consequences).

(ii) Covenants and Obligations and Other Representations and Warranties. In the event: (x) any of the covenants or obligations of the Seller or the Seller Parent in Sections 2 or 6 or any other covenants or obligations of the Seller or the Seller Parent in this Agreement, or any Fundamental Representation or representation or warranty contained in Section 4(f) (Tax Matters) by the Seller or the Seller Parent is breached (in each case without giving effect to any supplement to the Schedules, any qualification as to materiality, Material Adverse Effect or concepts of similar import, or any qualification or limitation as to monetary amount or value); and (y) the Buyer makes a written claim for indemnification against the Seller and the Seller Parent pursuant to Section 11(g) within the applicable survival period specified in Section 8(a), then (subject to the limitations in Section 8(b)(vi)) the Seller and the Seller Parent jointly and severally agree to release, indemnify and hold harmless the Buyer Indemnitees from and against the entirety of any Adverse Consequences suffered by the Buyer Indemnitees by reason of such breaches.

(iii) ERISA. Subject to the limitations in Section 8(b)(vi), the Seller and the Seller Parent jointly and severally shall release, indemnify and hold harmless the Buyer Indemnitees against any and all Adverse Consequences resulting by reason of any of the Buyer Indemnitees having been aggregated with the Seller, the Seller Parent or any Affiliate of the Seller Parent under Section 414(o) of the Code, or having been under "common control" with the Seller, the Seller Parent or such Affiliate within the meaning of Section 4001(a)(14) of ERISA.

(iv) Litigation. Subject to the limitations in Section 8(b)(vi), in the event the Buyer makes a written claim for indemnification against the Seller and the Seller Parent within the applicable survival period specified in Section 8(a), then the

Seller and the Seller Parent jointly and severally shall release, indemnify and hold harmless the Buyer Indemnitees against any and all Adverse Consequences suffered by the Buyer Indemnitees with respect to, any outstanding injunction, judgment, order, decree, ruling, or charge, or any pending or threatened action, suit, proceeding, hearing, or investigation of, in, or before any court or quasi-judicial or administrative agency of any federal, state, local, or foreign jurisdiction, relating to any of the Acquired Companies or any of the Acquired Company Assets on the Closing Date, including the matters listed on Schedule 4(h).

(v) Retained and Pre-Closing Obligations. (A) The Seller and the Seller Parent jointly and severally agree to release, indemnify and hold harmless the Buyer Indemnitees against any and all Adverse Consequences with respect to the Retained Obligations, including any Tax attributable thereto. (B) The Seller and the Seller Parent jointly and severally agree to release, indemnify and hold harmless the Buyer Indemnitees against any and all Adverse Consequences with respect to the Pre-Closing Obligations; provided, however, that the Seller and the Seller Parent shall have no obligation to indemnify any Buyer Indemnified Indemnitee against any and all Adverse Consequences with respect to the Pre-Closing Obligations (i) unless Seller and Seller Parent has received a written claim for indemnification pursuant to Section 11(g) on or before the third anniversary of this Agreement and (ii) to the extent that the aggregate payments by the Seller and the Seller Parent with respect to such Pre-Closing Obligations would exceed 100% of the Purchase Price.

(vi) Notwithstanding anything to the contrary contained in Sections 8(b)(i)-(v) with the exception of the Seller's and Seller Parent's indemnity obligations under Section 8(b)(ii) (with respect to the Fundamental Representations), and Section 8(b)(v) (Retained Obligations), the Seller and the Seller Parent shall not have any obligation to indemnify any Buyer Indemnitee under this Agreement to the extent that the payment thereof would cause the aggregate indemnity payments by the Seller and the Seller Parent under this Agreement to exceed 100% of the Purchase Price.

(vii) To the extent any Buyer Indemnitee becomes liable to, and is ordered to and does pay to any third party, punitive, exemplary, special or consequential damages caused by a breach by the Seller or the Seller Parent of any representation, warranty or covenant contained in this Agreement, then such punitive, exemplary, special or consequential damages shall be deemed actual damages to such Buyer Indemnitee and included within the definition of Adverse Consequences for purposes of this Section 8.

(viii) Except for the rights of indemnification provided in this Section 8, the Buyer hereby waives any claim or cause of action pursuant to common or statutory law or otherwise against the Seller or the Seller Parent arising from any breach by the Seller or the Seller Parent of any of its representations, warranties or covenants under this Agreement or the transactions contemplated hereby.

(c) Indemnification Provisions for Benefit of the Seller.

(i) In the event: (x) the Buyer breaches any of its representations, warranties or covenants contained herein (without giving effect to any supplement to the Schedules, any qualification as to materiality, Material Adverse Effect or concepts of similar import, or any qualification or limitation as to monetary amount or value); and (y) the Seller makes a written claim for indemnification against the Buyer pursuant to Section 11(g) within the applicable survival period specified in Section 8(a), then the Buyer agrees to release, indemnify and hold harmless the Seller Indemnitees from and against the entirety of any Adverse Consequences suffered by such Seller Indemnitees by reason of all such breaches.

(ii) Except to the extent the Seller and the Seller Parent are obligated to indemnify Buyer pursuant to Section 8(b), the Buyer agrees to release, indemnify and hold harmless the Seller Indemnitees from and against the entirety of any Adverse Consequences relating to the ownership and operation of each of the Acquired Companies and each Acquired Company Asset (including those arising during, related to or otherwise attributable to the period commencing with the Effective Time).

(iii) To the extent any Seller Indemnitee becomes liable to, and is ordered to and does pay to any third party, punitive, exemplary, special or consequential damages caused by a breach by the Buyer of any representation, warranty or covenant contained in this Agreement, then such punitive, exemplary, special or consequential damages shall be deemed actual damages to such Seller Indemnitee and included within the definition of Adverse Consequences for purposes of this Section 8.

(iv) Except for the rights of indemnification provided in this Section 8, the Seller hereby waives any claim or cause of action pursuant to common or statutory law or otherwise against the Buyer arising from any breach by the Buyer of any of its representations, warranties or covenants under this Agreement or the transactions contemplated hereby.

(d) Matters Involving Third Parties.

(i) If any third party shall notify any Party (the "INDEMNIFIED PARTY") with respect to any matter (a "THIRD PARTY CLAIM") that may give rise to a claim for indemnification against any other Party (the "INDEMNIFYING PARTY") under this Section 8, then the Indemnified Party shall promptly (and in any event within five business days after receiving notice of the Third Party Claim) notify the Indemnifying Party thereof in writing.

(ii) The Indemnifying Party shall have the right to assume and thereafter conduct the defense of the Third Party Claim with counsel of its choice reasonably satisfactory to the Indemnified Party and the Indemnifying Party shall have full control of such defense and proceedings, including any compromise or settlement thereof; provided, however, that the Indemnifying Party shall not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim which

provides for or results in any payment by or Obligation of the Indemnified Party of or for any damages or other amount, any Encumbrance on any property of the Indemnified Party, any finding of responsibility or liability on the part of the Indemnified Party or any sanction or injunction of, restriction upon the conduct of any business by, or other equitable relief upon the Indemnified Party without the prior written consent of the Indemnified Party (not to be withheld unreasonably).

(iii) Unless and until the Indemnifying Party assumes the defense of the Third Party Claim as provided in Section 8(d)(ii), the Indemnified Party may defend against the Third Party Claim in any manner it reasonably may deem appropriate.

(iv) In no event shall the Indemnified Party consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior written consent of the Indemnifying Party which consent shall not be withheld unreasonably.

(e) Determination of Amount of Adverse Consequences. The Adverse Consequences giving rise to any indemnification obligation hereunder shall be limited to the actual loss suffered by the Indemnified Party (i.e. reduced by any insurance proceeds or other payment or recoupment received, realized or retained by the Indemnified Party as a result of the events giving rise to the claim for indemnification net of any expenses related to the receipt of such proceeds, payment or recoupment, including retrospective premium adjustments, if any), but not any reduction in Taxes of the Indemnified Party (or the affiliated group of which it is a member) occasioned by such loss or damage. The amount of the actual loss and the amount of the indemnity payment shall be computed by taking into account the timing of the loss or payment, as applicable, using a Prime Rate plus two percent interest or discount rate, as appropriate. Upon the request of the Indemnifying Party, the Indemnified Party shall provide the Indemnifying Party with information sufficient to allow the Indemnifying Party to calculate the amount of the indemnity payment in accordance with this Section 8(e). An Indemnified Party shall take all reasonable steps to mitigate damages in respect of any claim for which it is seeking indemnification and shall use reasonable efforts to avoid any costs or expenses associated with such claim and, if such costs and expenses cannot be avoided, to minimize the amount thereof.

(f) Tax Treatment of Indemnity Payments. All indemnification payments made under this Agreement, including any payment made under Section 9, shall be made in cash and treated as purchase price adjustments for Tax purposes.

9. Tax Matters.

(a) Post-Closing Tax Returns. The Buyer shall prepare or cause to be prepared and file or cause to be filed any Post-Closing Tax Returns with respect to the Acquired Company Assets or the Acquired Companies. The Buyer shall pay (or cause to be paid) any Taxes due with respect to such Tax Returns.

(b) Pre-Closing Tax Returns. The Seller shall prepare or cause to be prepared and file or cause to be filed all Pre-Closing Tax Returns with respect to the Acquired Company Assets or Acquired Companies. The Seller shall pay or cause to be paid any Taxes due with respect to such Tax Returns.

(c) Straddle Periods. The Buyer shall be responsible for Taxes of the Acquired Company Assets and the Acquired Companies related to the portion of any Straddle Period occurring after the Effective Time. The Seller shall be responsible for Taxes of the Acquired Company Assets and the Acquired Companies relating to the portion of any Straddle Period occurring before and on the Effective Time. With respect to any Straddle Period, to the extent permitted by applicable Law, the Seller or the Buyer shall elect to treat the Effective Time as the last day of the Tax period. If applicable Law shall not permit the Effective Time to be the last day of a period, then (i) real or personal property Taxes with respect to the Acquired Company Assets and the Acquired Companies shall be allocated based on the number of days in the partial period before and after the Effective Time, (ii) in the case of all other Taxes based on or in respect of income, the Tax computed on the basis of the taxable income or loss attributable to the Acquired Company Assets and the Acquired Companies for each partial period as determined from their books and records, and (iii) in the case of all other Taxes, on the basis of the actual activities or attributes of the Acquired Company Assets and the Acquired Companies for each partial period as determined from their books and records.

(d) Straddle Returns. The Buyer shall prepare any Straddle Returns. The Buyer shall deliver, at least 45 days prior to the due date for filing such Straddle Return (including any extension) to the Seller a statement setting forth the amount of Tax that the Seller owes, including the allocation of taxable income and Taxes under Section 9(c), and copies of such Straddle Return. The Seller shall have the right to review such Straddle Returns and the allocation of taxable income and liability for Taxes and to suggest to the Buyer any reasonable changes to such Straddle Returns no later than 15 days prior to the date for the filing of such Straddle Returns. The Seller and the Buyer agree to consult and to attempt to resolve in good faith any issue arising as a result of the review of such Straddle Returns and allocation of taxable income and liability for Taxes and mutually to consent to the filing as promptly as possible of such Straddle Returns. Not later than five days before the due date for the payment of Taxes with respect to such Straddle Returns, the Seller shall pay or cause to be paid to the Buyer an amount equal to the Taxes as agreed to by the Buyer and the Seller as being owed by the Seller. If the Buyer and the Seller cannot agree on the amount of Taxes owed by the Seller with respect to a Straddle Return, the Seller shall pay or cause to be paid to the Buyer the amount of Taxes reasonably determined by the Seller to be owed by the Seller. Within ten days after such payment, the Seller and the Buyer shall refer the matter to an independent "Big-Four" accounting firm agreed to by the Buyer and the Seller to arbitrate the dispute. The Seller and the Buyer shall equally share the fees and expenses of such accounting firm and its determination as to the amount owing by the Seller with respect to a Straddle Return shall be binding on the Seller and the Buyer. Within five days after the determination by such accounting firm, if necessary, the appropriate Party shall pay the other Party any amount which is determined by such accounting firm to be owed. The Seller shall be entitled to reduce its obligation to pay Taxes with respect to a

Straddle Return by the amount of any estimated Taxes paid with respect to such Taxes on or before the Effective Time.

(e) Claims for Refund. The Buyer shall not, and shall cause the Acquired Companies and any of their Affiliates not to, file any claim for refund of Taxes with respect to the Acquired Company Assets and the Acquired Companies for whole or partial taxable periods on or before the Effective Time.

(f) Indemnification. The Buyer agrees to indemnify the Seller against all Taxes of or with respect to the Acquired Company Assets and the Acquired Companies for any Post-Closing Tax Period and the portion of any Straddle Period occurring after the Effective Time. The Seller and the Seller parent jointly and severally agree to indemnify the Buyer against all Taxes of or with respect to the Acquired Company Assets and the Acquired Companies for any Pre-Closing Tax Period and the portion of any Straddle Period occurring on or before the Effective Time, and the Buyer Parties against all Taxes of or with respect to the Retained Items.

(g) Cooperation on Tax Matters.

(i) The Buyer and the Seller shall cooperate fully, as and to the extent reasonably requested by the other Party, in connection with the filing of Tax Returns pursuant to this Section 9(g) and any audit, litigation or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder.

(ii) The Buyer and the Seller further agree, upon request, to use their Best Efforts to obtain any certificate or other document from any Governmental Authority or any other Person as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed (including with respect to the transactions contemplated hereby).

(iii) The Buyer and the Seller agree, upon request, to provide the other Parties with all information that such other Parties may be required to report pursuant to Section 6043 of the Code and all Treasury Department Regulations promulgated thereunder.

(h) Certain Taxes. The Seller shall file all necessary Tax Returns and other documentation with respect to all transfer, documentary, sales, use, stamp, registration and other similar Taxes and fees, pay the related Tax, and, if required by applicable Law, the Buyer shall, and shall cause its Affiliates to, join in the execution of any such Tax Returns and other documentation. Notwithstanding anything set forth in this Agreement to the contrary, the Buyer shall pay to the Seller, on or before the date such payments are due from the Seller, any transfer, documentary, sales, use, stamp, registration and other Taxes and fees incurred in connection with this Agreement and the transactions contemplated hereby.

(i) Confidentiality. Any information shared in connection with Taxes shall be kept confidential, except as may otherwise be necessary in connection with the filing

of Tax Returns or reports, refund claims, tax audits, tax claims and tax litigation, or as required by Law.

(j) Audits. The Seller or the Buyer, as applicable, shall provide prompt written notice to the other Parties of any pending or threatened tax audit, assessment or proceeding that it becomes aware of related to the Acquired Company Assets or the Acquired Companies for whole or partial periods for which it is indemnified by any other Party hereunder. Such notice shall contain factual information (to the extent known) describing the asserted tax liability in reasonable detail and shall be accompanied by copies of any notice or other document received from or with any tax authority in respect of any such matters. If an indemnified party has Knowledge of an asserted tax liability with respect to a matter for which it is to be indemnified hereunder and such party fails to give the indemnifying party prompt notice of such asserted tax liability, then (I) if the indemnifying party is precluded by the failure to give prompt notice from contesting the asserted tax liability in any forum, the indemnifying party shall have no obligation to indemnify the indemnified party for any Taxes arising out of such asserted tax liability, and (II) if the indemnifying party is not so precluded from contesting, but such failure to give prompt notice results in a detriment to the indemnifying party, then any amount which the indemnifying party is otherwise required to pay the indemnified party pursuant to this Section 9(j) shall be reduced by the amount of such detriment, provided, the indemnified party shall nevertheless be entitled to full indemnification hereunder to the extent, and only to the extent, that such party can establish that the indemnifying party was not prejudiced by such failure. This Section 9(j) shall control the procedure for Tax indemnification matters to the extent it is inconsistent with any other provision of this Agreement.

(k) Control of Proceedings. The party responsible for the Tax under this Agreement shall control audits and disputes related to such Taxes (including action taken to pay, compromise or settle such Taxes). The Seller and the Buyer shall jointly control, in good faith with each other, audits and disputes relating to Straddle Periods. Reasonable out-of-pocket expenses with respect to such contests shall be borne by the Seller and the Buyer in proportion to their responsibility for such Taxes as set forth in this Agreement. Except as otherwise provided by this Agreement, the noncontrolling party shall be afforded a reasonable opportunity to participate in such proceedings at its own expense.

(l) Powers of Attorney. The Buyer, the Acquired Companies and their respective Affiliates shall provide the Seller and its Affiliates with such powers of attorney or other authorizing documentation as are reasonably necessary to empower them to execute and file returns they are responsible for hereunder, file refund and equivalent claims for Taxes they are responsible for, and contest, settle, and resolve any audits and disputes that they have control over under Section 9(k) (including any refund claims which turn into audits or disputes).

(m) Remittance of Refunds. If the Buyer or any Affiliate of the Buyer receives a refund of any Taxes that the Seller is responsible for hereunder, or if the Seller or any Affiliate of the Seller receives a refund of any Taxes that the Buyer is responsible for

hereunder, the party receiving such refund shall, within 30 days after receipt of such refund, remit it to the party who has responsibility for such Taxes hereunder. For the purpose of this Section 9(m), the term "refund" shall include a reduction in Tax and the use of an overpayment as a credit or other Tax offset, and receipt of a refund shall occur upon the filing of a Tax Return or an adjustment thereto using such reduction, overpayment or offset or upon the receipt of cash.

(n) Purchase Price Allocation. The Seller and the Buyer agree that the actual Purchase Price allocable to the Acquired Company Assets shall be allocated to the Acquired Company Assets for all purposes (including Tax and financial accounting purposes) as jointly agreed between the Buyer and the Seller within 90 days after the Closing Date. The Seller and the Buyer agree (i) to report the federal, state and local income and other Tax consequences of the transactions contemplated herein, and in particular to report the information required by Section 1060(b) of the Code, and to jointly prepare Form 8594 (Asset Acquisition Statement under Section 1060) in a manner consistent with such allocation and (ii) without the consent of the other Party, not to take any position inconsistent therewith upon examination of any Tax return, in any refund claim, in any litigation, investigation or otherwise. The Seller and the Buyer agree that each will furnish the other a copy of Form 8594 (Asset Acquisition Statement under Section 1060) proposed to be filed with the Internal Revenue Service by such Party or any Affiliate thereof within ten days prior to the filing of such form with the Internal Revenue Service.

(o) Closing Tax Certificate. At the Closing, the Seller shall deliver to the Buyer a certificate, in the form of Exhibit D, signed under penalties of perjury (i) stating it is not a foreign corporation, foreign partnership, foreign trust or foreign estate, (ii) providing its U.S. Employer Identification Number, and (iii) providing its address, all pursuant to Section 1445 of the Code.

(p) Like Kind Exchanges. Each of the Buyer and the Seller shall cooperate fully, as and to the extent reasonably requested by the other Party, in connection with enabling the transactions contemplated herein to qualify in whole or in part as a "like-kind exchange" pursuant to Section 1031 of the Code. Each of the Buyer and the Seller agree to indemnify the other Party against any and all costs and expenses incurred with respect to furnishing such cooperation. Each Party may assign all or a portion of its rights under this Agreement to a "qualified intermediary" to facilitate a like-kind exchange. The agreement between the applicable Party and the qualified intermediary (the "EXCHANGE AGREEMENT") shall be reasonably acceptable to both Parties.

10. Termination.

(a) Termination of Agreement. The Parties may terminate this Agreement, as provided below:

(i) the Parties may terminate this Agreement by mutual written consent at any time before the Closing;

(ii) Seller, Seller Parent or Buyer may terminate this Agreement if the Merger Agreement is terminated pursuant to the terms thereof;

(iii) the Buyer may terminate this Agreement by giving written notice to the Seller and the Seller Parent at any time before Closing in the event the Seller or the Seller Parent has breached any representation or warranty set forth in Section 3(a) or Section 4 or any covenant contained in this Agreement, the Buyer has notified the Seller and the Seller Parent of the breach, the breach is not curable, or, if curable, has continued without cure for a period of 90 days after the written notice of breach and such breach would result in a failure to satisfy a condition to the Buyer's obligation to consummate the transactions contemplated hereby; provided, that the right to terminate this Agreement pursuant to this Section 10(a)(iii) shall not be available to Buyer if, at such time, Buyer has breached any representation or warranty set forth in Section 3(b) or any covenant contained in this Agreement and such breach would result in a failure to satisfy a condition to Seller's obligation to consummate the transactions contemplated hereby;

(iv) the Seller and the Seller Parent may terminate this Agreement by giving written notice to the Buyer at any time before the Closing in the event the Buyer has breached any representation or warranties set forth in Section 3(b) or any covenant contained in this Agreement, the Seller has notified the Buyer of the breach, the breach is not curable, or, if curable, has continued without cure for a period of 90 days after the written notice of breach and such breach would result in a failure to satisfy a condition to the Seller's obligation to consummate the transactions contemplated hereby; provided that the right to terminate this Agreement pursuant to this Section 10(a)(iv) shall not be available to Seller and the Seller Parent if, at such time, Seller or the Seller Parent has breached any representation or warranties set forth in Section 3(a) or Section 4 or any covenant contained in this Agreement and such breach would result in a failure to satisfy a condition to Buyer's obligation to consummate the transactions contemplated hereby; and

(v) the Parties may terminate this Agreement if any court of competent jurisdiction or any governmental, administrative or regulatory authority, agency or body shall have issued an order, decree or ruling or shall have taken any other action permanently enjoining, restraining or otherwise prohibiting the transactions contemplated hereby and such order, decree, ruling or other action shall have become final and nonappealable; provided that the person seeking to terminate this Agreement pursuant to this Section 10(a)(v) shall have complied with Section 5(a), Section 5(b) and Section 5(g).

(b) Effect of Termination. Except for the obligations under Sections 8, 10 and 11, if any Party terminates this Agreement pursuant to Section 10(a), all rights and obligations of the Parties hereunder shall terminate without any liability of any Party to any other Party (except for any liability of any Party then in breach).

11. Miscellaneous.

(a) Public Announcements. Any Party is permitted to issue a press release or make a public announcement concerning this Agreement without the other Parties' consents, in which case the disclosing Party shall provide an advance copy of the proposed public disclosure to the non-disclosing Parties and permit the non-disclosing Parties the opportunity to reasonably comment on such proposed disclosure. The Parties agree to cooperate in good faith to issue separate and simultaneous press releases within 24 hours following the execution of this Agreement by all Parties.

(b) Insurance. The Buyer acknowledges and agrees that, following the Closing, any insurance policies maintained by any Seller Party shall be terminated or modified to exclude coverage of all or any portion of the Acquired Company Assets or Acquired Companies by the Seller or any of its Affiliates, and, as a result, the Buyer shall be obligated at or before Closing to obtain at its sole cost and expense replacement insurance, including insurance required by any third party to be maintained for or by the Acquired Company Assets or the Acquired Companies. The Buyer further acknowledges and agrees that the Buyer may need to provide to certain Governmental Authorities and third parties evidence of such replacement or substitute insurance coverage for the continued operations or businesses of the Acquired Company Assets or the Acquired Companies. If any claims are made or losses occur prior to the Closing Date that relate solely to the Acquired Company Assets or the business activities of the Acquired Companies and such claims, or the claims associated with such losses, properly may be made against the policies retained by the Seller or their Affiliates after the Closing, then the Seller shall use its Best Efforts so that the Buyer can file notice, and otherwise continue to pursue these claims pursuant to the terms of such policies; provided, however, nothing in this Agreement shall require the Seller to maintain or to refrain from asserting claims against or exhausting any retained policies.

(c) No Third Party Beneficiaries. Except for the indemnification provisions, this Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

(d) Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. Prior to the Closing, the Buyer may not assign this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of the Seller; provided, however, without the prior written approval of the Seller, the Buyer and its permitted successors and assigns may assign any or all of its rights, interests or obligations under this Agreement (i) to an Affiliate of the Buyer, including designating one or more Affiliates of the Buyer to be the assignee of some or any portion of the Acquired Company Equity Interests, (ii) in connection with granting a lien, pledge, mortgage or other security interest pursuant to a bona fide lending transaction, or (iii) pursuant to the foreclosure or settlement of any assignment made pursuant to (ii) above; provided the Buyer is not released from any of its obligations or liabilities hereunder. Each Party may assign either this Agreement or any of its rights, interests or obligations hereunder, without the prior written approval of the other Party, to a qualified intermediary in connection with any transaction described in Section 9(p); provided,

however, that no such assignment shall relieve any Party from any of its obligations or liabilities under this Agreement.

(e) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but which together shall constitute one and the same instrument.

(f) Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

(g) Notices. All notices, requests, demands, claims, and other communications hereunder shall be in writing. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly given two business days after it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to the intended recipient as set forth below:

If to either Seller:	c/o El Paso Corporation Attention: General Counsel El Paso Building 1001 Louisiana Houston, Texas 77002
If to the Seller Parent:	El Paso Corporation Attention: General Counsel El Paso Building 1001 Louisiana Houston, Texas 77002
If to the Buyer:	Enterprise Products Operating L.P. Attention: President 2727 North Loop West P. O. Box 4324 Houston, Texas 77210-4320 Fax: 713-880-6570
with a copy to:	Enterprise Products Operating L.P. Attention: Legal Department 2727 North Loop West P. O. Box 4324 Houston, Texas 77210-4320 Fax: 713-880-6570

Any Party may send any notice, request, demand, claim, or other communication hereunder to the intended recipient at the addresses set forth above using any other means other than electronic mail (including personal delivery, expedited courier, messenger service, telecopy or ordinary mail), but no such notice, request, demand, claim, or other

communication shall be deemed to have been duly given unless and until it actually is received by the intended recipient; provided, if notice is sent by telecopy and such telecopy is received during non-business hours of the addressee, then such notice shall be deemed received on the next business day of the addressee. Any Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth.

(h) Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE DOMESTIC LAWS OF THE STATE OF TEXAS WITHOUT GIVING EFFECT TO ANY CHOICE OR CONFLICT OF LAW PROVISION OR RULE (WHETHER OF THE STATE OF TEXAS OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF TEXAS. VENUE FOR ANY ACTION ARISING UNDER THIS AGREEMENT SHALL LIE EXCLUSIVELY IN ANY STATE OR FEDERAL COURT IN HARRIS COUNTY, TEXAS.

(i) Amendments and Waivers. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by the Buyer, the Seller and the Seller Parent. No waiver by any Party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

(j) Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

(k) Transaction Expenses. Each of the Buyer, on the one hand, and the Seller and the Seller Parent, on the other hand, shall bear its own costs and expenses (including legal fees and expenses) incurred in connection with this Agreement and the transactions contemplated hereby.

(l) Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local, or foreign statute or Law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" shall mean including without limitation. All personal pronouns used in this Agreement, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa. All references herein

to Exhibits, Schedules, Articles, Sections or subdivisions thereof shall refer to the corresponding Exhibits, Schedules, Article, Section or subdivision thereof of this Agreement unless specific reference is made to such exhibits, articles, sections or subdivisions of another document or instrument. The terms "herein," "hereby," "hereunder," "hereof," "hereinafter," and other equivalent words refer to this Agreement in its entirety and not solely to the particular portion of the Agreement in which such word is used. Each certificate delivered pursuant to this Agreement shall be deemed a part hereof, and any representation, warranty or covenant herein referenced or affirmed in such certificate shall be treated as a representation, warranty or covenant given in the correlated Section hereof on the date of such certificate. Additionally, any representation, warranty or covenant made in any such certificate shall be deemed to be made herein.

(m) Incorporation of Exhibits and Schedules. The Exhibits and Schedules identified in this Agreement are incorporated herein by reference and made a part hereof.

(n) Entire Agreement. THIS AGREEMENT (INCLUDING THE DOCUMENTS REFERRED TO HEREIN) CONSTITUTES THE ENTIRE AGREEMENT AMONG THE PARTIES AND SUPERSEDES ANY PRIOR UNDERSTANDINGS, AGREEMENTS, OR REPRESENTATIONS BY OR AMONG THE PARTIES, WRITTEN OR ORAL, TO THE EXTENT THEY HAVE RELATED IN ANY WAY TO THE SUBJECT MATTER HEREOF, EXCEPT FOR THE CONFIDENTIALITY AGREEMENT.

(o) Transition Services and Miscellaneous Assets.

(i) Transition Services. Reference is made to Section 4.15 of the Parent Company Agreement which provides for certain transition services to be provided by the Seller Parent or its Affiliates for a period of time following the Merger Closing. Following the Closing, the Seller and the Seller Parent agree to provide or cause to be provided transition services to the Buyer with respect to the Acquired Companies and Acquired Company Assets that are substantially similar to those to be provided pursuant to the Merger Agreement, such services to be provided for the same period as the similar services that are provided under the Merger Agreement and the reimbursements/fees to be paid by the Buyer for such services shall be determined in the same manner as reimbursement/fees are determined pursuant to the Parent Company Agreement.

(ii) Miscellaneous Assets. Following the Closing Date, Seller Parent shall, and shall cause its applicable Affiliates to, execute and deliver, or cause to be executed and delivered, such instruments of assignment, transfer, conveyance, endorsement, direction or authorization and take such other action as may be necessary to transfer to the Acquired Companies title to assets of the type listed and described in Section 5.9 of the GulfTerra Disclosure Letter (as such term is defined in the Merger Agreement) to the Merger Agreement that are used in the business of the Acquired Companies but owned by the Seller or any Affiliate of the Seller (other than the Acquired Companies) (the assets so transferred to the Acquired Companies being herein referred to

as the "MISCELLANEOUS ASSETS"). The consideration for the transfer contemplated in the preceding sentence is included as part of the Purchase Price.

(p) Conversion. Transmission shall have the right, without the consent of the Buyer, to convert to a corporation at any time prior to the Closing.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth in the preamble.

EL PASO CORPORATION

BY: /s/ D. Dwight Scott

NAME: D. Dwight Scott
TITLE: Executive Vice President and Chief Financial Officer

EL PASO FIELD SERVICES MANAGEMENT, INC.

BY: /s/ John Hopper

NAME: John Hopper
TITLE: Vice President

EL PASO TRANSMISSION, L.L.C.

BY: EL PASO CORPORATION, MEMBER

BY: /s/ D. Dwight Scott

NAME: D. Dwight Scott
TITLE: Executive Vice President and Chief Financial Officer

EL PASO FIELD SERVICES HOLDING COMPANY

BY: /s/ John Hopper

NAME: John Hopper
TITLE: Vice President

ENTERPRISE PRODUCTS
OPERATING L.P.

BY: ENTERPRISE PRODUCTS OLPGP, INC.,
GENERAL PARTNER

BY: /s/ Michael A. Creel

NAME: Michael A. Creel
TITLE: Executive Vice President and
Chief Financial Officer

EXHIBIT 99.1

PRESS RELEASE

[ENTERPRISE LOGO] [EL PASO LOGO] [GULFTERRA LOGO]

ENTERPRISE AND GULFTERRA TO MERGE FORMING $13 BILLION MIDSTREAM ENERGY PARTNERSHIP

Houston, Texas - (December 15, 2003) - Enterprise Products Partners L.P. (NYSE: EPD, referred to as "Enterprise"), GulfTerra Energy Partners, L.P. (NYSE: GTM, referred to as "GulfTerra") and El Paso Corporation (NYSE: EP, referred to as "El Paso") today announced that they have executed definitive agreements to merge Enterprise and GulfTerra to form the second largest publicly traded energy partnership with an enterprise value of approximately $13 billion. The general partner of the combined partnership will be jointly owned by affiliates of privately-held Enterprise Products Company and El Paso Corporation with each owning a 50-percent interest.

The combined partnership, which will retain the name Enterprise Products Partners L.P., will serve the largest producing basins of natural gas, crude oil and natural gas liquids ("NGLs") in the U.S., including the Gulf of Mexico, Rocky Mountains, San Juan Basin, Permian Basin, South Texas, East Texas, Mid-Continent, Louisiana Gulf Coast and, through connections with third-party pipelines, Canada's western sedimentary basin. The partnership will also serve the largest consuming regions for natural gas, crude oil and NGLs on the U.S. Gulf Coast.

The assets of the combined partnership will include over 30,000 miles of pipelines comprised of over 17,000 miles of natural gas pipelines, 13,000 miles of NGL pipelines and 340 miles of large capacity crude oil pipelines in the Gulf of Mexico. The combined partnership's other logistical assets will include ownership interests in 164 million barrels of NGL storage capacity and 23 billion cubic feet of natural gas storage capacity, 6 offshore Gulf of Mexico hub platforms and import and export terminals on the Houston Ship Channel. The combined partnership will also own interests in 19 fractionation plants with a net capacity of approximately 650 thousand barrels per day and 24 natural gas processing plants with a net capacity of 6.0 billion cubic feet per day.

"We are excited to announce this merger of equals to form one of the premier midstream energy companies in the United States," said O.S. "Dub" Andras, President and Chief Executive Officer of Enterprise. "The assets and businesses of these two partnerships are very complementary. We believe the scale and business opportunities

for the combined partnership will provide us with a number of avenues to create value for our partners and our producing and consuming customers."

"The value drivers from this merger include incremental organic growth and commercial opportunities, cost saving synergies, the elimination of the 50-percent incentive distribution right associated with GulfTerra's general partner interest and a contribution from Enterprise's general partner to Enterprise," stated Andras.

"We believe this is a compelling transaction for the unitholders of GulfTerra and Enterprise," said Robert Phillips, Chairman and Chief Executive Officer of GulfTerra Energy Partners, L.P. "We are combining two of the top performing energy partnerships to form a midstream energy company that has an attractive footprint in the major producing basins and that can provide a full array of services to both producers and consumers."

"We are pleased to partner with Enterprise in the creation of a tremendous midstream company," said Doug Foshee, President and Chief Executive Officer of El Paso Corporation. "Through our ownership of 50 percent of the Enterprise general partner and 14 million common units, El Paso's shareholders will participate in significant onshore and offshore opportunities. In addition, the $1.0 billion of net proceeds from this transaction will accelerate El Paso's debt reduction program."

The definitive agreements include three transactions. In the initial transaction, which will be completed and funded today, an affiliate of Enterprise's operating partnership will acquire a 50-percent, limited voting interest in GulfTerra's general partner, GulfTerra Energy Company, L.L.C., for $425 million in cash. Prior to the closing of this transaction, El Paso will reacquire the 9.9-percent ownership interest in GulfTerra's general partner held by Goldman Sachs & Co. As a result of this initial step, GulfTerra's general partner will be owned 50 percent by an affiliate of El Paso and 50 percent by an affiliate of Enterprise's operating partnership. An affiliate of El Paso will continue to serve as the managing member of GulfTerra's general partner, and the Enterprise affiliate member's rights will be limited to protective consent rights on certain transactions affecting GulfTerra or its General Partner.

In the second transaction, which will occur immediately prior to the merger, El Paso will contribute its 50-percent ownership interest in the GulfTerra general partner to Enterprise Products GP, LLC, the general partner of Enterprise. In exchange, El Paso will receive a 50-percent interest in Enterprise's general partner. The remaining 50 percent of the Enterprise general partner will continue to be owned by affiliates of Enterprise Products Company. The Enterprise general partner will then contribute this 50-percent ownership interest in the GulfTerra general partner to Enterprise for no consideration. In addition, Enterprise will pay El Paso $500 million in cash for approximately 13.8 million units, which include 2.9 million GulfTerra common units and all of the GulfTerra Series C units it owns.

In the final transaction, GulfTerra will merge with a wholly-owned subsidiary of Enterprise, with GulfTerra surviving the merger as a wholly-owned subsidiary of Enterprise. Under the terms of the merger agreement, GulfTerra's unitholders will receive 1.81 Enterprise common units for each GulfTerra common unit, which represents a premium of approximately 2.2 percent based on the closing prices of their respective common units on December 12, 2003. The remaining approximately 7.5 million GulfTerra common units owned by El Paso will be exchanged for Enterprise common units based on the 1.81 exchange ratio. The GulfTerra common units acquired for cash will be cancelled and will no longer be outstanding after completion of the merger transaction.

"The actions taken by the Enterprise general partner to preserve its highest incentive distribution right at 25 percent and to contribute the 50-percent ownership interest in the GulfTerra general partner to Enterprise for no consideration are significant and immediate value drivers for this merger and enhance the cash accretion to the limited partners of both Enterprise and GulfTerra," stated Andras. "As a result of these actions and approximately $30 million of annual cost savings that we believe we can capture within the first year after the merger is completed, we expect to increase the cash distribution rate for the new partnership to $1.58 per unit on an annual basis upon the completion of the merger."

The completion of the merger is subject to the approval of the unitholders of both Enterprise and GulfTerra along with customary regulatory approvals including that under the Hart-Scott-Rodino Antitrust Improvements Act. Completion of the merger is expected to occur during the second half of 2004.

Concurrent with the closing of the merger, Enterprise will acquire nine natural gas processing plants from El Paso for $150 million in cash. These plants, located in South Texas, have historically been associated with and are integral to GulfTerra's Texas intrastate natural gas pipeline and NGL fractionation and pipeline systems.

Under the terms of the merger agreement, the board of directors of the general partner of Enterprise will consist of ten directors, of which five will be designated by each of Enterprise Products Company and El Paso. Three of the directors designated by each of Enterprise and El Paso will be independent directors under the criteria established by the New York Stock Exchange. The remaining directors designated by Enterprise Products Company will be Dan L. Duncan, the current Chairman of Enterprise's general partner, and O.S. Andras. The two directors designated by El Paso will be Robert G. Phillips, the current Chairman and Chief Executive Officer of GulfTerra's general partner, and D. Dwight Scott, Executive Vice President and Chief Financial Officer of El Paso.

Following the merger, the management of the general partner of Enterprise will be Dan L. Duncan, Chairman; O.S. Andras, Vice Chairman and Chief Executive Officer; and Robert G. Phillips, President and Chief Operating Officer.

Enterprise financed the $425 million payment to El Paso in the initial transaction from borrowings under its existing credit facilities and a $225 million acquisition credit facility. As previously announced, Enterprise plans to raise $100 million of equity in December 2003 through the issuance of Class B partnership units in a private placement with an affiliate of Enterprise Products Company.

Financial advisors for this transaction were Lehman Brothers for Enterprise, UBS Investment Bank for GulfTerra and Credit Suisse First Boston LLC for El Paso. Legal counsels were Vinson & Elkins L.L.P. for Enterprise, Akin, Gump, Strauss, Hauer & Feld, L.L.P. for GulfTerra and Andrews & Kurth L.L.P. for El Paso.

Enterprise and GulfTerra will host a conference call to discuss this transaction at 10:30 a.m. central time this morning. The call will be broadcast live over the Internet and may be accessed by visiting the company's website at www.epplp.com. Participants should access the "Investor Information" section of the website at least ten minutes prior to the start of the conference call to download and install any necessary audio software.

Enterprise Products Partners L.P. is the second largest publicly traded, midstream energy partnership with an enterprise value of approximately $7.0 billion. Enterprise is a leading North American provider of midstream energy services to producers and consumers of natural gas and NGLs. Enterprise's services include natural gas transportation, processing and storage and NGL fractionation (or separation), transportation, storage and import/export terminaling.

GulfTerra Energy Partners, L.P. is one of the largest publicly traded master limited partnerships with interests in a diversified set of midstream assets located both offshore and onshore. Offshore, the partnership operates natural gas and oil pipelines and platforms and is an industry leader in the development of midstream infrastructure in the Deepwater Trend of the Gulf of Mexico. Onshore, GulfTerra is a leading operator of intrastate natural gas pipelines, natural gas gathering and processing facilities, NGLs transportation and fractionation assets, and salt dome natural gas and NGLs storage facilities. Visit GulfTerra Energy Partners on the web at www.gulfterra.com.

El Paso Corporation is the leading provider of natural gas services and the largest pipeline company in North America. The company has core businesses in pipelines, production, and midstream services. Rich in assets, El Paso is committed to developing and delivering new energy supplies and to meeting the growing demand of new energy infrastructure. For more information, visit www.elpaso.com.

INVESTOR NOTICE

Enterprise and GulfTerra will file a joint proxy statement/prospectus and other documents with the Securities and Exchange Commission. Investors and security holders are urged to carefully read the joint proxy statement/prospectus when it becomes available, because it will contain important information regarding Enterprise, GulfTerra and the merger transactions. A definitive joint proxy statement/prospectus will be sent to security holders of Enterprise and GulfTerra seeking their approval of the merger transactions. Investors and security holders may obtain a free copy of the joint proxy statement/prospectus (when it is available) and other documents containing information about Enterprise and GulfTerra, without charge, at the SEC's web site at www.sec.gov. Copies of the definitive joint proxy statement/prospectus and the SEC filings that will be incorporated by reference in the joint proxy statement/prospectus may also be obtained for free by directing a request to: Enterprise Products Partners L.P., 2727 North Loop West, Suite 700, Houston, TX 77008-1037, attention: Investor Relations (713) 880-6812; or GulfTerra Energy Partners, L.P., 4 Greenway Plaza, Houston, TX 77046, attention: Investor Relations (832) 676 4853.

Enterprise and GulfTerra and the officers and directors of their respective general partners may be deemed to be participants in the solicitation of proxies from their security holders. Information about these persons can be found in Enterprise's and GulfTerra's Annual Reports on Form 10-K/A and Form 10-K, respectively that were filed with the SEC, and additional information about such persons may be obtained from the joint proxy statement/prospectus when it becomes available.

SAFE HARBOR STATEMENT - ENTERPRISE PRODUCTS PARTNERS L.P.

This press release contains various forward-looking statements and information that are based on Enterprise's beliefs and those of its general partner, as well as assumptions made by and information currently available to them. When used in this press release, words such as "anticipate," "project," "expect," "plan," "goal," "forecast," "intend," "could," "believe," "may," and similar expressions and statements regarding the contemplated transaction and the plans and objectives of Enterprise for future operations, are intended to identify forward-looking statements.

Although Enterprise and its general partner believes that such expectations reflected in such forward looking statements are reasonable, neither it nor its general partner can give assurances that such expectations will prove to be correct. Such statements are subject to a variety of risks, uncertainties and assumptions. If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, actual results may vary materially from those Enterprise anticipated, estimated, projected or expected. Among the key risk factors that may have a direct bearing on Enterprise's results of operations and financial condition are:

- fluctuations in oil, natural gas and NGL prices and production due to weather and other natural and economic forces;

- a reduction in demand for its products by the petrochemical, refining or heating industries;

- a decline in the volumes of NGLs delivered by its facilities;

- the failure of its credit risk management efforts to adequately protect it against customer non-payment; o terrorist attacks aimed at its facilities;

- the failure to complete the proposed merger;

- the failure to successfully integrate the respective business operations upon completion of the merger or its failure to successfully integrate any future acquisitions; and

- the failure to realize the anticipated cost savings, synergies and other benefits of the proposed merger.

Enterprise has no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

SAFE HARBOR STATEMENT - EL PASO CORPORATION

This release includes forward-looking statements and projections, made in reliance on the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The company has made every reasonable effort to ensure that the information and assumptions on which these statements and projections are based are current, reasonable, and complete. However, a variety of factors could cause actual results to differ materially from the projections, anticipated results or other expectations expressed in this release, including, without limitation, the ability to implement and achieve our objectives in the long-range plan; the successful implementation of the settlement related to the western energy crisis; actions by the credit rating agencies; the successful close of our financing transactions; our ability to successfully exit the energy trading business; our ability to divest of certain assets; changes in commodity prices for oil, natural gas, and power; inability to realize anticipated synergies and cost savings associated with restructurings and divestitures on a timely basis; changes in reserves estimates based upon internal and third party reserve analyses; general economic and weather conditions in geographic regions or markets served by El Paso Corporation and its affiliates, or where operations of the company and its affiliates are located; the uncertainties associated with governmental regulation; the uncertainties associated with the outcome of governmental investigations; the outcome of pending litigation including shareholder derivative and class actions; political and currency risks associated with international operations of the company and its affiliates especially due to the instability in Brazil and economic conditions in Mexico; difficulty in integration of the operations of previously acquired companies, competition, and other factors described in the company's (and its affiliates') Securities and Exchange Commission filings. While the company makes these statements and projections in good faith, neither the company nor its management can guarantee that

anticipated future results will be achieved. Reference must be made to those filings for additional important factors that may affect actual results. The company assumes no obligation to publicly update or revise any forward-looking statements made herein or any other forward-looking statements made by the company, whether as a result of new information, future events, or otherwise.

SAFE HARBOR STATEMENT - GULFTERRA ENERGY PARTNERS, L.P.

This release includes forward-looking statements and projections, made in reliance on the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The partnership has made every reasonable effort to ensure that the information and assumptions on which these statements and projections are based are current, reasonable, and complete. However, a variety of factors, including the integration of acquired businesses, status of the partnership's greenfield projects, successful negotiation of customer contracts, and general economic and weather conditions in markets served by GulfTerra Energy Partners and its affiliates, could cause actual results to differ materially from the projections, anticipated results or other expectations expressed in this release. While the partnership makes these statements and projections in good faith, neither the partnership nor its management can guarantee that the anticipated future results will be achieved. Reference should be made to the partnership's (and its affiliates') Securities and Exchange Commission filings for additional important factors that may affect actual results.

Contact: Randy Burkhalter, Investor Relations, Enterprise Products Partners L.P. (713) 880-6812, www.epplp.com

Contact: Andrew Cozby, Director, Investor Relations and MLP Finance, GulfTerra Energy Partners, L.P. (832) 676 5315, www.gulfterra.com

Contact: Bruce L. Connery, Vice President Investor & Public Relations, El Paso Corporation, (713) 420 5855; Media contact: Mel Scott, Director, Media Relations, El Paso Corporation, (713) 420 3039

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