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

FORM 8-K/A

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

May 10, 2010
Date of Report (Date of earliest event reported)

ENERGY TRANSFER EQUITY, L.P.

(Exact name of Registrant as specified in its charter)

Delaware	**1-32740**	**30-0108820**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(IRS Employer Identification Number)**

3738 Oak Lawn Avenue
Dallas, Texas 75219
(Address of principal executive offices)

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

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

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

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

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

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

Item 1.01. Entry into a Material Definitive Agreement.

Acquisition of General Partner of Regency Energy Partners LP

As previously reported on May 11, on May 10, 2010, Energy Transfer Equity, L.P. ("ETE") and its wholly-owned subsidiary ETE GP Acquirer LLC ("ETE Acquirer") entered into a General Partner Purchase Agreement (the "GP Purchase Agreement") with Regency GP Acquirer, L.P. ("Regency Acquirer") to acquire a 100% equity interest in the general partner entities of Regency Energy Partners LP ("Regency"). In exchange, ETE will issue to Regency Acquirer 3,000,000 newly issued Series A Convertible Preferred Units (the "Preferred Units").

Regency Acquirer, an affiliate of GE Energy Financial Services, Inc. ("GE EFS"), owns, directly or indirectly, all of the outstanding partnership interests in Regency GP LP ("RGPLP"), which is the general partner of Regency, and all of the outstanding membership interests in Regency GP LLC ("RGPLLC"), the general partner of RGPLP. Regency is a publicly-traded Delaware limited partnership engaged in the gathering, processing, contract compression and transportation of natural gas and natural gas liquids. RGPLP owns a 2.0% general partner interest and 100% of the incentive distribution rights in Regency.

The Preferred Units will be issued in a private placement, relying on Section 4(2) of the Securities Act of 1933, as amended, at a stated price of $100 per unit and will be entitled to a preferential cash distribution of $2.00 per fiscal quarter. The Preferred Units will automatically convert on the fourth anniversary of the date of issuance into an amount of ETE common units equal in value to the issue price plus any accrued but unpaid distributions plus a specified premium equal to the lesser of 10% of the issue price plus any accrued but unpaid distributions or a premium derived from 25% of the accretion in the trading price of ETE common units subsequent to the date of issuance of the Preferred Units. ETE may choose, at its sole option, to pay 50% of the conversion consideration (based on the issue price plus any accrued but unpaid distributions) in cash. After the third anniversary of the date of issuance of the Preferred Units, ETE may elect to redeem all, but not less than all, of the Preferred Units for ETE common units or an amount in cash equal to the issue price plus a premium paid out in common units, equal to the greater of 10% of the issue price plus any accrued but unpaid distributions or a premium derived from 25% of the accretion in the trading price of ETE common units subsequent to the date of issuance. GE EFS also has certain rights to force ETE to redeem or convert the outstanding Preferred Units for specified consideration upon the occurrence of certain extraordinary events involving ETE or Energy Transfer Partners, L.P. ("ETP"). Holders of the Preferred Units have no voting rights, except that approval of a majority of the Preferred Units is needed to approve any amendment to ETE's Third Amended and Restated Agreement of Limited Partnership (the "Partnership Agreement") that would result in (i) any increase in the size of the class of Preferred Units, (ii) any alteration or change to the rights, preferences, privileges, duties, or obligations of the Preferred Units or (iii) any other matter that would adversely affect the rights or preferences of the Preferred Units, including in relation to other classes of ETE partnership interests. The Preferred Units will be issued in accordance with Amendment No. 3 (the "Third Amendment") to the Partnership Agreement, which will be adopted by LE GP, LLC, the general partner of ETE (the "General Partner"), in connection with the closing of the transactions contemplated by the GP Purchase Agreement.

The GP Purchase Agreement contains customary representations, warranties and covenants between the parties, which include Regency continuing to operate its business in the ordinary course in all material respects until the closing of the transaction. Closing of the transactions contemplated by the GP Purchase Agreement is also conditioned on receipt of amendments and/or waivers of certain provisions of ETE's credit facility, the satisfaction or waiver of all closing conditions to the closing of the transactions contemplated by the Redemption Agreement described under "Redemption and Exchange Agreement" below and the Contribution Agreement described under 'Contribution Agreement" below, and certain other customary closing conditions.

At the closing of the transactions contemplated by the GP Purchase Agreement, ETE, ETP, and Regency will adopt policies relating to conflicts of interest among ETP, ETE, Enterprise GP Holdings L.P., and Regency (the "Conflicts Policy"). The Conflicts Policy will address (i) standards for independence and separateness of the Boards of Directors of the general partners of ETE, ETP and Regency, (ii) approval by

Conflicts Committees of the respective Boards of Directors in the event of a material transaction between either ETP or ETE, on the one hand, and Regency, on the other hand, (iii) procedures to prevent the sharing of commercially sensitive information between either ETP or ETE, on the one hand, and Regency, on the other hand, and (iv) procedures for the apportionment of business opportunities between ETP and Regency.

In addition, in connection with the GP Purchase Agreement, it is anticipated that ETE will grant certain management rights to an affiliate of GE EFS with respect to Regency. In particular, an affiliate of GE EFS will have the authority, so long as GE EFS and its affiliates continue to maintain certain ownership thresholds in Regency common units, to appoint up to two directors to the board of directors of RGPLLC, or alternatively, to appoint up to two board observers. It is also anticipated that Kelcy Warren and Enterprise GP Holdings, L,P., as the collective owners of approximately 81.2% of the membership interests of the General Partner, will grant Regency Acquirer the right to appoint one director to the board of directors of the General Partner, or, alternatively, to appoint one board observer, for so long as Regency Acquirer and its affiliates maintain certain ownership thresholds of the Preferred Units.

A copy of the GP Purchase Agreement, including a form of the Third Amendment as Annex A, is attached hereto as Exhibit 2.1, which is incorporated by reference into this Item 1.01. The foregoing summaries of the GP Purchase Agreement and the Third Amendment does not purport to be complete and are qualified in their entirety by reference to Exhibit 2.1 hereto.

Redemption and Exchange Agreement

Also on May 10, 2010, ETP and ETE entered into a Redemption and Exchange Agreement (the "Redemption Agreement") whereby ETP has agreed to transfer the membership interests in ETC Midcontinent Express Pipeline III, L.L.C. ("ETC III") to ETE. ETC III owns a 49.9% membership interest in Midcontinent Express Pipeline, LLC ("MEP"), ETP's joint venture with Kinder Morgan Energy Partners, L.P. that owns and operates the Midcontinent Express Pipeline. In exchange for the membership interests in ETC III, ETP will receive and redeem 12,273,830 ETP common units that are currently owned by ETE. The consideration payable under the Redemption Agreement is subject to purchase price adjustment, payable in cash, based on changes in the working capital and long-term debt levels of MEP from those as of January 1, 2010 and any capital expenditures made by MEP after January 1, 2010.

The Redemption Agreement also provides ETE with an option to acquire (the "Option") the membership interests in ETC Midcontinent Express Pipeline II, L.L.C. ("ETC II"). ETC II owns a 0.1% membership in MEP. The Option may not be exercised until one year and one day following the consummation of the transactions contemplated by the Redemption Agreement.

The Redemption Agreement contains customary representations, warranties and covenants between the parties, which include ETP managing ETC III in a manner such that MEP will operate its business in the ordinary course in all material respects until the closing of the transaction. Closing of the transactions contemplated by the Redemption Agreement is expected to occur within 30 days and is also conditioned on the consummation of the transaction contemplated by the GP Purchase Agreement, receipt of certain amendments and/or waivers of certain provisions of ETE's, ETP's and Regency's respective credit facilities, as well as certain other customary closing conditions. In addition to customary termination provisions, ETE may terminate the Redemption Agreement if the GP Purchase Agreement has been terminated in accordance with its terms.

A copy of the Redemption Agreement is attached hereto as Exhibit 2.2, which is incorporated by reference into this Item 1.01. The foregoing summary of the Redemption Agreement does not purport to be complete and is qualified in its entirety by reference to Exhibit 2.2 hereto.

Contribution Agreement

On May 10, 2010, ETE entered into a Contribution Agreement (the "Contribution Agreement") with Regency and Regency Midcontinent Express LLC. Pursuant to the Contribution Agreement, immediately following the consummation of the transactions contemplated by the Redemption Agreement, ETE will contribute the membership interests in ETC III and assign its rights under the Option to Regency Midcontinent Express LLC in exchange for 26,266,791 newly issued Regency common units. The consideration payable

under the Contribution Agreement is subject to a purchase price adjustment consistent with the purchase price adjustment under the Redemption Agreement.

The Contribution Agreement contains customary representations, warranties and covenants between the parties, which include Regency continuing to operate in the ordinary course in all material respects until the closing of the transaction. Closing of the transactions contemplated by the Contribution Agreement is expected to occur within 30 days and is conditioned on the receipt of amendments and/or waivers of certain provisions of ETE's and ETP's respective credit facilities, as well as certain other customary closing conditions. Any party may terminate the Contribution Agreement if the Redemption Agreement has been terminated, and ETE may terminate the Contribution Agreement if the GP Purchase Agreement has been terminated.

A copy of the Contribution Agreement is attached hereto as Exhibit 2.3, which is incorporated by reference into this Item 1.01. The foregoing summary of the Contribution Agreement does not purport to be complete and is qualified in its entirety by reference to Exhibit 2.3 hereto.

Item 3.02. Unregistered Sales of Equity Securities.

The information included in Item 1.01 above under the heading "General Partner Purchase Agreement" is incorporated by reference into this Item 3.02.

Item 7.01. Regulation FD Disclosure.

The information included in Item 1.01 above is incorporated by reference into this Item 7.01.

Item 9.01. Financial Statements and Exhibits.

(d) **Exhibits.**

Exhibit Number	Description of the Exhibit
Exhibit 2.1*	General Partner Purchase Agreement, dated May 10, 2010, by and among Regency GP Acquirer, L.P., Energy Transfer Equity, L.P. and ETE GP Acquirer LLC.
Exhibit 2.2*	Redemption and Exchange Agreement, dated May 10, 2010, by and among Energy Transfer Partners, L.P. and Energy Transfer Equity, L.P.
Exhibit 2.3*	Contribution Agreement, dated May 10, 2010, by and among Energy Transfer Equity, L.P., Regency Energy Partners LP and Regency Midcontinent Express LLC.

* Pursuant to the rules of the Commission, the remaining schedules and similar attachments to the agreement have not been filed herewith. The registrant agrees to furnish supplementally a copy of any omitted schedule to the Commission upon request.

SIGNATURES

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

ENERGY TRANSFER EQUITY, L.P.

By: LE GP, LLC
its general partner

Date: May 13, 2010

/s/ John W. McReynolds
John W. McReynolds
President and Chief Financial Officer

EXHIBIT INDEX

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Exhibit 2.1

Execution Version

GENERAL PARTNER PURCHASE AGREEMENT

BY AND AMONG

REGENCY GP ACQUIRER, L.P.

AND

ENERGY TRANSFER EQUITY, L.P.

AND

ETE GP ACQUIRER LLC

May 10, 2010

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GENERAL PARTNER PURCHASE AGREEMENT

This **GENERAL PARTNER PURCHASE AGREEMENT** (this "***Agreement***"), dated as of May 10, 2010 (the "***Execution Date***"), is made and entered into by and among Regency GP Acquirer LP, a Delaware limited partnership ("***Seller***"), Energy Transfer Equity, L.P. a Delaware limited partnership ("***ETE***") and ETE GP Acquirer LLC, a Delaware limited liability company ("***Buyer***").

ETE and Buyer are sometimes referred to individually in this Agreement as a "***Buyer Party***" and are sometimes collectively referred to in this Agreement as the "***Buyer Parties***."

Each of the parties to this Agreement is sometimes referred to individually in this Agreement as a "***Party***" and all of the parties to this Agreement are sometimes collectively referred to in this Agreement as the "***Parties***."

R E C I T A L S

WHEREAS, Seller owns the following interests (collectively, the "***Acquired GP Interests***"): (i) 100% of the membership interests in Regency GP LLC, a Delaware limited liability company ("***RGPLLC***"); and (ii) the 99.999% limited partner interest in Regency GP LP, a Delaware limited partnership ("***RGPLP***");

WHEREAS, RGPLLC owns a 0.001% general partner interest in RGPLP;

WHEREAS, RGPLP owns a 2.0% general partner interest in Regency Energy Partners, L.P., a Delaware limited partnership ("***Regency***"), and is the sole general partner of Regency;

WHEREAS, pursuant to that certain Redemption and Exchange Agreement dated as of the date hereof (the "***ETP Redemption Agreement***"), by and between ETE and Energy Transfer Partners, L.P., a Delaware limited partnership ("***ETP***"), subject to the terms and conditions contained therein, ETP has agreed to redeem (the "***Redemption and Exchange***") certain limited partner interests of ETP held by ETE in exchange for (a) all of the outstanding membership interests in ETC Midcontinent Express Pipeline III, L.L.C., a Delaware limited liability company ("***ETC III***") and (b) an option to acquire all of the outstanding membership interests in ETC Midcontinent Express Pipeline II, L.L.C., a Delaware limited liability company ("***ETC II***");

WHEREAS, at the Closing, ETE, ETP and Regency intend to enter into a Master Services Agreement in substantially the form attached hereto as Exhibit H to the Contribution Agreement (as defined below) (the "***Master Services Agreement***");

WHEREAS, pursuant to that certain Contribution Agreement dated as of the date hereof (the "***MEP Contribution Agreement***"), by and among ETE, Regency and Regency Midcontinent Express LLC, subject to the terms and conditions contained therein, ETE has agreed, in exchange for limited partner interests in Regency, to (a) contribute ETC III to Regency and (b) assign Regency an option to acquire ETC II (the "***MEP Contribution***"); and

WHEREAS, Seller desires to sell to the Buyer Parties, and the Buyer Parties desire to purchase from Seller, the Acquired GP Interests, and in exchange ETE desires to issue and sell to

Seller 3,000,000 convertible preferred units of ETE (the "***Convertible Preferred Units***"), having the terms set forth in Amendment No. 3 to the Third Amended and Restated Agreement of Limited Partnership of Energy Transfer Equity, L.P. (the "***Third Amendment***") a form of which is attached hereto as Annex A, all on the terms and subject to the conditions set forth herein.

ARTICLE I
DEFINITIONS AND INTERPRETATIONS

1.1 ***Definitions***. Capitalized terms used in this Agreement but not defined in the body of this Agreement shall have the meanings ascribed to them in Exhibit A. Capitalized terms defined in the body of this Agreement are listed in Exhibit A with reference to the location of the definitions of such terms in the body of this Agreement.

1.2 ***Interpretations***. In this Agreement, unless a clear contrary intention appears: (a) the singular includes the plural and vice versa; (b) reference to a Person includes such Person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity; (c) reference to any gender includes each other gender; (d) references to any Exhibit, Schedule, Section, Article, Annex, subsection and other subdivision refer to the corresponding Exhibits, Schedules, Sections, Articles, Annexes, subsections and other subdivisions of this Agreement unless expressly provided otherwise; (e) references in any Section or Article or definition to any clause means such clause of such Section, Article or definition; (f) "hereunder," "hereof," "hereto" and words of similar import are references to this Agreement as a whole and not to any particular provision of this Agreement; (g) the word "or" is not exclusive, and the word "including" (in its various forms) means "including without limitation"; (h) each accounting term not otherwise defined in this Agreement has the meaning commonly applied to it in accordance with GAAP; (i) references to "days" are to calendar days; and (j) all references to money refer to the lawful currency of the United States. The Table of Contents and the Article and Section titles and headings in this Agreement are inserted for convenience of reference only and are not intended to be a part of, or to affect the meaning or interpretation of, this Agreement.

ARTICLE II
ACQUISITION OF THE ACQUIRED GP INTERESTS; CLOSING

2.1 ***Acquisition of the Acquired GP Interests***. Upon the terms and subject to the satisfaction or due waiver of the conditions contained in this Agreement, Seller shall sell, transfer and deliver to Buyer, and Buyer shall purchase from Seller the Acquired GP Interests. In exchange for the Acquired GP Interests, at the Closing, ETE shall issue and deliver to Seller the Convertible Preferred Units.

2.2 ***Time and Place of Closing***. The closing of the transactions contemplated by this Agreement (the "***Closing***") will take place at the offices of Vinson & Elkins L.L.P., 1001 Fannin Street, Suite 2500, Houston, Texas 77002 on the second Business Day after all of the conditions set forth in Article VI (other than those conditions which by their terms are only capable of being satisfied at the Closing, but subject to the satisfaction or due waiver of those conditions) have been satisfied or waived by the Party or Parties entitled to waive such conditions, unless another

time, date and place are agreed to in writing by the Parties. The date of the Closing is referred to in this Agreement as the "***Closing Date***." The Closing will be deemed effective as of 12:01 a.m., Houston, Texas time, on the Closing Date.

2.3 ***Deliveries and Actions at Closing***.

(a) At the Closing, Seller shall deliver, or shall cause to be delivered, the following to the Buyer Parties:

(i) Assignment of Interests. A counterpart of an assignment (the "***Assignment of Interests***"), a form of which is attached hereto as Annex B, evidencing the contribution, assignment, transfer and delivery to Buyer of the Acquired GP Interests, duly executed by Seller;

(ii) FIRPTA Certificate. A certificate of Seller in the form specified in Treasury Regulation Section 1.1445-2(b)(2)(iv) that Seller is not a "foreign person" within the meaning of Section 1445 of the Code, duly executed by Seller;

(iii) Closing Certificate. The certificate contemplated by Section 6.2(c);

(iv) Required Consents. The consents, approvals and waivers set forth on Schedule 2.3(a)(iv);

(v) Amendment to Regency Credit Agreement. A duly executed amended Regency Credit Agreement, which address the matters set forth on Schedule 2.3(a)(v); and

(vi) Registration Rights Agreement. A counterpart of a registration rights agreement, a form of which attached hereto as Annex D (the "***Registration Rights Agreement***") duly executed by Seller.

(b) At the Closing, the Buyer Parties shall deliver, or shall cause to be delivered, the following to Seller:

(i) Preferred Unit Certificate. Original unit certificates representing the Convertible Preferred Units;

(ii) Assignment of Interests. A counterpart of the Assignment of Interests duly executed by Buyer;

(iii) Third Amendment. A copy of the Third Amendment duly executed by the general partner of ETE, as general partner of ETE and as attorney-in-fact for all limited partners pursuant to the powers of attorney granted pursuant to Section 2.6 of the ETE Partnership Agreement, a form of which is attached hereto as Annex A;

(iv) Closing Certificate. The certificate contemplated by Section 6.3(c);

(v) Required Consents. The consents, approvals and waivers set forth on Schedule 2.3(b)(v);

(vi) MEP Contribution. A duly executed copy of the MEP Contribution Agreement;

(vii) ETP Redemption Agreement. A duly executed copy of the ETP Redemption Agreement;

(viii) Legal Opinion. An opinion from Vinson & Elkins L.L.P., counsel to Buyer Parties, dated as of the Closing Date and reasonably satisfactory to Seller, a form of which is attached hereto as Annex C;

(ix) Registration Rights Agreement. A counterpart of the Registration Rights Agreement, duly executed by ETE; and

(x) Governance Policies. A copy of the Governance Policies adopted by the general partner of ETE, a form of which is attached hereto as Annex E.

2.4 ***Pro Ration of Closing Quarterly Distribution.***

(a) Within three (3) Business Days after Buyer receives its regular quarterly cash distribution in respect of the quarter in which the Closing occurs, Buyer shall pay to Seller an amount in cash equal to the Pro Rata Distribution Amount. The "***Pro Rata Distribution Amount***" shall equal the product of (a) $1,574,073.87 multiplied by (b) a fraction, the numerator of which is the number of days in the quarter preceding the date of the Closing Date, plus the Closing Date, and the denominator of which is the number of days in such quarter.

(b) In the event that the Closing Date occurs on or before the record date relating to the distribution for the quarter immediately prior to the quarter in which the Closing Date occurs (the "***Preceding Quarter***"), in addition to any amounts to be paid by Buyer to Seller pursuant to Section 2.4(a), Buyer shall pay to Seller 100% of the applicable cash distribution for the Regency GP LP Interest for the Preceding Quarter. The payment shall be made no later than three (3) Business Days following the receipt by Buyer of such distribution from Regency.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents and warrants to the Buyer Parties as follows:

3.1 ***Organization; Qualification***. Seller and each Regency Entity are entities duly formed, validly existing and in good standing under the laws of the State of Delaware and have all requisite corporate, limited partnership or limited liability company power and authority to own, lease and operate their properties and to carry on their business as it is now being conducted, and are duly qualified, registered or licensed to do business as a foreign entity and are in good standing in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification necessary, except where the failure to be so duly qualified, registered or licensed and in good standing would not reasonably

be expected to have a Regency Material Adverse Effect or to prevent or materially delay the consummation of the transactions contemplated by this Agreement or to materially impair Seller's ability to perform its obligations under this Agreement. Seller has made available to the Buyer Parties true and complete copies of the Organizational Documents of each Regency Entity, as in effect on the Execution Date.

3.2 ***Authority; Enforceability***.

(a) Seller has the requisite corporate, partnership or limited liability company power and authority to execute and deliver this Agreement and to consummate the transactions contemplated by this Agreement. The execution and delivery by Seller of this Agreement and the consummation by Seller of the transactions contemplated by this Agreement have been duly and validly authorized by Seller, and no other corporate, partnership or limited liability company proceedings on the part of Seller is necessary to authorize this Agreement or to consummate the transactions contemplated by this Agreement.

(b) This Agreement has been duly executed and delivered by Seller, and, assuming the due authorization, execution and delivery by the Buyer Parties, this Agreement constitutes the valid and binding agreement of Seller, enforceable against Seller in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar Laws relating to or affecting creditors' rights generally and subject, as to enforceability, to legal principles of general applicability governing the availability of equitable remedies, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether such enforceability is considered in a proceeding in equity or at law) (collectively, "***Creditors' Rights***").

3.3 ***Non-Contravention***. Except as set forth on Schedule 3.3 of the Seller Disclosure Schedule, the execution, delivery and performance of this Agreement and the consummation by Seller of the transactions contemplated by this Agreement does not and will not: (a) result in any breach of any provision of the Organizational Documents of Seller or any Regency Entity; (b) constitute a default (or an event that with notice or passage of time or both would give rise to a default) under, or give rise to any right of termination, cancellation, amendment or acceleration (with or without the giving of notice, or the passage of time or both) under any of the terms, conditions or provisions of any Contract to which Seller or any Regency Entity is a party or by which any property or asset of Seller or any Regency Entity is bound or affected; or (c) assuming compliance with the matters referred to in Section 3.4, violate any Law to which Seller or any Regency Entity is subject or by which any of Seller's or any Regency Entity's properties or assets is bound; or (d) constitute (with or without the giving of notice or the passage of time or both) an event which would result in the creation of any Lien (other than Permitted Liens) on any asset of any Regency Entity, except, in the cases of clauses (b), (c) and (d) for such defaults or rights of termination, cancellation, amendment, acceleration, violations or Liens, as would not reasonably be expected to have a Regency Material Adverse Effect or to prevent or materially delay the consummation of the transactions contemplated by this Agreement or to materially impair Seller's ability to perform their obligations under this Agreement.

3.4 ***Governmental Approvals***. Except as set forth on Schedule 3.4 of the Seller Disclosure Schedule, no declaration, filing or registration with, or notice to, or authorization,

consent or approval of, any Governmental Authority is necessary for the consummation by Seller of the transactions contemplated by this Agreement, other than such declarations, filings, registrations, notices, authorizations, consents or approvals which, if not obtained or made, would not reasonably be expected to have a Regency Material Adverse Effect or to prevent or materially delay the consummation of the transactions contemplated by this Agreement or to materially impair Seller's ability to perform their obligations under this Agreement.

3.5 ***Capitalization***.

(a) Schedule 3.5(a) of the Seller Disclosure Schedule sets forth a correct and complete description of the following: (i) all of the issued and outstanding equity interests in each of the Regency GP Entities; and (ii) the record owners of each of the outstanding equity interests in each of the Regency GP Entities. Except as set forth on Schedule 3.5(a) of the Seller Disclosure Schedule, there are no other outstanding equity interests of any Regency GP Entity. All of the issued and outstanding equity interests in each of the Regency GP Entities have been duly authorized, validly issued and fully paid and are nonassessable (except as such nonassessability may be affected by Sections 17-303 and 17-607 of the Delaware LP Act or Section 18-607 of the Delaware LLC Act) and have not been issued in violation of any preemptive rights, rights of first refusal or other similar rights of any Person. All of the issued and outstanding equity interests in each of the Regency GP Entities are owned by the Persons set forth on Schedule 3.5(a) of the Seller Disclosure Schedule named as owning such interests free and clear of all Liens other than (A) transfer restrictions imposed by federal and state securities laws and (B) any transfer restrictions contained in the Organizational Documents of the Regency GP Entities.

(b) At the Closing, (i) the Acquired GP Interests will constitute 100% of the issued and outstanding membership interests in RGPLLC and a 99.999% limited partner interest in RGPLP and (ii) RGPLLC will own a 0.001% general partner interest in, and serve as the sole general partner of, RGPLP.

(c) There are no preemptive rights or other outstanding rights, options, warrants, conversion rights, stock appreciation rights, redemption rights, repurchase rights, agreements, arrangements, calls, subscription agreements, commitments or rights of any kind that obligate any of the Regency GP Entities to issue or sell any equity interests or any securities or obligations convertible or exchangeable into or exercisable for, or giving any Person a right to subscribe for or acquire, any equity interests in any of the Regency GP Entities, and no securities or obligations evidencing such rights are authorized, issued or outstanding.

(d) No Regency GP Entity has outstanding any bonds, debentures, notes or other obligations the holders of which have the right to vote (or convertible into or exercisable for securities having the right to vote) with the holders of equity interests in any Regency GP Entity on any matter.

(e) RGPLP is the sole general partner of Regency with a 2.0% general partner interest in Regency (the "***Regency GP Interest***") and owns 100% of the Regency Incentive Distribution Rights (collectively with the Regency GP Interest, the "***Regency GP LP Interests***"). The Regency GP LP Interests are owned by RGPLP free and clear of all Liens, other than (i) transfer

restrictions imposed by federal and state securities laws and (ii) any transfer restrictions contained in the Regency Partnership Agreement.

(f) Except as set forth in Schedule 3.5(a) of the Seller Disclosure Schedule or Section 3.5(e), no Regency GP Entity owns any equity interest in any other Person.

(g) As of the Execution Date: (i) 93,191,602 Regency Common Units were issued and outstanding, (ii) 4,371,586 Series A Cumulative Convertible Preferred Units of Regency ("***Regency Series A Units***"), which Regency Series A Units are convertible into Regency Common Units at an initial conversion price of $18.30 per unit, subject to adjustment, were issued and outstanding and (iii) 1,155,129 Regency Common Units were available for issuance under Regency's employee benefit plans, of which 297,651 Regency Common Units were subject to issuance upon exercise of outstanding Regency options, 267,135 Regency Common Units were subject to issuance upon the vesting of outstanding phantom units and 355,609 Regency Common Units were subject to issuance upon the vesting of outstanding un-vested restricted units.

(h) All of the limited partner interests in Regency are duly authorized and validly issued in accordance with the Organizational Documents of Regency, and are fully paid (to the extent required under the Organizational Documents of Regency) and nonassessable (except as nonassessability may be affected by Sections 17-303 and 17-607 of the Delaware LP Act) and were not issued in violation of any preemptive rights, rights of first refusal or other similar rights of any Person.

(i) Except as set forth in the Organizational Documents of Regency and except as otherwise provided in Section 3.5(g), there are no preemptive rights or other outstanding rights, options, warrants, conversion rights, stock appreciation rights, redemption rights, repurchase rights, agreements, arrangements, calls, subscription agreements, commitments or rights of any kind that obligate any of the Regency Entities to issue or sell any equity interests of Regency or any securities or obligations convertible or exchangeable into or exercisable for, or giving any Person a right to subscribe for or acquire, any equity interests in Regency, and no securities or obligations evidencing such rights are authorized, issued or outstanding.

(j) Except for the Regency Series A Units, none of the Regency Entities has outstanding any bonds, debentures, notes or other obligations the holders of which have the right to vote (or convertible into or exercisable for securities having the right to vote) with the holders of equity interests in Regency on any matter.

3.6 ***Ownership of Acquired GP Interests***.

(a) Upon the consummation of the transactions contemplated by this Agreement, Seller will assign, convey, transfer and deliver to Buyer good and valid title to the Acquired GP Interests free and clear of all Liens other than (i) any transfer restrictions imposed by federal and state securities laws, (ii) any transfer restrictions contained in the Organizational Documents of Regency GP Acquirer and (iii) any Liens on the Acquired GP Interests as a result of actions by the Buyer Parties.

(b) Seller is not a party to any agreements, arrangements or commitments obligating Seller to grant, deliver or sell, or cause to be granted, delivered or sold, the Acquired GP Interests, by sale, lease, license or otherwise, other than this Agreement.

(c) There are no voting trusts, proxies or other agreements or understandings to which Seller is bound with respect to the voting of the Acquired GP Interests.

3.7 ***Compliance with Law***. Except as to specific matters disclosed in the Regency SEC Documents filed or furnished on or after January 1, 2010 and prior to the date hereof (excluding any disclosures included in any "risk factor" section of such Regency SEC Documents or any other disclosures in such Regency SEC Documents to the extent they are predictive or forward looking and general in nature), and except for Environmental Laws, Laws requiring the obtaining or maintenance of a Permit, Tax matters, Laws relating to employee benefits, employment and labor matters, and Laws relating to regulatory and compliance matters, which are the subject of Sections 3.12, 3.15, 3.16, 3.17, and 3.18, respectively, and except as to matters that would not reasonably be expected to have a Regency Material Adverse Effect, (a) each Regency Entity is in compliance with all applicable Laws, (b) none of Seller, or, to the Knowledge of Seller any Regency Entity, has received written notice of any violation of any applicable Law, and (c) to the Knowledge of Seller, none of the Regency Entities is under investigation by any Governmental Authority for potential non-compliance with any Law.

3.8 ***Title to Properties and Assets***. To the Knowledge of Seller, except as to matters that would not reasonably be expected to have a Regency Material Adverse Effect, each Regency Entity has title to or rights or interests in its real property and personal property, free and clear of all Liens (subject to Permitted Liens), sufficient to allow it to conduct its business as currently being conducted.

3.9 ***Rights-of-Way***. To the Knowledge of Seller, except as to matters that would not reasonably be expected to have a Regency Material Adverse Effect, (a) each Regency Entity has such Rights-of-Way from each Person as are necessary to use, own and operate each Regency Entity's assets in the manner such assets are currently used, owned and operated by each Regency Entity, (b) each Regency Entity has fulfilled and performed all of its obligations with respect to such Rights-of-Way and (c) no event has occurred that allows, or after the giving of notice or the passage of time, or both, would allow, revocation or termination thereof or would result in any impairment of the rights of the holder of any such Rights-of-Way.

3.10 ***Regency SEC Reports; Financial Statements; Operating Surplus***.

(a) Regency has furnished or filed all reports, schedules, forms, statements and other documents (including exhibits and other information incorporated therein) required to be furnished or filed by Regency with the Securities and Exchange Commission ("***SEC***") since January 1, 2009 (such documents being collectively referred to as the "***Regency SEC Documents***").

(b) Each Regency SEC Document (i) at the time filed, complied in all material respects with the requirements of the Exchange Act and the Securities Act, as the case may be, and the rules and regulations of the SEC promulgated thereunder applicable to such Regency

SEC Document and (ii) did not at the time it was filed (or if amended or superseded by a filing or amendment prior to the Execution Date, then at the time of such filing or amendment) 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 therein, in light of the circumstances under which they were made, not misleading.

(c) Each of the financial statements of Regency or RGPLP included in the Regency SEC Documents ("***Regency Financial Statements***") complied at the time it was filed as to form in all material respects with the applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, have been prepared in accordance with GAAP, applied on a consistent basis throughout the periods presented thereby and fairly present in all material respects the consolidated financial position and operating results, equity and cash flows of Regency as of, and for the periods ended on, the respective dates thereof, subject, however, in the case of unaudited financial statements, to normal year-end audit adjustments and accruals and the absence of notes and other textual disclosures as permitted by Form 10-Q of the SEC.

(d) To the Knowledge of Seller, none of the Regency Entities has any liability, whether accrued, contingent, absolute or otherwise, except for (i) liabilities set forth on the consolidated balance sheet of Regency dated as of March 31, 2010 or the notes thereto, (ii) liabilities that have arisen since March 31, 2010 in the ordinary course of business, and (iii) liabilities which would not reasonably be expected to have a Regency Material Adverse Effect.

(e) The Regency GP Entities do not have assets or liabilities other than in connection with their direct or indirect ownership of the 2.0% general partner interest in Regency and the Regency Incentive Distribution Rights.

(f) Seller does not have assets or liabilities other than in connection with its ownership of the Acquired GP Interests and the relationships of the parties under its partnership agreement with respect thereto.

(g) All distributions made by Regency since its initial public offering have been made from Operating Surplus (as defined in the Regency Partnership Agreement) and in accordance with the terms of the Regency Partnership Agreement.

3.11 ***Absence of Certain Changes***. Except as to specific matters disclosed in the Regency SEC Documents filed or furnished on or after January 1, 2010 and prior to the date hereof (excluding any disclosures included in any "risk factor" section of such Regency SEC Documents or any other disclosures in such Regency SEC Documents to the extent they are predictive or forward looking and general in nature), and except as set forth on Schedule 3.11 of the Seller Disclosure Schedule or as expressly contemplated by this Agreement, since December 31, 2009 (a) to the Knowledge of Seller, the business of the Regency Entities has been conducted in the ordinary course and in a manner consistent with past practice; and (b) there has not been (i) any event, occurrence or development which has had, or would be reasonably expected to have, a Regency Material Adverse Effect or (ii) to the Knowledge of Seller, the occurrence of any of the transactions or matters described in Section 5.1(b).

3.12 ***Environmental Matters***. Except as to specific matters disclosed in the Regency SEC Documents filed or furnished on or after January 1, 2010 and prior to the date hereof (excluding any disclosures included in any "risk factor" section of such Regency SEC Documents or any other disclosures in such Regency SEC Documents to the extent they are predictive or forward looking and general in nature), and except for matters set forth on Schedule 3.12 of the Seller Disclosure Schedule and except for matters that would not reasonably be expected to have a Regency Material Adverse Effect:

(a) each of the Regency Entities is in compliance with all applicable Environmental Laws;

(b) each of the Regency Entities possesses all Permits required under Environmental Laws for its operations as currently conducted and is in compliance with the terms of such Permits, and such Permits are in full force and effect;

(c) none of the Regency Entities nor any of their properties or operations are subject to any pending or, to the Knowledge of Seller, threatened Proceeding arising under any Environmental Law, nor has any of the Regency Entities received any written and pending notice, order or complaint from any Governmental Authority alleging a violation of or liability arising under any Environmental Law; and

(d) to the Knowledge of Seller, there has been no Release of Hazardous Substances on, at, under, to, or from any of the properties of the Regency Entities, or from or in connection with the Regency Entities' operations in a manner that would reasonably be expected to give rise to any liability pursuant to any Environmental Law.

3.13 ***Material Contracts***.

(a) Except as set forth on Schedule 3.13 of the Seller Disclosure Schedule or filed with any Regency SEC Document (including incorporation by reference) filed with the SEC on or after January 1, 2010 and prior to the date hereof, as of the Execution Date, to the Knowledge of Seller, none of the Regency Entities is a party to or bound by any Contract that:

(i) is of a type that would be required to be included as an exhibit to a Registration Statement on Form S-1 pursuant to Items 601(b)(2), (4), (9) or (10) of Regulation S-K of the SEC if such a registration statement was filed by Regency on the Execution Date;

(ii) includes Seller or any Affiliate of Seller (other than Regency or its Subsidiaries) as a counter party or third party beneficiary;

(iii) contains any provision or covenant which materially restricts any Regency Entity or any Affiliate thereof from engaging in any lawful business activity or competing with any Person;

(iv) (A) relates to the creation, incurrence, assumption, or guarantee of any indebtedness for borrowed money by any Regency Entity or (B) creates a capitalized

lease obligation (except, in the cases of clauses (A) and (B), any such Contract with an aggregate principal amount not exceeding $10,000,000);

(v) is in respect of the formation of any partnership or joint venture or otherwise relates to the joint ownership or operation of the assets owned by any of the Regency Entities involving assets or obligations in excess of $75,000,000;

(vi) includes the acquisition or sale of assets with a book value in excess of $50,000,000 (whether by merger, sale of stock, sale of assets or otherwise);

(vii) any Contract or commitment that involves a sharing of profits, losses, costs or liabilities by any Regency Entity with any other Person other than gas processing contracts; or

(viii) otherwise involves the annual payment by or to any of the Regency Entities of more than $10,000,000 and cannot be terminated by the Regency Entities on 90 days or less notice without payment by the Regency Entities of any material penalty.

(b) Except as set forth on Schedule 3.13 of the Seller Disclosure Schedule, each Contract required to be disclosed pursuant to Section 3.13(a) and each Contract to which any of the Regency Entities is bound as of the Execution Date that relates to (A) the purchase of materials, supplies, goods, services or other assets, (B) the purchase, sale, transporting, treatment, gathering, processing or storing of, or gas compression services rendered in connection with, natural gas, condensate or other liquid or gaseous hydrocarbons or the products therefrom, or the provision of services related thereto or (C) the construction of capital assets, in the cases of clauses (A), (B) and (C) that (i) provides for either (1) annual payments by or to any of the Regency Entities in excess of $10,000,000 or (2) aggregate payments by or to any of the Regency Entities in excess of $10,000,000 (collectively, the "***Regency Material Contracts***") has been made available to the Buyer Parties and to the Knowledge of Seller is a valid and binding obligation of the applicable Regency Entity, and is in full force and effect and enforceable in accordance with its terms against such Regency Entity and, to the Knowledge of Seller, the other parties thereto, except, in each case, as enforcement may be limited by Creditors' Rights.

(c) To the Knowledge of Seller, none of the Regency Entities nor any other party to any Regency Material Contract is in default or breach in any material respect under the terms of any Regency Material Contract and no event has occurred that with the giving of notice or the passage of time or both would constitute a breach or default in any material respect by such Regency Entity or, to the Knowledge of Seller, any other party to any Regency Material Contract, or would permit termination, modification or acceleration under any Regency Material Contract.

3.14 ***Legal Proceedings***. Except as to specific matters disclosed in the Regency SEC Documents filed or furnished on or after January 1, 2010 and prior to the date hereof (excluding any disclosures included in any "risk factor" section of such Regency SEC Documents or any other disclosures in such Regency SEC Documents to the extent they are predictive or forward looking and general in nature), and other than with respect to Proceedings arising under Environmental Laws which are the subject of Section 3.12 or as is set forth on Schedule 3.14 of

Seller Disclosure Schedule, there are no Proceedings pending or, to the Knowledge of Seller, threatened against the Regency Entities, except such Proceedings as would not reasonably be expected to have a Regency Material Adverse Effect or to prevent or materially delay the consummation of the transactions contemplated by this Agreement or to materially impair Seller's ability to perform their obligations under this Agreement.

3.15 ***Permits***. To the Knowledge of Seller, other than with respect to Permits issued pursuant to or required under Environmental Laws which are the subject of Section 3.12, the Regency Entities have all Permits as are necessary to use, own and operate their assets in the manner such assets are currently used, owned and operated by the Regency Entities, except where the failure to have such Permits would not reasonably be expected to have a Regency Material Adverse Effect.

3.16 ***Taxes***.

(a) All material Tax Returns required to be filed with respect to the Regency GP Entities or, to the Knowledge of Seller, the other Regency Entities have been filed and all Tax Returns with respect to the Regency GP Entities and, to the Knowledge of Seller, the other Regency Entities are complete and correct in all material respects and all material Taxes due relating to the Regency GP Entities and, to the Knowledge of Seller, the other Regency Entities have been paid in full. Except as disclosed on Schedule 3.16 of Seller Disclosure Schedule, there is no claim (other than claims being contested in good faith through appropriate proceedings and for which adequate reserves have been made in accordance with GAAP) against any Regency GP Entity or, to the Knowledge of Seller, any other Regency Entity for any material Taxes, and no material assessment, deficiency, or adjustment has been asserted or proposed in writing with respect to any material Taxes or material Tax Returns of or with respect to any Regency GP Entity or, to the Knowledge of Seller, any other Regency Entity.

(b) Except as set forth on Schedule 3.16 of the Seller Disclosure Schedule, no material Tax audits or administrative or judicial proceedings are being conducted or are pending with respect to any Regency GP Entity or, to the Knowledge of Seller, any other Regency Entity.

(c) All material Taxes required to be withheld, collected or deposited by or with respect to any Regency GP Entity or, to the Knowledge of Seller, any other Regency Entity have been timely withheld, collected or deposited as the case may be, and to the extent required, have been paid to the relevant taxing authority.

(d) There are no outstanding agreements or waivers extending the applicable statutory periods of limitation for any material Tax of, or any material Taxes associated with the ownership or operation of the assets of, any Regency GP Entity or, to the Knowledge of Seller, any other Regency Entity.

(e) No Regency GP Entity nor, to the Knowledge of Seller, any other Regency Entity is a party to any Tax sharing agreement.

(f) No Regency GP Entity nor, to the Knowledge of Seller, any other Regency Entity, has engaged in a transaction that would be reportable by or with respect to any Regency Entity pursuant to Treasury Regulation § 1.6011-4 or any predecessor thereto.

(g) Immediately prior to the consummation of the transactions contemplated by this Agreement, each Regency GP Entity is an entity disregarded as separate from its owner for United States federal income tax purposes and neither of the Regency GP Entities has elected to be treated as a corporation for federal Tax purposes.

(h) Regency has not elected to be treated as a corporation for federal Tax purposes, and Regency qualifies as a "publicly traded partnership" within the meaning of Section 7704(b) of the Code and has met, and continues to meet, the "gross income requirements" (within the meaning of Section 7704(c) of the Code) in each Tax year since its formation. Regency has filed a federal income tax return that has in effect an election pursuant to Section 754 of the Code.

3.17 ***Employee Benefits; Employment and Labor Matters***. To the Knowledge of Seller:

(a) Except as set forth on Schedule 3.17(a) of the Seller Disclosure Schedule or filed with any Regency SEC Documents (including by incorporation by reference) filed with the SEC on or after January 1, 2010 and prior to the date hereof, no Regency Entity, nor any ERISA Affiliate of any Regency Entity, sponsors, maintains or contributes to, or has sponsored, maintained or contributed to within six years prior to the Closing Date any of the following:

(i) any "employee benefit plan," as such term is defined in Section 3(3) of ERISA (including, but not limited to, employee benefit plans, such as foreign plans, which are not subject to the provisions of ERISA, but excluding any multiemployer plan within the meaning of Section 3(37) of ERISA or multiple employer plan within the meaning of Section 4063(a) of ERISA); or

(ii) any material personnel policy, equity-based plans (including, but not limited to, stock option plans, stock purchase plans, stock appreciation rights and phantom stock plans), collective bargaining agreement, bonus plan or arrangement, incentive award plan or arrangement, vacation policy, severance pay plan or arrangements, change in control policies or agreements, deferred compensation agreement or arrangement, executive compensation or supplemental income arrangement, consulting agreement, employment agreement and each other employee benefit plan, agreement, arrangement, program, practice or understanding which is not described in Section 3.17(a)(i) (collectively, along with any plan described in Section 3.17(a)(i) above, the "***Regency Benefit Plans***").

(b) True and correct and complete copies of each of the Regency Benefit Plans, related trusts, insurance or group annuity contracts and each other funding or financing arrangement relating to any Plan, including all amendments thereto, have been made available to the Buyer Parties and there has been made available to the Buyer Parties, with respect to each Regency Benefit Plan required to file such report and description, the most recent report on Form 5500 and the summary plan description. Additionally, the most recent determination letter or opinion letter from the Internal Revenue Service for each of the Regency Benefit Plans intended to be qualified under Section 401 of the Code, and any outstanding determination letter application for such plans has been furnished.

(c) Except as disclosed on Schedule 3.17(c) of the Seller Disclosure Schedule and except for matters that would not reasonably be expected to have a Regency Material Adverse Effect:

(i) each Regency Benefit Plan has been administered in compliance with its terms, the applicable provisions of ERISA, the Code and all other applicable laws and the terms of all applicable collective bargaining agreements;

(ii) there are no actions, suits or claims pending (other than routine claims for benefits) or threatened, with respect to any Regency Benefit Plan and no Regency Benefit Plan is under audit or is subject to an investigation by the Internal Revenue Service, the Department of Labor or any other federal or state governmental agency nor is any such audit or investigation pending;

(iii) no Regency Benefit Plan is subject to Title IV of ERISA;

(iv) all contributions and payments required to be made by any Regency Entity or an ERISA Affiliate of any Regency Entity to or under each Regency Benefit Plan have been timely made;

(v) as to any Regency Benefit Plan intended to be qualified under Section 401 of the Code, there has been no termination or partial termination of such plan within the meaning of Section 411(d)(3) of the Code; and

(vi) none of the Regency Entities or any of their ERISA Affiliates has any liability with respect to any multiemployer plan within the meaning of Section 3(37) of ERISA or multiple employer plan with the meaning of Section 4063(a) of ERISA.

(d) In connection with the consummation of the transaction contemplated by this Agreement, no payments have or will be made under the Regency Benefit Plans which, in the aggregate, would result in imposition of the sanctions imposed under Sections 280G and 4999 of the Code.

(e) No Regency Benefits Plan provides retiree medical or retiree life insurance benefits to any person and neither the Regency Entities nor any ERISA Affiliate of a Regency Entity is contractually or otherwise obligated (whether or not in writing) to provide any person with life insurance or medical benefits upon retirement or termination of employment, other than as required by the provisions of Section 601 through 608 of ERISA and Section 4980B of the Code. Additionally, each Regency Benefits Plan which is an “employee welfare benefit plan,” as such term is defined in Section 3(1) of ERISA, may be unilaterally amended or terminated in its entirety without liability except as to benefits accrued thereunder prior to such amendment or termination.

(f) Except as would not reasonably be expected to have a Regency Material Adverse Effect, (a) each of the Regency Entities is in compliance with all applicable labor and employment Laws including, without limitation, all Laws, rules, regulations, orders, rulings, decrees, judgments and awards relating to employment discrimination, payment of wages, overtime compensation, immigration, occupational health and safety, and wrongful discharge;

(b) no action, suit, complaint, charge, arbitration, inquiry, proceeding or investigation by or before any Governmental Authority, brought by or on behalf of any employee, prospective or former employee or labor organization or other representative of the employees or of any prospective or former employees of any of the Regency Entities is pending or threatened against any of the Regency Entities, any present or former director or employee (including with respect to alleged sexual harassment, unfair labor practices or discrimination); (c) no grievance is pending or threatened against any of the Regency Entities; and (d) none of the Regency Entities is subject to or otherwise bound by, any material consent decree, order, or agreement with, any Governmental Authority relating to employees or former employees of any of the Regency Entities. To the Knowledge of Seller, none of the Regency Entities is a signatory party to or otherwise subject to any collective bargaining agreements, and none of the employees of the Regency Entities is represented by a labor union; and there is no labor dispute, strike, work stoppage or other labor trouble (including any organizational drive) against any of the Regency Entities pending or threatened.

3.18 ***Brokers' Fee***. Except for the fee payable to Morgan Stanley & Co. Incorporated which shall be paid by Seller, no broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Seller.

3.19 ***Regulatory Matters; Compliance***.

(a) To the Knowledge of Seller, except as set forth on Schedule 3.19 of the Seller Disclosure Schedule, there are no currently effective tariffs authorized and approved by the FERC as of the Execution Date applicable to the Regency Entities, or currently pending material rate filings, certificate applications, or other filings that relate to any of the Regency Entities made with FERC prior to the Execution Date.

(b) The Regency Entities (i) have all necessary approvals from FERC to provide service to customers pursuant to the Natural Gas Act and the Natural Gas Policy Act of 1978, as amended, and (ii) have made all required FERC filings necessary to offer such service, except where the failure to have any such approval or to have made any such filing would not reasonably be expected to have a Regency Material Adverse Effect.

(c) Regency is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

3.20 ***Intellectual Property***. To the Knowledge of Seller (a) the Regency Entities own or have the right to use pursuant to license, sublicense, agreement or otherwise all material items of Intellectual Property required in the operation of the business as presently conducted; (b) no third party has asserted in writing delivered to the Regency Entities an unresolved claim that any of the Regency Entities is infringing on the Intellectual Property of such third party and (c) no third party is infringing on the Intellectual Property owned by the Regency Entities.

3.21 ***Matters Relating to Acquisition of the Convertible Preferred Units***.

(a) Seller has such knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of their investment in the Convertible Preferred Units and is capable of bearing the economic risk of such investment. Seller is an "accredited investor" as that term is defined in Rule 501 of Regulation D (without regard to Rule 501(a)(4)) promulgated under the Securities Act. Seller is acquiring the Convertible Preferred Units for investment for its own account and not with a view toward or for sale in connection with any distribution thereof, or with any present intention of distributing or selling the Convertible Preferred Units. Seller is not a party to any Contract or arrangement with any Person to sell, transfer or grant participations to such Person or to any third Person, with respect to the Convertible Preferred Units. Seller acknowledges and understands that (i) the acquisition of the Convertible Preferred Units has not been registered under the Securities Act in reliance on an exemption therefrom and (ii) that the Convertible Preferred Units will, upon their sale by Seller, be characterized as "restricted securities" under state and federal securities laws. Seller agrees that the Convertible Preferred Units may not be sold, transferred, offered for sale, pledged, hypothecated or otherwise disposed of except pursuant to an effective registration statement under the Securities Act or pursuant to an available exemption from the registration requirements of the Securities Act, and in compliance with other applicable state and federal securities laws.

(b) Seller has undertaken such investigation as they deemed necessary to enable them to make an informed and intelligent decision with respect to the execution, delivery and performance of this Agreement and the acquisition of the Convertible Preferred Units. Seller has had an opportunity to ask questions and receive answers from the Buyer Parties regarding the terms and conditions of the offering of the Convertible Preferred Units and the business, properties, prospects, and financial condition of ETE. The foregoing, however, does not modify the representations and warranties of the Buyer Parties in Article IV and such representations and warranties constitute the sole and exclusive representations and warranties of the Buyer Parties to Seller in connection with the transactions contemplated by this Agreement.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE BUYER PARTIES

The Buyer Parties hereby jointly and severally represent and warrant to Seller as follows:

4.1 ***Organization; Qualification***. Each of the Buyer Parties is an entity duly formed, validly existing and in good standing under the laws of the state of Delaware and has all requisite partnership or limited liability company power and authority to own, lease and operate its properties and to carry on its business as it is now being conducted, and are duly qualified, registered or licensed to do business as a foreign entity and is in good standing in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification necessary, except where the failure to be so duly qualified, registered or licensed and in good standing would not reasonably be expected to have an ETE Material Adverse Effect or to prevent or materially delay the consummation of the transactions contemplated by this Agreement or to materially impair the ability of the Buyer Parties to perform their obligations under this Agreement. The Buyer Parties have made

available to Seller true and complete copies of the Organizational Documents of each Buyer Party, as in effect on the Execution Date.

4.2 ***Authority; Enforceability; Valid Issuance***.

(a) Each Buyer Party has the requisite partnership or limited liability company power and authority to execute and deliver this Agreement and to consummate the transactions contemplated by this Agreement. The execution and delivery by the Buyer Parties of this Agreement and the consummation by the Buyer Parties of the transactions contemplated by this Agreement have been duly and validly authorized by the Buyer Parties, and no other partnership or limited liability company proceedings on the part of the Buyer Parties are necessary to authorize this Agreement or to consummate the transactions contemplated by this Agreement.

(b) This Agreement has been duly executed and delivered by the Buyer Parties, and, assuming the due authorization, execution and delivery by Seller, this Agreement constitutes the valid and binding agreement of the Buyer Parties, enforceable against the Buyer Parties in accordance with its terms, except as such enforceability may be limited by Creditors' Rights.

(c) The issuance of the Convertible Preferred Units and the ETE Common Units issuable upon conversion of the Convertible Preferred Units have been duly authorized in accordance with the Organizational Documents of ETE. The Convertible Preferred Units, when issued and delivered to Seller in accordance with the terms of this Agreement, and the ETE Common Units issuable upon conversion of the Convertible Preferred Units, when issued upon conversion of the Convertible Preferred Units, in each case will be validly issued, fully paid (to the extent required under the ETE Partnership Agreement), nonassessable (except to the extent nonassessability may be affected by Sections 17-303, 17-607 and 17-804 of the Delaware LP Act) and free of any restrictions upon voting or transfer thereof pursuant to the Organizational Documents of ETE or any Contract to which any of the ETE Entities is a party or by which any property or asset of any such Person is bound or affected. Upon issuance and delivery of the Convertible Preferred Units, Seller will be duly admitted to ETE as an additional limited partner.

4.3 ***Non-Contravention***. Except as set forth on Schedule 4.3 of the Buyers Disclosure Schedule, the execution, delivery and performance of this Agreement and the consummation by the Buyer Parties of the transactions contemplated by this Agreement does not and will not: (a) result in any breach of any provision of the Organizational Documents of the Buyer Parties; (b) constitute a default (or an event that with notice or passage of time or both would give rise to a default) under, or give rise to any right of termination, cancellation, amendment or acceleration (with or without the giving of notice, or the passage of time or both) under any of the terms, conditions or provisions of any Contract to which any of the ETE Entities is a party or by which any property or asset of any ETE Entity is bound or affected; (c) assuming compliance with the matters referred to in Section 4.4, violate any Law to which any ETE Entity is subject or by which any of the ETE Entities' properties or assets is bound or (d) constitute (with or without the giving of notice or the passage of time or both) an event which would result in the creation of any Lien (other than Permitted Liens) on any asset of any ETE Entity, except, in the cases of clauses (b), (c) and (d), for such defaults or rights of termination, cancellation, amendment, acceleration, violations or Liens as would not reasonably be expected to have an ETE Material Adverse Effect or to prevent or materially delay the consummation of the

transactions contemplated by this Agreement or to materially impair the Buyer Parties' ability to perform their obligations under this Agreement. Except as set forth on Schedule 4.3 of the Buyers Disclosure Schedule, the ETE Entities are in material compliance with all Contracts evidencing indebtedness, including the ETE Credit Agreement.

4.4 ***Governmental Approvals***. Except as set forth on Schedule 4.4 of the Buyers Disclosure Schedule, no declaration, filing or registration with, or notice to, or authorization, consent or approval of, any Governmental Authority is necessary for the consummation by the Buyer Parties of the transactions contemplated by this Agreement, other than such declarations, filings, registrations, notices, authorizations, consents or approvals which, if not obtained or made, would not reasonably be expected to have an ETE Material Adverse Effect or to prevent or materially delay the consummation of the transactions contemplated by this Agreement or to materially impair the Buyer Parties' ability to perform their obligations under this Agreement.

4.5 ***Capitalization***.

(a) As of the Execution Date: (i) 222,941,172 ETE Common Units were issued and outstanding and (ii) 3,000,000 ETE Common Units were reserved for issuance under ETE's employee benefit plans, of which 0 ETE Common Units were subject to issuance upon exercise of outstanding ETE options and 0 ETE Common Units were subject to issuance upon the vesting of outstanding phantom units.

(b) All of the limited partner interests in ETE are duly authorized and validly issued in accordance with the Organizational Documents of ETE, and are fully paid (to the extent required under the Organizational Documents of ETE) and nonassessable (except as nonassessability may be affected by Sections 17-303 and 17-607 of the Delaware LP Act) and were not issued in violation of any preemptive rights, rights of first refusal or other similar rights of any Person.

(c) Except as set forth in the Organizational Documents of ETE and except as otherwise provided in Section 4.5(a), there are no preemptive rights or other outstanding rights, options, warrants, conversion rights, stock appreciation rights, redemption rights, repurchase rights, agreements, arrangements, calls, subscription agreements, commitments or rights of any kind that obligate ETE to issue or sell any equity interests of ETE or any securities or obligations convertible or exchangeable into or exercisable for, or giving any Person a right to subscribe for or acquire, any equity interests in ETE, and no securities or obligations evidencing such rights are authorized, issued or outstanding.

(d) ETE does not have any outstanding any bonds, debentures, notes or other obligations the holders of which have the right to vote (or convertible into or exercisable for securities having the right to vote) with the holders of equity interests in ETE on any matter.

(e) L.E. GP, LLC, a Delaware limited liability company ("***LEGPLLC***") is the sole general partner of ETE with a 0.3% general partner interest in ETE (the "***LEGP Interest***") as of the Execution Date. The LEGP Interest has been duly authorized and validly issued in accordance with the ETE Partnership Agreement and has not been issued in violation of any preemptive rights, rights of first refusal or other similar rights of any Person. The LEGP Interest

is owned by LEGPLLC free and clear of all Liens, other than (i) transfer restrictions imposed by federal and state securities laws and (ii) any transfer restrictions contained in the ETE Partnership Agreement.

(f) As of the Execution Date, ETE owns 100% of the issued and outstanding membership interests in ETP GP LLC. Such membership interests have been duly authorized and validly issued in accordance with the Organizational Documents of ETP GP LLC and are fully paid (to the extent required under the Organizational Documents of ETP GP LLC) and non-assessable (except as such non-assessability may be affected by matters described in Sections 18-303 and 18-607 of the Delaware LLC Act). ETE owns such membership interests free and clear of all Liens other than (i) Liens arising under the ETE Credit Agreement, (ii) transfer restrictions imposed by federal and state securities laws and (iii) any transfer restrictions contained in the Organizational Documents of ETP GP LLC.

(g) As of the Execution Date, ETP GP LLC is the sole general partner of ETP GP LP, with a 0.01% general partner interest in ETP GP LP; (ii) such general partner interest has been duly authorized and validly issued in accordance with the Organizational Documents of ETP GP LP; (iii) ETP GP LLC owns such general partner interest free and clear of all Liens, other than (a) Liens arising under the ETE Credit Agreement, (b) transfer restrictions imposed by federal and state securities laws and (c) any transfer restrictions contained in the Organizational Documents of ETP GP LP; (iv) ETE owns 100% of the Class A limited partner interests of ETP GP LP and 100% of the Class B limited partner interests of ETP GP LP; (v) such limited partner interests have been duly authorized and validly issued in accordance with the Organizational Documents of ETP GP LP and are fully paid (to the extent required under the Organizational Documents of ETP GP LP) and non-assessable (except as such non-assessability may be affected by Sections 17-303 and 17-607 of the Delaware LP Act); and (vi) ETE owns its limited partner interests in ETP GP LP free and clear of all Liens other than (1) Liens arising under the ETE Credit Agreement, (2) transfer restrictions imposed by federal and state securities laws and (3) any transfer restrictions contained in the Organizational Documents of ETP GP LP.

(h) As of the Execution Date, ETP GP LP is the sole general partner of ETP with a 1.8% general partner interest in ETP (the "***ETP GP Interest***") and owns the ETP Incentive Distribution Rights (collectively with the ETP GP Interest, the "***ETP GP LP Interests***"). The ETP GP LP Interests have been duly authorized and validly issued in accordance with the ETP Partnership Agreement and have not been issued in violation of any preemptive rights, rights of first refusal or other similar rights of any Person. As of the Execution Date, the ETP GP LP Interests are owned by ETP GP LP free and clear of all Liens, other than (i) Liens arising under the ETE Credit Agreement, (ii) transfer restrictions imposed by federal and state securities laws and (iii) any transfer restrictions contained in the ETP Partnership Agreement.

(i) As of the Execution Date, ETE owns 62,500,797 ETP Common Units, representing approximately a 32.7% limited partner interest (collectively, the "***Owned Units***"), in each case free and clear of all Liens, other than (i) Liens arising under the ETE Credit Agreement, (ii) transfer restrictions imposed by federal and state securities laws and (iii) any transfer restrictions contained in the ETP Partnership Agreement. All of the Owned Units have been duly authorized and validly issued in accordance with the ETP Partnership Agreement and are fully paid (to the extent required under the ETP Partnership Agreement) and non-assessable

(except as such non-assessability may be affected by Sections 17-303 and 17-607 of the Delaware LP Act).

4.6 ***Compliance with Law***. Except as to specific matters disclosed in the ETE SEC Documents filed or furnished on or after January 1, 2010 and prior to the date hereof (excluding any disclosures included in any "risk factor" section of such ETE SEC Documents or any other disclosures in such ETE SEC Documents to the extent they are predictive or forward looking and general in nature), and except for Environmental Laws, Laws requiring the obtaining or maintenance of a Permit, Tax matters, Laws relating to employee benefits, employment and labor matters, and Laws relating to regulatory compliance matters, which are the subject of Sections 4.11, 4.13, 4.14, 4.15 and 4.17, respectively, and except as to matters that would not reasonably be expected to have an ETE Material Adverse Effect, (a) each ETE Entity is in compliance with all applicable Laws, (b) none of the ETE Entities has received written notice of any violation of any applicable Law and (c) to the Knowledge of the Buyer Parties, none of the ETE Entities is under investigation by any Governmental Authority for potential non-compliance with any Law.

4.7 ***Title to Properties and Assets***. To the Knowledge of the Buyer Parties, except as to matters that would not reasonably be expected to have an ETE Material Adverse Effect, each ETE Entity has title to or rights or interests in its real property and personal property free and clear of all Liens (subject to Permitted Liens), sufficient to allow it to conduct its business as currently being conducted.

4.8 ***Rights-of-Way***. To the Knowledge of the Buyer Parties, except as to matters that would not reasonably be expected to have an ETE Material Adverse Effect, (a) each ETE Entity has such Rights-of-Way from each Person as are necessary to use, own and operate each ETE Entity's assets in the manner such assets are currently used, owned and operated by each ETE Entity, (b) each ETE Entity has fulfilled and performed all of its obligations with respect to such Rights-of-Way and (c) no event has occurred that allows, or after the giving of notice or the passage of time, or both, would allow, revocation or termination thereof or would result in any impairment of the rights of the holder of any such Rights-of-Way.

4.9 ***ETE SEC Reports; Financial Statements; Operating Surplus.***

(a) ETE has furnished or filed all reports, schedules, forms, statements and other documents (including exhibits and other information incorporated therein) required to be furnished or filed by ETE with the SEC since January 1, 2009 (such documents being collectively referred to as the "***ETE SEC Documents***").

(b) Each ETE SEC Document (i) at the time filed, complied in all material respects with the requirements of the Exchange Act and the Securities Act, as the case may be, and the rules and regulations of the SEC promulgated thereunder applicable to such ETE SEC Document and (ii) did not at the time it was filed (or if amended or superseded by a filing or amendment prior to the Execution Date, then at the time of such filing or amendment) 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 therein, in light of the circumstances under which they were made, not misleading.

(c) Each of the financial statements of ETE or LEGPLLC included in the ETE SEC Documents ("***ETE Financial Statements***") complied at the time it was filed as to form in all material respects with the applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, has been prepared in accordance with GAAP, applied on a consistent basis throughout the periods presented thereby and fairly present in all material respects the consolidated financial position and operating results, equity and cash flows of ETE as of, and for the periods ended on, the respective dates thereof, subject, however, in the case of unaudited financial statements, to normal year-end audit adjustments and accruals and the absence of notes and other textual disclosures as permitted by Form 10-Q of the SEC.

(d) To the Knowledge of the Buyer Parties, none of the ETE Entities has any liability, whether accrued, contingent, absolute or otherwise, except for (i) liabilities set forth on the consolidated balance sheet of ETE dated as of March 31, 2010 or the notes thereto, and (ii) liabilities that have arisen since March 31, 2010 in the ordinary course of business.

(e) All distributions made by ETP since its initial public offering have been made from Operating Surplus (as defined in the ETP Partnership Agreement) and in accordance with the terms of the ETP Partnership Agreement.

(f) A true and correct copy of an ownership schedule setting forth the owners of record of the membership interests in LEGPLLC has been provided to Seller.

4.10 ***Absence of Certain Changes***. Except as to specific matters disclosed in the ETE SEC Documents filed or furnished on or after January 1, 2010 and prior to the date hereof (excluding any disclosures included in any "risk factor" section of such ETE SEC Documents or any other disclosures in such ETE SEC Documents to the extent they are predictive or forward looking and general in nature), except as set forth on Schedule 4.10 of the Buyers Disclosure Schedule or as expressly contemplated by this Agreement, since December 31, 2009, there has not been any event, occurrence or development which has had, or would be reasonably expected to have, an ETE Material Adverse Effect.

4.11 ***Environmental Matters***. Except as to specific matters disclosed in the ETE SEC Documents filed or furnished on or after January 1, 2010 and prior to the date hereof (excluding any disclosures included in any "risk factor" section of such ETE SEC Documents or any other disclosures in such ETE SEC Documents to the extent they are predictive or forward looking and general in nature), except as to matters set forth on Schedule 4.11 of the Buyers Disclosure Schedule and except as to matters that would not reasonably be expected to have an ETE Material Adverse Effect:

(a) each of the ETE Entities is in compliance with all applicable Environmental Laws;

(b) each of the ETE Entities possesses all Permits required under Environmental Laws for their operations as currently conducted and is in compliance with the terms of such Permits, and such Permits are in full force and effect;

(c) none of the ETE Entities nor any of their properties or operations are subject to any pending or, to the Knowledge of the Buyer Parties, threatened Proceeding arising under any

Environmental Law, nor has any of the ETE Entities received any written and pending notice, order or complaint from any Governmental Authority alleging a violation of or liability arising under any Environmental Law; and

(d) to the Knowledge of the Buyer Parties, there has been no Release of Hazardous Substances on, at, under, to, or from any of the properties of the ETE Entities, or from or in connection with the ETE Entities' operations in a manner that would reasonably be expected to give rise to any liability pursuant to any Environmental Law.

4.12 ***Legal Proceedings***. Except as to specific matters disclosed in the ETE SEC Documents filed or furnished on or after January 1, 2010 and prior to the date hereof (excluding any disclosures included in any "risk factor" section of such ETE SEC Documents or any other disclosures in such ETE SEC Documents to the extent they are predictive or forward looking and general in nature), and other than with respect to Proceedings arising under Environmental Laws which are the subject of Section 4.11 or as is set forth on Schedule 4.12 of Buyers Disclosure Schedule, there are no Proceedings pending or, to the Knowledge of the Buyer Parties, threatened against the ETE Entities, except such Proceedings as would not reasonably be expected to have an ETE Material Adverse Effect or to prevent or materially delay the consummation of the transactions contemplated by this Agreement or to materially impair the Buyer Parties' ability to perform their obligations under this Agreement.

4.13 ***Permits***. To the Knowledge of the Buyer Parties, other than with respect to Permits issued pursuant to or required under Environmental Laws which are the subject of Section 4.11, the ETE Entities have all Permits as are necessary to use, own and operate their assets in the manner such assets are currently used, owned and operated by the ETE Entities, except where the failure to have such Permits would not reasonably be expected to have an ETE Material Adverse Effect.

4.14 ***Taxes***.

(a) All material Tax Returns required to be filed with respect to ETE and, to the Knowledge of Buyer, the other ETE Entities have been filed and all the Tax Returns of ETE and, to the Knowledge of Buyer, the other ETE Entities are complete and correct in all material respects and all material Taxes due relating to ETE and, to the Knowledge of Buyer, the other ETE Entities have been paid in full. Except as disclosed on Schedule 4.14 of the Buyers Disclosure Schedule, there is no claim (other than claims being contested in good faith through appropriate proceedings and for which adequate reserves have been made in accordance with GAAP) against ETE or, to the Knowledge of Buyer, the other ETE Entities for any material Taxes, and no material assessment, deficiency, or adjustment has been asserted, proposed in writing with respect to any material Taxes or material Tax Returns of or with respect to ETE or, to the Knowledge of Buyer, the other ETE Entities.

(b) Except as set forth on Schedule 4.14 of the Buyer Disclosure Schedule, no material Tax audits or administrative or judicial proceedings are being conducted or are pending with respect to ETE or, to the Knowledge of Buyer, the other ETE Entities.

(c) All material Taxes required to be withheld, collected or deposited by or with respect to ETE or, to the Knowledge of Buyer, the other ETE Entities have been timely withheld, collected or deposited as the case may be, and to the extent required, have been paid to the relevant taxing authority.

(d) There are no outstanding agreements or waivers extending the applicable statutory periods of limitations for any material Tax of, or any material Taxes associated with the ownership or operation of the assets of, ETE or, to the Knowledge of Buyer, any other ETE Entities.

(e) Neither ETE nor, to the Knowledge of Buyer, any other ETE Entities is a party to any Tax sharing agreement.

(f) Neither ETE nor, to the Knowledge of Buyer, the other ETE Entities has engaged in a transaction that would be reportable by or with respect to any ETE Entity pursuant to Treasury Regulation § 1.6011-4 or any predecessor thereto.

(g) Neither ETE nor ETP has elected to be treated as a corporation for federal Tax purposes. ETE and ETP each qualify as a "publicly traded partnership" within the meaning of Section 7704(b) of the Code and each have met, and continue to meet, the "gross income requirements" (within the meaning of Section 7704(c) of the Code) in each Tax year since its formation. Both of ETE and ETP have filed a federal income tax return that has in effect an election pursuant to Section 754 of the Code.

4.15 ***Employee Benefits; Employment and Labor Matters***. To the Knowledge of the Buyer Parties:

(a) Except as set forth on Schedule 4.15(a) of the Buyers Disclosure Schedule or filed with any ETE SEC Documents (including by incorporation by reference) filed with the SEC on or after January 1, 2010 and prior to the date hereof, no ETE Entity, nor any ERISA Affiliate of any ETE Entity, sponsors, maintains or contributes to, or has sponsored, maintained or contributed to within six years prior to the Closing Date any of the following:

(i) any "employee benefit plan," as such term is defined in Section 3(3) of ERISA (including, but not limited to, employee benefit plans, such as foreign plans, which are not subject to the provisions of ERISA, but excluding any multiemployer plan within the meaning of Section 3(37) of ERISA or multiple employer plan within the meaning of Section 4063(a) of ERISA); or

(ii) any material personnel policy, equity-based plans (including, but not limited to, stock option plans, stock purchase plans, stock appreciation rights and phantom stock plans), collective bargaining agreement, bonus plan or arrangement, incentive award plan or arrangement, vacation policy, severance pay plan or arrangements, change in control policies or agreements, deferred compensation agreement or arrangement, executive compensation or supplemental income arrangement, consulting agreement, employment agreement and each other employee benefit plan, agreement, arrangement, program, practice or understanding which is not described in

Section 4.15(a)(i) (collectively, along with any plan described in Section 4.15(a)(i) above, the "***ETE Benefit Plans***").

(b) Except as disclosed on Schedule 4.15(b) of the Buyers Disclosure Schedule and except for matters that would not reasonably be expected to have a ETE Material Adverse Effect;

(i) each ETE Benefit Plan has been administered in compliance with its terms, the applicable provisions of ERISA, the Code and all other applicable laws and the terms of all applicable collective bargaining agreements;

(ii) there are no actions, suits or claims pending (other than routine claims for benefits) or threatened, with respect to any ETE Benefit Plan and no ETE Benefit Plan is under audit or is subject to an investigation by the Internal Revenue Service, the Department of Labor or any other federal or state governmental agency nor is any such audit or investigation pending;

(iii) no ETE Benefit Plan is subject to Title IV of ERISA;

(iv) all contributions and payments required to be made by any ETE Entity or an ERISA Affiliate of any ETE Entity to or under each ETE Benefit Plan have been timely made;

(v) as to any ETE Benefit Plan intended to be qualified under Section 401 of the Code, there has been no termination or partial termination of such plan within the meaning of Section 411(d)(3) of the Code;

(vi) none of the ETE Entities or any of their ERISA Affiliates have any liability with respect to any multiemployer plan within the meaning of Section 3(37) of ERISA or multiple employer plan with the meaning of Section 4063(a) of ERISA.

(c) Except as would not reasonably be expected to have an ETE Material Adverse Effect, (a) each of the ETE Entities is in compliance with all applicable labor and employment Laws including, without limitation, all Laws, rules, regulations, orders, rulings, decrees, judgments and awards relating to employment discrimination, payment of wages, overtime compensation, immigration, occupational health and safety, and wrongful discharge; (b) no action, suit, complaint, charge, arbitration, inquiry, proceeding or investigation by or before any Governmental Authority, brought by or on behalf of any employee, prospective or former employee or labor organization or other representative of the employees or of any prospective or former employees of any of the ETE Entities is pending or threatened against any of the ETE Entities, any present or former director or employee (including with respect to alleged sexual harassment, unfair labor practices or discrimination); (c) no grievance is pending or threatened against any of the ETE Entities; and (d) none of the ETE Entities is subject to or otherwise bound by, any material consent decree, order, or agreement with, any Governmental Authority relating to employees or former employees of any of the ETE Entities.

4.16 ***Brokers' Fee***. Except for the fee payable to Credit Suisse Securities (USA) LLC, which shall be paid by the Buyer Parties, no broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission

in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Buyer Parties.

4.17 ***Regulatory Matters; Compliance***.

(a) The ETE Entities (i) have all necessary approvals from FERC to provide service to customers pursuant to the Natural Gas Act and the Natural Gas Policy Act of 1978, as amended, and (ii) have made all required FERC filings necessary to offer such service, except where the failure to have any such approval or to have made any such filing would not reasonably be expected to have an ETE Material Adverse Effect.

(b) Neither ETE nor ETP is an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

4.18 ***Intellectual Property***. To the Knowledge of the Buyer Parties (a) the ETE Entities own or have the right to use pursuant to license, sublicense, agreement or otherwise all material items of Intellectual Property required in the operation of the business as presently conducted; (b) no third party has asserted in writing delivered to the ETE Entities an unresolved claim that any of the ETE Entities is infringing on the Intellectual Property of such third party; and (c) no third party is infringing on the Intellectual Property owned by the ETE Entities.

4.19 ***Matters Relating to Acquisition of the Acquired GP Interests***.

(a) The Buyer Parties have such knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of their investment in the Acquired GP Interests and are capable of bearing the economic risk of such investment. The Buyer Parties are "accredited investors" as that term is defined in Rule 501 of Regulation D (without regard to Rule 501(a)(4)) promulgated under the Securities Act. The Buyer Parties are acquiring the Acquired GP Interests for investment for their own account and not with a view toward or for sale in connection with any distribution thereof, or with any present intention of distributing or selling the Acquired GP Interests. The Buyer Parties do not have any Contract or arrangement with any Person to sell, transfer or grant participations to such Person or to any third Person, with respect to the Acquired GP Interests. The Buyer Parties acknowledge and understand that (i) the acquisition of the Acquired GP Interests has not been registered under the Securities Act in reliance on an exemption therefrom and (ii) that the Acquired GP Interests will, upon its sale by Seller, be characterized as "restricted securities" under state and federal securities laws. The Buyer Parties agree that the Acquired GP Interests may not be sold, transferred, offered for sale, pledged, hypothecated or otherwise disposed of except pursuant to an effective registration statement under the Securities Act or pursuant to an available exemption from the registration requirements of the Securities Act, and in compliance with other applicable state and federal securities laws.

(b) The Buyer Parties have undertaken such investigation as they have deemed necessary to enable them to make an informed and intelligent decision with respect to the execution, delivery and performance of this Agreement and the acquisition of the Acquired GP Interests. The Buyer Parties have had an opportunity to ask questions and receive answers from

Seller regarding the terms and conditions of the offering of the Acquired GP Interests and the business, properties, prospects, and financial condition of Regency. The foregoing, however, does not modify the representations and warranties of Seller in Article III and such representations and warranties constitute the sole and exclusive representations and warranties of Seller to the Buyer Parties in connection with the transactions contemplated by this Agreement.

ARTICLE V
COVENANTS OF THE PARTIES

5.1 ***Conduct of Business***.

(a) From the Execution Date through the Closing, except as described in Schedule 5.1 of the Seller Disclosure Schedule, and except as required by this Agreement or consented to or approved in writing by the Buyer Parties (which shall not be unreasonably withheld, conditioned or delayed), Seller shall cause the Regency GP Entities to, and shall use reasonable best efforts to cause each other Regency Entity to:

(i) conduct its business and activities in the ordinary course of business consistent with past practice;

(ii) use reasonable best efforts to preserve intact their goodwill and relationships with customers, suppliers and others having business dealings with them with respect thereto;

(iii) comply in all material respects with all applicable Laws relating to them; and

(iv) use reasonable best efforts to maintain in full force without interruption its present insurance policies or comparable insurance coverage of the Regency Entities.

(b) Without limiting the generality of Section 5.1(a), and, except as described in Schedule 5.1(b) of the Seller Disclosure Schedule, as required by this Agreement or consented to or approved in writing by the Buyer Parties (which shall not be unreasonably withheld, conditioned or delayed), Seller shall cause the Regency GP Entities not to, and shall use reasonable best efforts to cause each other Regency Entity not to:

(i) make any material change or amendment to its Organizational Documents;

(ii) purchase any securities or ownership interests of, or make any investment in any Person, other than in respect of the Regency Entities (excluding the Regency GP Entities) (A) ordinary course overnight investments consistent with the cash management policies of such Person and (B) purchases and investments in addition to those contemplated by clause (A) not in excess of $50,000,000 in the aggregate;

(iii) make any capital expenditure; *provided* that the Regency Entities (excluding the Regency GP Entities) may make capital expenditures that are not in excess of $50,000,000 in the aggregate or as required on an emergency basis or for the safety of individuals or the environment;

(iv) make any material change to its tax methods, principles or elections;

(v) except as required under its Organizational Documents, declare or pay any distributions in respect of any of its equity securities or partnership units except (A) in the case of Regency, the declaration and payment of regular quarterly cash distributions of Available Cash from Operating Surplus (each as defined in the Regency Partnership Agreement) not in excess of $0.46 per Regency Common Unit per quarter, plus any corresponding distribution on the general partner interest and Regency Incentive Distribution Rights, (B) in the case of Regency, regular quarterly distributions of Available Cash from Operating Surplus, not in excess of $0.445 per quarter in respect of the Regency Series A Units and (C) the declaration and payment of distributions from any direct or indirect wholly owned Subsidiary of Regency;

(vi) split, combine or reclassify any of its equity securities or partnership units or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for, its equity securities or partnership units, except for any such transaction by a direct or indirect wholly owned Subsidiary of Regency that remains a direct or indirect wholly owned Subsidiary of Regency after consummation of such transaction;

(vii) repurchase, redeem or otherwise acquire any of its equity securities or partnership units or any securities convertible into or exercisable for any equity securities or partnership units other than redemptions to satisfy federal income tax withholding obligations (calculated using the applicable federal income tax rates) in connection with the vesting of units under Regency's long-term incentive plan;

(viii) issue, deliver, sell, pledge or dispose of, or authorize the issuance, delivery, sale, pledge or disposition of, any (A) equity securities or partnership units of any class, (B) debt securities having the right to vote on any matters on which holders of capital stock or members or partners of the same issuer may vote or (C) securities convertible into or exercisable for, or any rights, warrants, calls or options to acquire, any such securities, other than issuances (1) by a direct or indirect wholly owned Subsidiary of Regency of equity securities or partnership units to such Person's parent or any other direct or indirect wholly owned Subsidiary of Regency and (2) pursuant to awards outstanding prior to the Execution Date under Regency Benefit Plans which are reflected on Schedule 3.17(a) of the Seller Disclosure Schedule;

(ix) purchase or sell assets (including any general partner or limited partner interest or any other equity interests in any other Person) or waive any rights or benefits held by either of the Regency GP Entities attributable to RGPLP's ownership of the general partner interest in Regency and the Regency Incentive Distribution Rights, other than purchases or sales of inventory in the ordinary course by any of the Regency Entities (excluding the Regency GP Entities), with a value not exceeding $50,000,000 individually or $50,000,000 in the aggregate;

(x) create, incur, guarantee or assume any indebtedness for borrowed money other than borrowings by the Regency Entities (excluding the Regency GP Entities) of less than $100,000,000 in the aggregate;

(xi) enter into any joint venture or similar arrangement with a third party other than joint ventures or similar arrangements entered into by any of the Regency Entities (excluding the Regency GP Entities) in the ordinary course of business including assets or obligations of less than $75,000,000;

(xii) (A) settle any claims, demands, lawsuits or state or federal regulatory proceedings for damages to the extent such settlements assess damages in excess of $10,000,000 in the aggregate (other than any claims, demands, lawsuits or proceedings to the extent insured (net of deductibles), reserved against in the Regency Financial Statements or covered by an indemnity obligation not subject to dispute or adjustment from a solvent indemnitor) or (B) settle any claims, demands, lawsuits or state or federal regulatory proceedings seeking an injunction or other equitable relief where such settlements would have or would reasonably be expected to have a Regency Material Adverse Effect;

(xiii) except as otherwise expressly permitted under this Section 5.1, merge with or into, or consolidate with, any other Person or acquire all or substantially all of the business or assets of any other Person;

(xiv) take any action with respect to or in contemplation of any liquidation, dissolution, recapitalization, reorganization, or other winding up;

(xv) change or modify any accounting policies, except as required by applicable regulatory authorities or independent accountants;

(xvi) approve or make material modifications of the salaries, bonuses or other compensation (including incentive compensation) payable to any individual whose base salary exceeds $200,000 per annum or adopt or make any material amendment to any employee compensation, benefit or incentive plans;

(xvii) modify, make any material amendment to or voluntarily terminate, prior to the expiration date thereof, any Regency Material Contracts or waive any default by, or release, settle or compromise any claim against, any other party thereto; or

(xviii) agree, or commit to take any of the actions described above.

Notwithstanding anything in this Agreement to the contrary, nothing in Section 5.1 shall prohibit Regency or any of its Subsidiaries from taking any action, or Seller from approving the taking by Regency or any of its Subsidiaries of any action, in each case that would otherwise be prohibited by this Section 5.1 without consent or approval of the Buyer Parties, if, prior to taking such action, or approving the taking of such action, Seller or Regency, as applicable, determines in good faith, after consultation with outside legal counsel, that failure to take such action, or to approve the taking of such action, would be reasonably likely to be a breach of the implied contractual covenant of good faith and fair dealing owed to an unaffiliated third party and imposed on Seller, Regency or such Subsidiary, as applicable, in its capacity as the general partner of Regency and a party to the Regency Partnership Agreement or a partner in the RIGS JV and a party to the RIGS JV Agreement under the Delaware Revised Uniform Partnership Act, as applicable.

(c) From the Execution Date though the Closing, ETE shall not: (i) amend the ETP Redemption Agreement in any manner that would reasonably be expected to adversely affect Seller's rights under this Agreement or (ii) exercise its rights under Section 7.1(a) of the ETP Redemption Agreement to terminate the ETP Redemption Agreement,

(d) From the Execution Date through the Closing, except as described in Schedule 5.1(d) of the Buyers Disclosure Schedule, or consented to or approved in writing by Seller (which shall not be unreasonably withheld, conditioned or delayed), the Buyer Parties shall not take any action that would require the consent of Seller pursuant to Section 5.13(b)(v) of the Third Amendment (which for purposes of this Section 5.1(d) shall be deemed to be in full force and effect).

5.2 ***Notice of Certain Events***.

(a) Subject to applicable Law, each Party shall promptly notify the other Parties of:

(i) any event, condition or development that has resulted in the inaccuracy or breach of any representation or warranty, covenant or agreement contained in this Agreement made by or to be complied with by such notifying Party at any time during the term hereof and that would reasonably be expected to result in any of the conditions set forth in Article VI not to be satisfied and which notice shall identify the applicable representation or warranty, covenant or agreement and disclosure schedule, if any, for which such breach or inaccuracy relates; *provided*, *however*, that no such notification shall be deemed to cure any such breach of or inaccuracy in such notifying Party's representations and warranties or covenants and agreements or in the Seller Disclosure Schedule or the Buyers Disclosure Schedule for any purpose under this Agreement and no such notification shall limit or otherwise affect the remedies available to the other Parties;

(ii) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;

(iii) any notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement; or

(iv) any Proceedings commenced that would be reasonably expected to prevent or materially delay the consummation of the transactions contemplated by this Agreement or materially impair the notifying Party's ability to perform its obligations under this Agreement.

(b) Seller shall promptly notify the Buyer Parties of the occurrence of any of the events described in Section 5.1(b) regardless of whether Seller used reasonable best efforts to prevent the occurrence of such event.

5.3 ***Access to Information***. From the Execution Date until the Closing Date, Seller on the one hand, and Buyer Parties, on the other hand, will subject to compliance with Law governing the use of such information, (a) give the other party and their counsel, financial

advisors, auditors and other authorized representatives (collectively, "***Representatives***") reasonable access to the offices, properties, books and records of the Regency Entities or ETE Entities, as the case may be, and permit such party to make copies thereof, in each case during normal business hours and (b) furnish such financial and operating data and other information relating to the Regency Entities or ETE Entities, as the case may be, as such Persons may reasonably request. For two (2) years after the Closing Date, Seller, its Affiliates and its Representatives shall have reasonable access during normal business hours to the offices, properties, books and records of the Buyer Entities with respect to information of the nature and scope described on Schedule 5.3, and which the Buyer Parties acknowledge and agree Seller may share with its Representatives; provided that Seller and its applicable Affiliates and Representatives shall have entered into a confidentiality agreement relating to such information reasonably acceptable to the Buyer Parties. Any investigation pursuant to this Section 5.3 shall be conducted in such manner as not to interfere with the conduct of the business of any Party. Notwithstanding the foregoing, no Party shall be entitled to perform any intrusive or subsurface investigation or other sampling of, on or under any of the properties of a Party without the prior written consent of the other Party. Notwithstanding the foregoing provisions of this Section 5.3, no Party shall be required to grant access or furnish information to the extent that such information is subject to an attorney/client or attorney work product privilege or that such access or the furnishing of such information is prohibited by Law or an existing Contract. To the extent practicable, such Party shall make reasonable and appropriate substitute disclosure arrangements under circumstances in which the restrictions of the preceding sentence apply, including the execution of a joint defense agreement to allow the parties to exchange information protected by the attorney client privilege or work product doctrine. To the fullest extent permitted by Law, (1) no party nor any of their respective Representatives or Affiliates shall be responsible or liable to another party for personal injuries sustained in connection with the access provided pursuant to this Section 5.3 and (2) shall be indemnified and held harmless by the visiting party for any losses suffered by any such Persons in connection with any such personal injuries; *provided* such personal injuries are not caused by the gross negligence or willful misconduct of the hosting party. The Parties agree that they will not, and will cause their Representatives not to, use any information obtained pursuant to this Section 5.3 for any purpose unrelated to the consummation of the transactions contemplated by this Agreement.

5.4 ***Governmental Approvals***.

(a) The Parties will cooperate with each other and use reasonable best efforts to obtain from any Governmental Authorities any consents, licenses, permits, waivers, approvals, authorizations or orders required to be obtained and to make any filings with or notifications or submissions to any Governmental Authority that are necessary in order to consummate the transactions contemplated by the Transaction Agreements and shall diligently and expeditiously prosecute, and shall cooperate fully with each other in the prosecution of, such matters.

(b) The Parties agree to cooperate with each other and use reasonable best efforts to contest and resist, any Proceeding, and to have vacated, lifted, reversed or overturned any decree, judgment, injunction or other order (whether temporary, preliminary or permanent) of any Governmental Authority that is in effect and that restricts, prevents or prohibits the consummation of the transactions contemplated by the Transaction Agreements.

5.5 ***Expenses***. All costs and expenses incurred by Seller in connection with this Agreement and the transactions contemplated thereby, and any documented, out-of-pocket expenses reasonably incurred by the other Regency Entities (not to exceed $50,000), shall be paid by Seller, and all costs and expenses incurred by the Buyer Parties or the ETE Entities in connection with this Agreement and the transactions contemplated thereby shall be paid by the Buyer Parties; *provided, however*, that if any action at law or equity is necessary to enforce or interpret the terms of this Agreement, the prevailing Party shall be entitled to reasonable attorneys' fees and expenses in addition to any other relief to which such Party may be entitled.

5.6 ***Further Assurances***. Subject to the terms and conditions of this Agreement, each of the Parties shall use its reasonable best efforts to take, or cause to be taken, all action, and to do, or cause to be done, all things necessary, proper or advisable under applicable Law to consummate the transactions contemplated by the Transaction Agreements. Without limiting the generality of the foregoing, each Party will use its reasonable best efforts to obtain timely all authorizations, consents and approvals of all third parties necessary in connection with the consummation of the transactions contemplated by the Transaction Agreements prior to the Closing. The Parties will coordinate and cooperate with each other in exchanging such information and assistance as any of the Parties hereto may reasonably request in connection with the foregoing.

5.7 ***Public Statements***. The Parties shall consult with each other prior to issuing any public announcement, statement or other disclosure with respect to this Agreement or the transactions contemplated thereby and neither Seller nor its Affiliates, on one hand, nor the Buyer Parties and their Affiliates, on the other hand, shall issue any such public announcement, statement or other disclosure without having first notified Seller, on one hand, or the Buyer Parties on the other; *provided, however*, that any of Seller and its Affiliates, on one hand, and any of the Buyer Parties and their Affiliates, on the other hand, may make any public disclosure without first so consulting with or notifying the other Party or Parties if such disclosing party believes that it is required to do so by Law or by any stock exchange listing requirement or trading agreement concerning the publicly traded securities of Seller or its Affiliates, on one hand, or the Buyer Parties or any of their Affiliates, on the other hand.

5.8 ***Convertible Preferred Units***. Seller agrees to the imprinting, so long as the restrictions described in the legend are applicable, of the following legend on any certificates evidencing all or any portion of the Convertible Preferred Units or any ETE Common Units issuable upon conversion thereof:

THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "***SECURITIES ACT***") AND ARE SUBJECT TO THE TERMS OF THE THIRD AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT OF ENERGY TRANSFER EQUITY, L.P., AS AMENDED, THE HOLDER OF THIS SECURITY ACKNOWLEDGES FOR THE BENEFIT OF ENERGY TRANSFER EQUITY, L.P. THAT THIS SECURITY MAY NOT BE SOLD, OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED IF SUCH TRANSFER WOULD (A) VIOLATE THE THEN APPLICABLE FEDERAL OR STATE SECURITIES LAWS OR

RULES AND REGULATIONS OF THE SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION OR ANY OTHER GOVERNMENTAL AUTHORITY WITH JURISDICTION OVER SUCH TRANSFER, (B) TERMINATE THE EXISTENCE OR QUALIFICATION OF ENERGY TRANSFER EQUITY, L.P. UNDER THE LAWS OF THE STATE OF DELAWARE, OR (C) CAUSE ENERGY TRANSFER EQUITY, L.P. TO BE TREATED AS AN ASSOCIATION TAXABLE AS A CORPORATION OR OTHERWISE TO BE TAXED AS AN ENTITY FOR FEDERAL INCOME TAX PURPOSES (TO THE EXTENT NOT ALREADY SO TREATED OR TAXED). L.E. GP, THE GENERAL PARTNER OF ENERGY TRANSFER EQUITY, L.P., MAY IMPOSE ADDITIONAL RESTRICTIONS ON THE TRANSFER OF THIS SECURITY IF IT RECEIVES AN OPINION OF COUNSEL THAT SUCH RESTRICTIONS ARE NECESSARY TO AVOID A SIGNIFICANT RISK OF ENERGY TRANSFER EQUITY, L.P. BECOMING TAXABLE AS A CORPORATION OR OTHERWISE BECOMING TAXABLE AS AN ENTITY FOR FEDERAL INCOME TAX PURPOSES. THE RESTRICTIONS SET FORTH ABOVE SHALL NOT PRECLUDE THE SETTLEMENT OF ANY TRANSACTIONS INVOLVING THIS SECURITY ENTERED INTO THROUGH THE FACILITIES OF ANY NATIONAL SECURITIES EXCHANGE ON WHICH THIS SECURITY IS LISTED OR ADMITTED TO TRADING.

5.9 ***No Solicitation.***

(a) Neither Seller nor the Regency GP Entities or their respective officers, directors, employees, stockholders, representatives, agents, or anyone acting on behalf of them, shall, directly or indirectly, (i) encourage, solicit, engage in discussions or negotiations with, or provide any information to, any Person (other than the Buyer Parties or their Representatives) concerning any Competing Proposal, (ii) accept any offer or respond to any indications of interest from any Person concerning any Competing Proposal, (iii) enter into an agreement, arrangement or understanding with any Person other than the Buyer Parties or their Affiliates concerning any Competing Proposal or (iv) make or authorize any statement, recommendation or solicitation in support of or concerning or otherwise facilitate any purchase or sale of securities or similar transaction involving any Competing Proposal; *provided*, *however*, that this Section 5.9 shall in no way prohibit the board of directors of RGPLLC, in its capacity as the general partner of RGPLP, in its capacity as the general partner of Regency, from taking any action required by its fiduciary duty.

(b) At every meeting of limited partners of Regency called with respect to any of the following, and at every adjournment or postponement thereof, and on every action or approval by written consent of limited partners of Regency with respect to any of the following, Seller shall and shall cause the Regency GP Entities and any of its other Affiliates to vote:

(i) against approval of any proposal made in opposition to, or in competition with, consummation of the transactions contemplated by this Agreement, including, without limitation, any proposal to remove RGPLP as the general partner of Regency; and

(ii) except as otherwise agreed to in writing in advance by the Buyer Parties, against any Competing Proposal.

(c) For purposes of this Agreement, "***Competing Proposal***" means any contract, proposal, offer or indication of interest relating to any transaction or series of transactions involving: (i) any merger, amalgamation, unit exchange, recapitalization, consolidation, liquidation or dissolution of any of the Regency Entities, (ii) any direct or indirect acquisition of beneficial ownership (as defined under Section 13(d) of the Exchange Act) by any Person or "group" of any equity interests in any of the Regency GP Entities, (iii) any direct or indirect acquisition of beneficial ownership (as defined under Section 13(d) of the Exchange Act) by any Person or "group" of all or any portion of the general partner interest in Regency, (iv) any direct or indirect acquisition of beneficial ownership (as defined under Section 13(d) of the Exchange Act) by any Person or "group" of 15% or more of the limited partner interests in Regency or any tender or exchange offer that if consummated would result in any Person or group beneficially owning 15% or more of the limited partner interests in Regency, (v) any direct or indirect acquisition (by asset purchase, unit purchase, merger or otherwise) by any Person or "group" (as defined under Section 13(d) of the Exchange Act) of any business or material amount of assets of the Regency Entities (including capital stock of or ownership interest in any Subsidiary of Regency or any of its Subsidiaries) (other than sales of assets by the Regency Entities in the ordinary course of business consistent with past practice) or (vi) any transaction that would compete with or serve to interfere with, delay, discourage, adversely affect or inhibit the timely consummation of the transactions contemplated by this Agreement.

5.10 ***Confidential Information***.

(a) For a period of two (2) years after the Closing, Seller and its Affiliates shall not, directly or indirectly, disclose to any Person any secret, confidential or proprietary business information, data or material developed by, or on behalf of, any Regency Entity relating to the business and operations of the Regency Entities, whether acquired prior to or after the Closing Date, which has not been disclosed to the public.

(b) Notwithstanding the foregoing, Seller or its Affiliates may disclose any information relating to the business and operations of the Regency Entities, if required by Law or applicable stock exchange rule, or to such other Persons if, at the time such information is provided, such Person is already in the possession of such information.

5.11 ***No Hire***. Except for the individuals listed on Schedule 5.11, for a period of one year from and after the Execution Date, neither Seller nor the Energy Financial Service business unit of GECC shall solicit for employment or hire any executive officers or other management level employees of any of the Regency Entities who were employed by the Regency Entities within six months prior to the Closing Date. The restrictions in this Section 5.11 regarding the prohibition on solicitations (as opposed to hires) shall not apply to any solicitation directed at the general public.

5.12 ***Tax Matters***.

(a) Post-Closing Tax Returns. Buyer shall cause the Regency Entities to prepare all Tax Returns relating to the Regency Entities for periods beginning on or before the Closing Date and ending after the Closing Date. With respect to any such Tax Returns for the Regency GP Entities, Buyer shall determine (by an interim closing of the books as of the Closing Date except

for ad valorem and property taxes owed or owing by the Regency GP Entities, which shall be prorated on a daily basis) the Taxes that would have been due with respect to the period covered by such Tax Return if such taxable period ended on and included the Closing Date (the "***Pre-Closing Tax***").

(i) Not later than 20 days prior to the due date of any estimated Tax payment relating to any Pre-Closing Tax, Buyer shall deliver to Seller for its review a statement calculating the excess, if any, of the Pre-Closing Tax included in such payment over the amount set up as a liability for such Tax on the financial statements of Regency Entities. Buyer shall make or cause to be made such changes in such statement as Seller may reasonably request, which changes shall be subject to Buyer's approval, which shall not be unreasonably withheld. Thereafter, and not later than 5 days prior to the due date of such estimated Tax payment, Seller shall pay to Buyer the amount of such excess.

(ii) Not later than 20 days prior to the due date of any Tax Return covering a Pre-Closing Tax, Buyer shall deliver to Seller for its review a copy of such Tax Return and a statement calculating the amount by which the Pre-Closing Tax reflected on such Tax Return is greater than or less than the amount set up as a liability for such Tax on the financial statements of Regency Entities and the amount of any payments paid by Seller to Buyer with respect to estimated Tax payments of such Pre-Closing Tax pursuant to Section 5.12(a)(i), which amount of estimated Tax payments shall be treated as a credit against Pre-Closing Tax owed to Buyer by Seller. Buyer shall make or cause to be made such changes in such Tax Returns or such statement as Seller may reasonably request, which changes shall be subject to Buyer's approval, which shall not be unreasonably withheld. Not later than 5 days prior to the due date of such Tax Return, Seller shall pay to Buyer (or Buyer pay to Seller, if appropriate) the amount of such difference. Upon receipt thereof, Buyer shall file or cause to be filed such Tax Return and shall pay all Taxes shown to be due thereon.

(b) Transfer Taxes. All excise, sales, use, transfer (including real property transfer or gains), stamp, documentary, filing, recordation and other similar taxes, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties, resulting directly from the transactions contemplated by this Agreement (the "**Transfer Taxes**"), shall be borne 50% by Seller and 50% by the Buyer. Notwithstanding anything to the contrary in this Section 5.12, any Tax Returns that must be filed in connection with Transfer Taxes shall be prepared and filed when due by the party primarily or customarily responsible under the applicable local law for filing such Tax Returns, and such party will use reasonable best efforts to provide such Tax Returns to the other party at least ten days prior to the due date for such Tax Returns. Upon the filing of Tax Returns in connection with Transfer Taxes, the filing party shall provide the other party with evidence satisfactory to the other party that such Transfer Taxes have been filed and paid.

(c) Cooperation on Tax Matters.

(i) Buyer and Seller Parties shall cooperate fully, as and to the extent reasonably requested by the other Party, in connection with the filing of Tax Returns and any audit, litigation or other proceeding with respect to Taxes for taxable periods

beginning on or before the Closing Date. Such cooperation shall include the retention until the expiration of the relevant statute of limitations and (upon the other Party's request) the provision of records and information in such Party's possession that are reasonably relevant to any such audit, litigation or other proceeding and making employees available on the basis of reasonable best efforts to provide additional information and explanation of any material provided hereunder. Prior to the destruction or discarding of any books and records with respect to Tax matters pertinent to the Regency Entities relating to any taxable period beginning on or before the Closing Date, each Party shall give the other Party reasonable written notice and, if the other Party so requests, shall itself allow, or cause the Regency Entities to allow the other Party to take, possession of such books and records. In connection with any audit, litigation or other proceeding with respect to Taxes for taxable periods beginning on or before the Closing Date, Buyer and Seller shall promptly notify each other upon receipt by such party of written notice of any inquiries, claims, assessments, audits, or similar events. Buyer shall have sole control of the conduct of all such audit, litigation or other proceedings with respect to Taxes for periods beginning on or before the Closing Date, including any settlement or compromise thereof, *provided, however*, Buyer shall keep Seller reasonably informed of the progress of any such audit, litigation or other proceeding and shall not effect any such settlement or compromise with respect to which Seller is liable without obtaining Seller's prior written consent thereto, which shall not be unreasonably withheld.

(ii) Buyer and Seller Parties further agree, upon request, to use their reasonable 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 as a result of the transactions contemplated hereby or for any taxable period beginning on or before the Closing Date.

5.13 ***Books and Records; Financial Statements; Litigation Support.***

(a) Seller shall provide the Buyer Parties access to Seller's books and records relating to the Regency Entities to the extent reasonably necessary to enable the Buyer Parties to prepare financial statements of the Regency Entities and such other financial statement of the Buyer Parties and their Affiliates in such forms and covering such periods as may be required by any applicable securities laws to be filed with the SEC by ETE as a result of the transactions contemplated by this Agreement. Seller shall use reasonable best efforts to cause their independent accountants and the Regency Entities' independent accountants to provide any consent necessary to the filing of such financial statements with the SEC and to provide such customary representation letters as are necessary in connection therewith.

(b) Seller hereby consents to the inclusion or incorporation by reference of the financial statements of the Regency Entities in any registration statement, report or other filing of the Buyer Parties or any of their Affiliates as to which the Buyer Parties or any of their Affiliates reasonably determines that such financial statements are required to be included or incorporated by reference to satisfy any rule or regulation of the SEC or to satisfy relevant disclosure obligations under the Securities Act or the Exchange Act. Seller shall use reasonable best efforts to cause the Audit Firm to consent to the inclusion or incorporation by reference of its audit

opinion with respect to any of the financial statements of the Regency Parties in any such registration statement, report or other filing of the Buyer Parties or their Affiliates, and Seller shall cause representation letters, in form and substance reasonably satisfactory to the Audit Firm, to be executed and delivered to the Audit Firm in connection with obtaining any such consent from the Audit Firm.

(c) Seller shall cooperate with the Buyer Parties in connection with the preparation of any pro forma financial statements of the Buyer Parties or any of their Affiliates that are derived in part from the financial statements of Seller that Buyer or their Affiliates reasonably determines are required to be included or incorporated by reference in any registration statement, report or other filing of the Buyer Parties or their Affiliates to satisfy any rule or regulation of the SEC or to satisfy relevant disclosure obligations under the Securities Act or the Exchange Act.

(d) Seller shall provide access to its books and records as may be reasonably necessary for the Buyer Parties or any of their Affiliates, or any of their respective advisors or representatives, to conduct customary due diligence with respect to the financial statements of Seller in connection with any offering of securities by the Buyer Parties or any of their Affiliates or to enable an accounting firm to prepare and deliver a customary comfort letter with respect to financial information relating to Seller.

(e) In the event and for so long as any Party actively is contesting or defending against any third-party Proceeding (other than any Proceedings in which the Buyer Parties or any of their Affiliates and the Seller or any of its Affiliates are adverse parties) in connection with (i) the transactions contemplated by this Agreement or (ii) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction on or prior to the Closing Date involving the Regency Entities, each of the other Parties will cooperate with it and its counsel in the contest or defense, make available their personnel, and provide such testimony and access to their books and records as shall be reasonably requested and necessary in connection with the contest or defense, all at the sole cost and expense of the contesting or defending Party; *provided*, *however*, that nothing in this Section 5.13(e) shall limit in any respect any rights a Party may have with respect to discovery or the production of documents or other information in connection with any such litigation..

5.14 ***Commitment Regarding Indemnification Provisions; D&O Insurance Continuation***.

(a) Buyer Parties covenant and agree that during the period that commences on the Closing Date and ends on the sixth (6^{th}) anniversary of the Closing Date, Buyer Parties (i) shall not cause any amendment, modification, waiver or termination to Section 7.7 or Section 7.8 of the Regency Partnership Agreement and (ii) shall not amend, modify, waive or terminate Section 9.01 or Section 9.02 of the RGPLLC Agreement, the effect of which would be to affect adversely the rights of any person serving as a member of the Board of Directors or officer of RGPLLC existing as of the date of this Agreement under such provisions; *provided*, *however*, that the foregoing restriction shall not apply to any such amendment, modification, waiver or termination to the extent required to cause such provisions (or any portion thereof) to comply with applicable law.

(b) Buyer Parties covenant and agree that, during the period that commences on the Closing Date and ends on the sixth (6th) anniversary of the Closing Date, with respect to any person serving as a member of the Board of Directors or officer of RGPLLC as of the date of this Agreement and any former member of the Board of Directors or officer of RGPLLC appointed by Seller, Buyer Parties shall cause RGPLLC (i) to continue in effect the current director and officer liability insurance policy or policies that RGPLLC has as of the date of this Agreement, as reflected on Schedule 5.14 hereto, or (ii) upon the termination or cancellation of any such policy or policies, (A) to provide director and officer liability insurance in substitution for, or in replacement of, such cancelled or terminated policy or policies or (B) to provide a 'tail" or run-off policy, in each case so that any person serving as a member of the Board of Directors of RGPLLC as of the date of this Agreement, any former member of the Board of Directors appointed by Seller and any officer has coverage thereunder for acts, events, occurrences or omissions occurring or arising at or prior to the Closing to the same extent (including, without limitation, policy limits, exclusions and scope) as such person has coverage for such acts, events, occurrences or omissions under the director and officer insurance policy maintained by RGPLLC as of the date of this Agreement, as reflected on Schedule 5.14 hereto.

5.15 ***GECC Names and Marks***. From and after the Closing Date, the Buyer Parties shall not use any of the GECC Names and Marks.

ARTICLE VI
CONDITIONS TO CLOSING

6.1 ***Conditions to Obligations of Each Party***. The respective obligation of each Party to consummate the Closing is subject to the satisfaction, on or prior to the Closing Date, of each 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 (in such Party's sole discretion):

(a) Approvals. All authorizations, consents, orders or approvals of, or declarations or filings with, or as set forth on Schedule 6.1(a) shall have been obtained or made.

(b) Governmental Restraints. No order, decree or injunction of any Governmental Authority shall be in effect, and no Law shall have been enacted or adopted that enjoins, prohibits or makes illegal the consummation of the transactions contemplated by this Agreement and no Proceeding by any Governmental Authority with respect to the transactions contemplated by this Agreement shall be pending that seeks to restrain, enjoin, prohibit or delay the transactions contemplated by this Agreement.

(c) Amendment to Regency Credit Agreement. The Regency Credit Agreement shall have been amended in a form reasonably acceptable to the Buyer Parties to address the matters set forth on Schedule 6.1(c).

(d) Amendment to ETE Credit Agreement. The ETE Credit Agreement shall have been amended in a form reasonably acceptable to the Buyer Parties to address the matters set forth on Schedule 6.1(d).

(e) Redemption and Exchange. All conditions to consummation of the Redemption and Exchange shall have been satisfied or validly waived pursuant to the terms of the ETP

Redemption Agreement and each of the parties thereto shall have executed and delivered to the Parties a certificate stating that such parties thereto will consummate the Redemption and Exchange Agreement immediately following the Closing.

(f) MEP Contribution. All conditions to consummation of the MEP Contribution shall have been satisfied and validly waived pursuant to the terms of the MEP Contribution Agreement and each of the parties thereto shall have executed and delivered to the Parties a certificate stating that such parties thereto will consummate the MEP Contribution Agreement immediately following the Closing.

6.2 ***Conditions to Obligations of the Buyer Parties***. The obligation of the Buyer Parties to consummate the Closing is subject to the satisfaction, on or prior to the Closing Date, of each of the following conditions, any one or more of which may be waived in writing, in whole or in part, by the Buyer Parties (in the Buyer Parties' sole discretion):

(a) Representations and Warranties of Seller. The representations and warranties of Seller (i) in Article III (other than those contained in Sections 3.5 and 3.6) shall be true and correct in all respects as of the Closing Date as if remade on the Closing Date (except for representations and warranties made as of a specific date, which shall be true and correct in all respects as of such specific date), with only such failures to be so true and correct as had not had, and would not reasonably be expected to have, a Regency Material Adverse Effect and (ii) in Sections 3.5 and 3.6 shall be true and correct in all material respects as of the Closing Date as if remade on the Closing Date (except for representations and warranties contained therein made as of a specific date, which shall be true and correct in all material respects as of such specific date).

(b) Performance. Seller shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by Seller on or prior to the Closing Date.

(c) Closing Certificate. The Buyer Parties shall have received a certificate, dated as of the Closing Date, signed by a Responsible Officer of Seller certifying that, to the best of such Responsible Officer's knowledge, the conditions set forth in Sections 6.2(a) and 6.2(b) have been satisfied.

(d) Closing Deliverables. Seller shall have delivered or caused to be delivered all of the closing deliveries set forth in Section 2.3(a) and in the other documents contemplated by this Agreement.

6.3 ***Conditions to Obligations of Seller***. The obligation of Seller to consummate the Closing is subject to the satisfaction, on or prior to the Closing Date, of each of the following conditions, any one or more of which may be waived in writing, in whole or in part, by Seller (in the Seller's sole discretion):

(a) Representations and Warranties of the Buyer Parties. The representations and warranties of the Buyer Parties (i) in Article IV (other than those contained in Section 4.5) shall be true and correct in all respects as of the Closing Date as if remade on the Closing Date (except for representations and warranties made as of a specific date, which shall be true and correct in all respects as of such specific date), with only such failures to be so true and correct as had not

had, and would not reasonably be expected to have, an ETE Material Adverse Effect and (ii) in Sections 4.5 shall be true and correct in all material respects as of the Closing Date as if remade on the Closing Date (except for representations and warranties contained therein made as of a specific date, which shall be true and correct in all material respects as of such specific date).

(b) Performance. The Buyer Parties shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by the Buyer Parties on or prior to the Closing Date.

(c) Closing Certificate. Seller shall have received a certificate, dated as of the Closing Date, signed by a Responsible Officer of the Buyer Parties certifying that, to the best of such Responsible Officer's knowledge, the conditions set forth in Sections 6.3(a) and 6.3(b) have been satisfied.

(d) Closing Deliverables. The Buyer Parties shall have delivered or caused to be delivered all of the closing deliveries set forth in Section 2.3(b) and in the other documents contemplated by this Agreement.

ARTICLE VII
TERMINATION RIGHTS

7.1 ***Termination Rights***. This Agreement may be terminated at any time prior to the Closing as follows:

(a) By mutual written consent of the Parties;

(b) By either Seller or the Buyer Parties if any Governmental Authority of competent jurisdiction shall have issued a final and non-appealable order, decree or judgment prohibiting the consummation of the transactions contemplated by this Agreement;

(c) By either Seller or the Buyer Parties in the event that the Closing has not occurred on or prior to June 9, 2010 (the "***Termination Date***"); *provided*, *however*, that (i) Seller may not terminate this Agreement pursuant to this Section 7.1(c) if such failure of the Closing to occur is due to the failure of Seller to perform and comply in all material respects with the covenants and agreements to be performed or complied with by Seller and (ii) the Buyer Parties may not terminate this Agreement pursuant to this Section 7.1(c) if such failure of the Closing to occur is due to the failure of either Buyer Party to perform and comply in all material respects with the covenants and agreements to be performed or complied with by such Buyer Party;

(d) By the Buyer Parties if there shall have been a breach or inaccuracy of Seller's representations and warranties in this Agreement or a failure by Seller to perform its covenants and agreements in this Agreement, in any such case in a manner that would result in, if occurring and continuing on the Closing Date, the failure of the conditions to the Closing set forth in Section 6.2(a) or Section 6.2(b), unless such failure is reasonably capable of being cured, and Seller is using all reasonable efforts to cure such failure by the Termination Date; *provided*, *however*, that the Buyer Parties may not terminate this Agreement pursuant to this Section 7.1(d) if (i) any of the Buyer Parties' representations and warranties shall have become and continue to be untrue in a manner that would cause the condition set forth in Section 6.3(a) not to be satisfied

or (ii) there has been, and continues to be, a failure by either Buyer Party to perform its covenants and agreements in such a manner as would cause the condition set forth in Section 6.3(b) not to be satisfied;

(e) By Seller if there shall have been a breach or inaccuracy of the Buyer Parties' representations and warranties in this Agreement or a failure by either Buyer Party to perform its covenants and agreements in this Agreement, in any such case in a manner that would result in, if occurring and continuing on the Closing Date, the failure of the conditions to the Closing set forth in Section 6.3(a) or Section 6.3(b), unless such failure is reasonably capable of being cured, and such Buyer Party is using all reasonable efforts to cure such failure by the Termination Date; *provided*, *however*, that Seller may not terminate this Agreement pursuant to this Section 7.1(e) if (i) Seller's representations and warranties shall have become and continue to be untrue in a manner that would cause the condition set forth in Section 6.2(a) not to be satisfied or (ii) there has been, and continues to be, a failure by Seller to perform its covenants and agreements in such a manner as would cause the condition set forth in Section 6.2(b) not to be satisfied; or

(f) By the Buyer Parties if either of the ETP Redemption Agreement or the MEP Contribution Agreement has been terminated by the counterparty to such agreement pursuant to its terms.

7.2 ***Effect of Termination***. In the event of the termination of this Agreement pursuant to Section 7.1, all rights and obligations of the Parties under this Agreement shall terminate, except for the provisions of this Section 7.2, Article IX and Sections 5.5, 5.7, 10.1, 10.3, 10.6, 10.8 and 10.9, the last sentence of Section 5.3; *provided*, *however*, that no termination of this Agreement shall relieve any Party from any liability for any willful and intentional breach of this Agreement by such Party or for Fraud by such Party and all rights and remedies of a non-breaching Party under this Agreement in the case of any such willful and intentional breach or Fraud, at law and in equity, shall be preserved, including the right to recover reasonable attorneys' fees and expenses. In the event of the termination of this Agreement, pursuant to Section 7.1, the Parties agree that for a period of one year from and after the Execution Date, neither Seller, on the one hand, nor the Buyer Parties, on the other hand, shall solicit for employment or hire any executive officers or other management level employees of the Regency Entities, in the case of the Buyer Parties, and the Buyer Parties, in the case of Seller, who were employed by such party within six months prior to the Execution Date. The restrictions in the preceding sentence regarding the prohibition on solicitations (as opposed to hires) shall not apply to any solicitation directed at the general public. Except to the extent otherwise provided in this Section 7.2, the Parties agree that, if this Agreement is terminated, the Parties shall have no liability to each other under or relating to this Agreement.

ARTICLE VIII
INDEMNIFICATION

8.1 ***Indemnification by Seller***. Subject to the terms of this Article VIII, from and after the Closing, Seller shall jointly and severally indemnify and hold harmless the Buyer Parties and their respective partners, members, managers, directors, officers, employees, consultants and permitted assigns (collectively, the "***Buyer Indemnitees***"), to the fullest extent permitted by Law, from and against any losses (excluding any loss in the value of the Regency

Common Units issued to ETE pursuant to the Contribution Agreement), claims, damages, liabilities and costs and expenses (including reasonable attorneys' fees and expenses) (collectively, "***Losses***") incurred, arising out of or relating to:

(a) any breach of any of the representations or warranties (in each case, when made) of Seller contained in Article III or of the certification of a Responsible Officer of Seller delivered to the Buyer Parties pursuant to Section 6.2(c); and

(b) any breach of any of the covenants or agreements of Seller contained in this Agreement.

provided however; that any liability of Seller under this Section 8.1 shall be satisfied at Seller's option from (i) cash on hand; or (ii) by a redemption of the Convertible Preferred Units at a price based off the original issue price of the Convertible Preferred Units (subject to adjustment from time to time for stock dividends, stock splits, combinations of units, reorganizations, recapitalizations, reclassifications or other similar events occurring after the date hereof) plus all accrued and unpaid dividends (whether or not declared), in an amount equal to such Losses.

8.2 ***Indemnification by the Buyer Parties***. Subject to the terms of this Article VIII, from and after the Closing, the Buyer Parties shall jointly and severally indemnify and hold harmless Seller and its directors, officers, employees, consultants and permitted assigns (collectively, the "***Seller Indemnitees***" and, together with the Buyer Indemnitees, the "***Indemnitees***"), to the fullest extent permitted by Law, from and against Losses incurred, arising out of or relating to:

(a) any breach of any of the representations or warranties (in each case, when made) of the Buyer Parties contained in this Agreement or of the certification of a Responsible Officer of the Buyer Parties delivered to Seller pursuant to Section 6.3(c); and

(b) any breach of any of the covenants or agreements of the Buyer Parties contained in this Agreement.

8.3 ***Limitations and Other Indemnity Claim Matters***. Notwithstanding anything to the contrary in this Article VIII or elsewhere in this Agreement, the following terms shall apply to any claim for monetary damages arising out of this Agreement or related to the transactions contemplated hereby:

(a) De Minimis. No indemnifying party (an "***Indemnifying Party***") will have any liability under this Article VIII in respect of any individual claim involving Losses arising under Section 8.1(a) or Section 8.2(a) to any single Buyer Indemnitee or Seller Indemnitee, as applicable, of less than $125,000 (each, a "***De Minimis Claim***"). Notwithstanding the forgoing, this Section 8.3(a) shall not apply to Losses arising from any breach or inaccuracy of the representations or warranties set forth in Section 3.16 or Section 4.14.

(b) Deductible.

(i) Seller will not have any liability under Section 8.1(a) until the Buyer Indemnitees have suffered Losses in excess of in the aggregate $3,000,000 (the

"***Deductible***") arising from Claims under Section 8.1(a) that are not De Minimis Claims, and then recoverable Losses claimed under Section 8.1(a) shall be limited to those that exceed the Deductible. Notwithstanding the forgoing, this Section 8.3(b)(i) shall not apply to Losses arising from any breach or inaccuracy of the representations or warranties set forth in Section 3.16.

(ii) The Buyer Parties will not have any liability under Section 8.2(a) until the Seller Indemnitees have suffered Losses in excess of the Deductible arising from Claims under Section 8.2(a) that are not De Minimis Claims, and then recoverable Losses claimed under Section 8.2(a) shall be limited to those that exceed the Deductible. Notwithstanding the forgoing, this Section 8.3(b)(ii) shall not apply to Losses arising from any breach or inaccuracy of the representations or warranties set forth in Section 4.14.

(c) Cap.

(i) Seller's aggregate liability under this Agreement and from the transactions contemplated hereby shall not exceed $45,000,000 (the "***Cap***"); *provided* that the limitation set forth in this Section 8.3(c)(i) shall not apply to Losses arising out of or relating to (A) any breach or inaccuracy of the representations and warranties set forth in Sections 3.1, 3.2, 3.5, 3.6 or 3.18 or (B) any breach of any covenants or agreements of Seller set forth in this Agreement that by their terms are to be performed after the Closing Date; *provided, further*, that in no event shall Seller's aggregate liability arising under this Agreement and from the transactions contemplated hereby exceed $300,000,000.

(ii) The Buyer Parties' aggregate liability under this Agreement and from the transactions contemplated hereby shall not exceed the Cap; *provided* that the limitation set forth in this Section 8.3(c)(ii) shall not apply to Losses arising out of or relating to (A) any breach or inaccuracy of the representations and warranties set forth in Sections 4.1, 4.2 or 4.16 or (B) any breach of any covenants or agreements of the Buyer Parties set forth in this Agreement that by their terms are to be performed after the Closing Date; *provided, further*, that in no event shall the Buyer Parties' aggregate liability arising under this Agreement and from the transactions contemplated hereby exceed $300,000,000.

(d) Survival; Claims Period.

(i) The representations, warranties, covenants and agreements of the Parties under this Agreement shall survive the execution and delivery of this Agreement and shall continue in full force and effect until the one-year anniversary of the Closing Date (the "***Expiration Date***"); *provided* that (i) the representations and warranties set forth in Sections 3.1 (Organization; Qualification), 3.2 (Authority; Enforceability), 3.4 (Governmental Approvals), 3.5 (Capitalization), 3.6 (Ownership of Acquired GP Interests), 3.18 (Brokers' Fee), 3.22 (Matters Relating to Acquisition of the Convertible Preferred Units), 4.1 (Organization; Qualification), 4.2 (Authority; Enforceability; Valid Issuance), 4.4 (Governmental Approvals), 4.5 (Capitalization), 4.16 (Brokers' Fee) and 4.19 (Matters Relating to Acquisition of Acquired GP Interests) shall survive indefinitely,

(ii) the representations and warranties set forth in Section 3.16 and Section 4.14 shall survive the execution and delivery of this Agreement and shall continue in full force and effect until ninety (90) days after the expiration of the applicable statute of limitations (which shall be deemed to be the Expiration Date with respect to such representations and warranties) and (iii) any covenants or agreements contained in this Agreement that by their terms are to be performed after the Closing Date shall survive until fully discharged.

(ii) No action for a breach of any representation or warranty contained herein (other than representations or warranties that survive indefinitely pursuant to Section 8.3(d)(i)) shall be brought after the Expiration Date, except for claims of which a Party has received a Claim Notice setting forth in reasonable detail the claimed misrepresentation or breach of warranty with reasonable detail, prior to the Expiration Date.

(e) ***Calculation of Losses***. In calculating amounts payable to any Seller Indemnitee or Buyer Indemnitee (each such person, an "***Indemnified Party***") for a claim for indemnification hereunder, the amount of any indemnified Losses shall be determined without duplication of any other Loss for which an indemnification claim has been made or could be made under any other representation, warranty, covenant, or agreement and shall be computed net of (i) payments actually recovered by the Indemnified Party under any insurance policy with respect to such Losses and (ii) any prior or subsequent actual recovery by the Indemnified Party from any Person with respect to such Losses.

(f) Waiver of Certain Damages. Notwithstanding any other provision of this Agreement, in no event shall any Party be liable for punitive, special, indirect, consequential, remote, speculative or lost profits damages of any kind or nature, regardless of the form of action through which such damages are sought, except for any such damages recovered by any third party against an Indemnified Party in respect of which such Indemnified Party would otherwise be entitled to indemnification pursuant to the terms hereof.

(g) Sole and Exclusive Remedy. Except for the assertion of any Claim based on fraud with the intent to deceive or willful misconduct, the remedies provided in this Article VIII shall be the sole and exclusive legal remedies of the Parties, from and after the Closing, with respect to this Agreement and the transactions contemplated hereby.

8.4 ***Indemnification Procedures***.

(a) Each Indemnitee agrees that promptly after it becomes aware of facts giving rise to a claim by it for indemnification pursuant to this Article VIII, such Indemnitee must assert its claim for indemnification under this Article VIII (each, a "***Claim***") by providing a written notice (a "***Claim Notice***") to the Indemnifying Party allegedly required to provide indemnification protection under this Article VIII specifying, in reasonable detail, the nature and basis for such Claim (e.g., the underlying representation, warranty, covenant or agreement alleged to have been breached) and the amount (to the extent that the nature and amount of such Claim is known or reasonably ascertainable at such time, *provided* that such amount or estimated amount shall not be conclusive of the final amount, if any, of such Claim). Notwithstanding the foregoing, an Indemnitee's failure to send or delay in sending a third party Claim Notice will not relieve the

Indemnifying Party from liability hereunder with respect to such Claim except to the extent the Indemnifying Party is prejudiced by such failure or delay and except as is otherwise provided herein, including in Section 8.3(d).

(b) In the event of the assertion of any third party Claim for which, by the terms hereof, an Indemnifying Party is obligated to indemnify an Indemnitee, the Indemnifying Party will have the right, at such Indemnifying Party's expense, to assume the defense of same including the appointment and selection of counsel on behalf of the Indemnitee so long as such counsel is reasonably acceptable to the Indemnitee. If the Indemnifying Party elects to assume the defense of any such third party Claim, it shall within 30 days of its receipt of the Claim Notice, notify the Indemnitee in writing of its intent to do so. The Indemnifying Party will have the right to settle or compromise or take any corrective or remediation action with respect to any such Claim by all appropriate proceedings, which proceedings will be diligently prosecuted by the Indemnifying Party to a final conclusion or settled at the discretion of the Indemnifying Party. The Indemnitee will be entitled, at its own cost, to participate with the Indemnifying Party in the defense of any such Claim. If the Indemnifying Party assumes the defense of any such third-party Claim but fails to diligently prosecute such Claim, or if the Indemnifying Party does not assume the defense of any such Claim, the Indemnitee may assume control of such defense and in the event it is determined pursuant to the procedures set forth in Article IX that the Claim was a matter for which the Indemnifying Party is required to provide indemnification under the terms of this Article VIII, the Indemnifying Party will bear the reasonable costs and expenses of such defense (including reasonable attorneys' fees and expenses). Notwithstanding the foregoing, the Indemnifying Party may not assume the defense of the third-party Claim (but will be entitled at its own cost to participate with the Indemnified Party in the defense of any such Claim) if the potential damages under the third-party Claim could reasonably and in good faith be expected to exceed, in the aggregate when combined with all claims previously made by the Indemnified Party to the Indemnifying Party under this Article VIII, the maximum amount the Indemnifying Party may be liable pursuant to Section 8.3(c); *provided*, *however*, that to the extent the Parties are not in agreement with respect to the calculation of potential damages, the Indemnifying Party shall have the right to assume the defense of the third-party Claim in accordance herewith until the Parties have agreed or a final non-appealable judgment has been entered into, with respect to the determination of the potential damages.

(c) Notwithstanding anything to the contrary in this Agreement, the Indemnifying Party will not be permitted to settle, compromise, take any corrective or remedial action or enter into an agreed judgment or consent decree, in each case, that subjects the Indemnified Party to any criminal liability, requires an admission of guilt or wrongdoing on the part of the Indemnified Party or imposes any continuing obligation on or requires any payment from the Indemnified Party without the Indemnified Party's prior written consent.

8.5 ***No Reliance***.

(a) THE REPRESENTATIONS AND WARRANTIES OF SELLER CONTAINED IN ARTICLE III CONSTITUTE THE SOLE AND EXCLUSIVE REPRESENTATIONS AND WARRANTIES OF SELLER TO THE BUYER PARTIES IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. THE REPRESENTATIONS OF THE BUYER PARTIES CONTAINED IN ARTICLE IV CONSTITUTE THE SOLE AND

EXCLUSIVE REPRESENTATIONS AND WARRANTIES OF THE BUYER PARTIES TO SELLER IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EXCEPT FOR SUCH REPRESENTATIONS AND WARRANTIES, NO PARTY NOR ANY OTHER PERSON MAKES ANY OTHER EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY WITH RESPECT TO SUCH PARTY OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, AND EACH PARTY DISCLAIMS ANY OTHER REPRESENTATIONS OR WARRANTIES, WHETHER MADE BY SUCH PARTY OR ANY OF ITS AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR REPRESENTATIVES (INCLUDING WITH RESPECT TO THE DISTRIBUTION OF, OR ANY PERSON'S RELIANCE ON, ANY INFORMATION, DISCLOSURE OR OTHER DOCUMENT OR OTHER MATERIAL MADE AVAILABLE TO THE ANY PARTY IN ANY DATA ROOM, ELECTRONIC DATA ROOM, MANAGEMENT PRESENTATION OR IN ANY OTHER FORM IN EXPECTATION OF, OR IN CONNECTION WITH, THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT). EXCEPT FOR SUCH REPRESENTATIONS AND WARRANTIES, EACH PARTY DISCLAIMS ALL LIABILITY AND RESPONSIBILITY FOR ANY REPRESENTATION, WARRANTY, PROJECTION, FORECAST, STATEMENT, OR INFORMATION MADE, COMMUNICATED, OR FURNISHED (ORALLY OR IN WRITING) TO ANY OTHER PARTY OR ITS AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR REPRESENTATIVES (INCLUDING OPINION, INFORMATION, PROJECTION, OR ADVICE THAT MAY HAVE BEEN OR MAY BE PROVIDED TO ANY PARTY OR ANY OFFICER, DIRECTOR, EMPLOYEE, AGENT OR REPRESENTATIVE OF SUCH PARTY OR ANY OF ITS AFFILIATES).

(b) Except as provided in Sections 7.2, 8.1 and 8.2, no Party nor any Affiliate of a Party shall assert or threaten, and each Party hereby waives and shall cause such Affiliates to waive, any claim or other method of recovery, in contract, in tort or under applicable Law, against any Person that is not a Party (or a successor to a Party) relating to the transactions contemplated by this Agreement.

ARTICLE IX
GOVERNING LAW AND CONSENT TO JURISDICTION

9.1 ***Governing Law***. This Agreement shall be governed by and construed and interpreted in accordance with the Laws of the State of Delaware, without giving effect to the conflicts of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of Delaware.

9.2 ***Consent to Jurisdiction***. The Parties irrevocably submit to the exclusive jurisdiction of (a) the Delaware Court of Chancery, and (b) any state appellate court therefrom within the State of Delaware (or, only if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware), for the purposes of any Proceeding arising out of this Agreement or the transactions contemplated hereby (and each agrees that no such Proceeding relating to this Agreement or the transactions contemplated hereby shall be brought by it except in such courts). The Parties irrevocably and unconditionally waive (and agree not to plead or claim) any objection to the laying of venue of any Proceeding arising out of this Agreement or the transactions contemplated hereby in (i) the

Delaware Court of Chancery, or (ii) any state appellate court therefrom within the State of Delaware (or, only if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware) or that any such Proceeding brought in any such court has been brought in an inconvenient forum. Each of the Parties hereto also agrees that any final and non-appealable judgment against a Party hereto in connection with any Proceeding shall be conclusive and binding on such Party and that such award or judgment may be enforced in any court of competent jurisdiction, either within or outside of the United States. A certified or exemplified copy of such award or judgment shall be conclusive evidence of the fact and amount of such award or judgment.

9.3 ***Waiver of Jury Trial***. **TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY ACTION OR PROCEEDING TO ENFORCE OR TO DEFEND ANY RIGHTS UNDER THIS AGREEMENT SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.**

ARTICLE X
GENERAL PROVISIONS

10.1 ***Amendment and Modification***. This Agreement may be amended, modified or supplemented only by written agreement of the Parties hereto.

10.2 ***Waiver of Compliance; Consents***. Except as otherwise provided in this Agreement, any failure of any of the Parties to comply with any obligation, covenant, agreement or condition in this Agreement may be waived by the Party or Parties entitled to the benefits thereof only by a written instrument signed by the Party or Parties granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

10.3 ***Notices***. Any notice, demand or communication required or permitted under this Agreement shall be in writing and delivered personally, by reputable overnight delivery service or other courier or by certified mail, postage prepaid, return receipt requested, and shall be deemed to have been duly given (a) as of the date of delivery if delivered personally or by overnight delivery service or other courier or (b) on the date receipt is acknowledged if delivered by certified mail, addressed as follows; *provided* that a notice of a change of address shall be effective only upon receipt thereof:

If to Seller to:

Regency GP Acquirer LP
c/o GE Energy Financial Services
800 Long Ridge Road
Stamford, Connecticut 06927
Telephone: (203) 316-7355
Facsimile: (203) 961-2606
Attention: Portfolio-Regency

With a copy (not itself constituting notice) to:

Regency GP Acquirer LP
c/o GE Energy Financial Services
800 Long Ridge Road
Stamford, Connecticut 06927
Telephone: (203) 357-4151
Facsimile: (203) 357-6632
Attention: General Counsel

and

Latham & Watkins LLP
885 Third Avenue
New York, New York 10022
Telephone: (212) 906-1259
Facsimile: (212) 751-4864
Attention: Charles E. Carpenter

If to the Buyer Parties to:

Energy Transfer Equity, L.P.
3738 Oak Lawn
Dallas, Texas 75219
Telephone: (832) 668-1210 or (214) 981-0763
Facsimile: (832) 668-1127
Attention: General Counsel

and

Vinson & Elkins LLP
2500 First City Tower
1001 Fannin, Suite 2500
Houston, Texas 77007
Telephone: (713) 758-3613
Facsimile: (713) 615-5725
Attention: Douglas E. McWilliams

10.4 ***Assignment***. This Agreement shall be binding upon and inure to the benefit of the Parties and their successors and permitted assigns. No Party may assign or transfer this Agreement or any of its rights, interests or obligations under this Agreement without the prior written consent of the other Parties. Any attempted assignment or transfer in violation of this Agreement shall be null, void and ineffective.

10.5 ***Third Party Beneficiaries***. This Agreement shall be binding upon and inure solely to the benefit of the Parties hereto and their respective successors and assigns. Except as

provided in Sections 8.1 and 8.2, none of the provisions of this Agreement shall be for the benefit of or enforceable by any third party, including any creditor of any Party or any of their Affiliates. No such third party shall obtain any right under any provision of this Agreement or shall by reasons of any such provision make any claim in respect of any liability (or otherwise) against any other Party.

10.6 ***Entire Agreement***. Except for the Confidentiality Agreement which shall survive the execution of this Agreement, this Agreement and the other transaction documents constitute the entire agreement and understanding of the Parties with respect to the subject matter hereof and supersede all prior agreements and understandings, both oral and written, among the Parties or between any of them with respect to such subject matter.

10.7 ***Severability***. Whenever possible, each provision or portion of any provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable Law but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or portion of any provision in such jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision or portion of any provision had never been contained herein.

10.8 ***Representation by Counsel***. Each of the Parties agrees that it has been represented by independent counsel of its choice during the negotiation and execution of this Agreement and the documents referred to herein, and that it has executed the same upon the advice of such independent counsel. Each Party and its counsel cooperated in the drafting and preparation of this Agreement and the documents referred to herein, and any and all drafts relating thereto shall be deemed the work product of the Parties and may not be construed against any Party by reason of its preparation. Therefore, the Parties waive the application of any Law providing that ambiguities in an agreement or other document will be construed against the Party drafting such agreement or document.

10.9 ***Disclosure Schedules***. The inclusion of any information (including dollar amounts) in any section of the Seller Disclosure Schedule or the Buyers Disclosure Schedule shall not be deemed to be an admission or acknowledgment by a Party that such information is required to be listed on such section of the Seller Disclosure Schedule or the Buyers Disclosure Schedule or is material to or outside the ordinary course of the business of such Party or the Person to which such disclosure relates. The information contained in this Agreement, the Exhibits and the Schedules is disclosed solely for purposes of this Agreement, and no information contained in this Agreement, the Exhibits or the Schedules shall be deemed to be an admission by any Party to any third Person of any matter whatsoever (including any violation of a legal requirement or breach of contract). The disclosure contained in one disclosure schedule contained in the Seller Disclosure Schedule or Buyer Disclosure Schedule may be incorporated by reference into any other disclosure schedule contained therein, and shall be deemed to have been so incorporated into any other disclosure schedule so long as it is readily apparent on its face that the disclosure is applicable to such other disclosure schedule.

10.10 ***Facsimiles; Counterparts***. This Agreement may be executed by facsimile signatures by any Party and such signature shall be deemed binding for all purposes hereof, without delivery of an original signature being thereafter required. This Agreement may be executed in one or more counterparts, each of which, when executed, shall be deemed to be an original and all of which together shall constitute one and the same document.

[*Signature page follows*.]

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed by its respective duly authorized officers as of the date first above written.

REGENCY GP ACQUIRER LP

By: REGENCY GP HOLDO I LLC, its general partner

By: AIRCRAFT SERVICES CORPORATION, its managing member

By: /s/ Mark Mellana
Mark Mellana,
Authorized Signatory

ENERGY TRANSFER EQUITY, L.P.

By: LE GP, LLC, its general partner

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

ETE GP ACQUIRER LLC

By: /s/ Martin Salinas, Jr.
Martin Salinas, Jr.,
Chief Financial Officer

EXHIBIT A

"***Acquired GP Interests***" is defined in the recitals to this Agreement.

"***Affiliate***" means a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, a specified Person. A Person shall be deemed to control another Person if such first Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise.

"***Agreement***" is defined in the preamble to this Agreement.

"***Assignment of Interests***" is defined in Section 2.3(a)(i).

"***Audit Firm***" means the independent accounting firm regularly engaged by Seller to review their quarterly financial statements and provide an audit report with respect to their annual financial statements.

"***Business Day***" means any day that is not a Saturday, Sunday or other day on which commercial banks in the State of New York are authorized or obligated to be closed by applicable Laws.

"***Buyer***" is defined in the preamble to this Agreement.

"***Buyer Indemnities***" is defined in Section 8.1.

"***Buyer Parties***" is defined in the preamble to this Agreement.

"***Buyers Disclosure Schedule***" means the disclosure schedule to this Agreement prepared by the Buyer Parties and delivered to Seller on the Execution Date.

"***Claim***" is defined in Section 8.4(a).

"***Claim Notice***" is defined in Section 8.4(a).

"***Closing***" is defined in Section 2.2.

"***Closing Date***" is defined in Section 2.2.

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

"***Competing Proposal***" is defined in Section 5.9(c).

"***Confidentiality Agreement***" means that certain Confidentiality and Non-Disclosure Agreement, dated as of February 8, 2010, by and among ETE, ETP and GE Energy Financial Services, Inc.

"***Contract***" means any written agreement, lease, license, note, evidence of indebtedness, mortgage, security agreement, understanding, instrument or other legally binding arrangement.

"***Control***" means, where used with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of Voting Interests, by contract or otherwise, and the terms "Controlling" and "Controlled" have correlative meanings.

"***Convertible Preferred Units***" is defined in the recitals to this Agreement.

"***Creditors' Rights***" is defined in Section 3.2(b).

"***De Minimis Claim***" is defined in Section 8.3(a).

"***Deductible***" is defined in Section 8.3(b)(i).

"***Delaware LLC Act***" means the Delaware Limited Liability Company Act, as amended from time to time.

"***Delaware LP Act***" means the Delaware Revised Uniform Limited Partnership Act, as amended from time to time.

"***Environmental Laws***" means any and all Laws pertaining to prevention of pollution, protection of the environment (including natural resources), remediation of contamination and workplace health and safety.

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

"***ERISA Affiliate***" means, with respect to any entity, trade or business, any other entity, trade or business that is a member of a group described in Section 414(b),(c), (m) or (o) of the Code or Section 4001(b)(l) of ERISA that includes the first entity, trade or business, or that is a member of the same "controlled group" as the first entity, trade or business pursuant to section 4001(a)(14) of ERISA.

"***ETC II***" is defined in the recitals to this Agreement.

"***ETC III***" is defined in the recitals to this Agreement.

"***ETE***" is defined in the preamble to this Agreement.

"***ETE Benefit Plans***" is defined in Section 4.15.

"***ETE Common Units***" means a common unit representing a limited partner interest in ETE.

"***ETE Credit Agreement***" means that certain Credit Agreement dated February 8, 2006 between ETE and Wachovia Bank, National Association, as administrative agent as amended from time to time.

"***ETE Entities***" means ETE and all Subsidiaries of ETE.

"***ETE Financial Statements***" are defined in Section 4.9(c).

"***ETE Material Adverse Effect***" means any Material Adverse Effect in respect to the ETE Entities taken as a whole.

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

"***ETE SEC Documents***" is defined in Section 4.9(a).

"***ETP***" is defined in the recitals to this Agreement.

"***ETP Common Units***" means a common unit representing a limited partner interest in ETP.

"***ETP GP Interest***" is defined in Section 4.5(h).

"***ETP GP LLC***" means Energy Transfer Partners, L.L.C., a Delaware limited liability company.

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

"***ETP GP LP Interests***" is defined in Section 4.5(h).

"***ETP Incentive Distribution Rights***" means the "Incentive Distribution Rights" as such term is defined in the ETP Partnership Agreement.

"***ETP Partnership Agreement***" means the Amended and Restated Agreement of Limited Partnership of Energy Transfer Partners, L.P. as amended from time to time.

"***ETP Redemption Agreement***" is defined in the recitals to this Agreement.

"***Exchange Act***" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"***Execution Date***" is defined in the preamble to this Agreement.

"***Expiration Date***" is defined in Section 8.3(d)(i).

"***FERC***" means the Federal Energy Regulatory Commission of the United States of America.

"***Fraud***" means actual fraud involving a knowing and intentional misrepresentation of a material fact.

"***GAAP***" means generally accepted accounting principles in the United States of America.

"GECC Names and Marks" means the names or marks of GECC or any of its Affiliates, including "GE" (in block letters or otherwise), the GE monogram, "General Electric Company" and "General Electric," either alone or in combination with other words and all marks, trade

dress, logos, monograms, domain names and other source identifiers confusingly similar to or embodying any of the foregoing either alone or in combination with other words; *provided*, *however*, that "GECC Names and Marks" shall not include the names or marks of Regency or any of its Subsidiaries, including "Regency" or "Regency Energy Partners," either alone or in combination with other words and all marks, trade dress, logos, monograms, domain names and other source identifiers confusingly similar to or embodying any of the foregoing either alone or in combination with other words.

"***Governance Policies***" means policies designed to address conflicts of interest, non-overlapping director positions, confidential information and other related matters.

"***Governmental Authority***" means any executive, legislative, judicial, regulatory or administrative agency, body, commission, department, board, court, tribunal, arbitrating body or authority of the United States or any foreign country, or any state, local or other governmental subdivision thereof.

"***Hazardous Substances***" means each substance, waste or material regulated, defined, designated or classified as a hazardous waste, hazardous substance, hazardous material, pollutant, contaminant or toxic substance under any Environmental Law.

"***Indemnified Party***" is defined in Section 8.3(e).

"***Indemnifying Party***" is defined in Section 8.3(a).

"***Indemnitees***" is defined in Section 8.2.

"***Intellectual Property***" means patents, trademarks, copyrights, and trade secrets.

"***Knowledge***" means (a) with respect to Seller, the actual knowledge of James F. Burgoyne, Daniel R. Castagnola, Mark T. Mellana and Brian P. Ward, and (b) with respect to the Buyer Parties, the actual knowledge of John W. McReynolds and Sonia Aube.

"***Law***" means any law, statute, code, ordinance, order, rule, rule of common law, regulation, judgment, decree, injunction, franchise, permit, certificate, license or authorization of any Governmental Authority.

"***LEGP Interest***" is defined in Section 4.5(e).

"***LEGPLLC***" is defined in Section 4.5(e).

"***Lien***" means, with respect to any property or asset, (i) any mortgage, pledge, security interest, lien or other similar property interest or encumbrance in respect of such property or asset, and (ii) any easements, rights-of-way, restrictions, restrictive covenants, rights, leases and other encumbrances on title to real or personal property (whether or not of record).

"***Losses***" is defined in Section 8.1.

"***Master Services Agreement***" is defined in the recitals to this Agreement.

"***Material Adverse Effect***" means, with respect to any Person, any change, event or development that is materially adverse to the business, assets, financial condition, or operations of such Person and its Subsidiaries, taken as a whole; *provided*, *however*, that, a Material Adverse Effect shall not be deemed to have occurred as a result of any of the following changes, events or developments (either alone or in combination): (a) any change in general economic, political or business conditions (including any effects on the economy arising as a result of acts of terrorism); (b) any change in oil or natural gas commodity prices; (c) any change affecting the natural gas transportation industry generally but which does not have a materially disproportionate impact on the business of such Person and its Subsidiaries; (d) any change in accounting requirements or principles imposed by GAAP or any change in Law after the Execution Date but which does not, in each case, have a materially disproportionate impact on the business of such Person and its Subsidiaries; (e) any change resulting from the execution of this Agreement or the announcement of the transactions contemplated hereby; or (f) any change resulting from compliance by such Person with the terms of this Agreement or from any action by such Person that is expressly permitted by this Agreement.

"***MEP Contribution***" is defined in the recitals to this Agreement.

"***MEP Contribution Agreement***" is defined in the recitals to this Agreement.

"***Operating Subsidiaries***" means Regency Gas Services LP, a Delaware limited partnership and all other Subsidiaries of Regency.

"***Organizational Documents***" means, with respect to any Person, the articles of incorporation, certificate of incorporation, certificate of formation, certificate of limited partnership, bylaws, limited liability company agreement, operating agreement, partnership agreement, stockholders' agreement and all other similar documents, instruments or certificates executed, adopted or filed in connection with the creation, formation or organization of such Person, including any amendments thereto.

"***Owned Units***" are defined in Section 4.5(i).

"***Party***" and "***Parties***" are defined in the preamble of this Agreement.

"***Permits***" means all permits, approvals, consents, licenses, franchises, exemptions and other authorizations, consents and approvals of or from Governmental Authorities.

"***Permitted Liens***" means, with respect to any Person, (a) statutory Liens for current Taxes applicable to the assets of such Person or assessments not yet delinquent or the amount or validity of which is being contested in good faith and for which adequate reserves have been established in accordance with GAAP; (b) mechanics', carriers', workers', repairers', landlords' and other similar liens arising or incurred in the ordinary course of business of such Person relating to obligations as to which there is no default on the part of such Person, (c) Liens as may have arisen in the ordinary course of business of such Person, none of which are material to the ownership, use or operation of the assets of such Person; (d) any state of facts which an accurate on the ground survey of any real property of such Person would show, and any easements, rights-of-way, restrictions, restrictive covenants, rights, leases, and other encumbrances on title to real or personal property filed of record that do not materially detract from the value of or materially

interfere with the use and operation of any of the assets of such Person; (e) statutory Liens for obligations that are not delinquent, (f) Liens encumbering the fee interest of those tracts of real property encumbered by Rights-of-Way, (g) legal highways, zoning and building laws, ordinances and regulations, that do not materially detract from the value of or materially interfere with the use of the assets of such Person in the ordinary course of business and (h) any Liens with respect to assets of such Person, which, together with all other Liens, do not materially detract from the value of such Person or materially interfere with the present use of the assets owned by such Person or the conduct of the business of such Person.

"***Person***" means any natural person, corporation, limited partnership, general partnership, limited liability company, joint stock company, joint venture, association, company, estate, trust, bank trust company, land trust, business trust, or other organization, whether or not a legal entity, custodian, trustee-executor, administrator, nominee or entity in a representative capacity and any Governmental Authority.

"***Preceding Quarter***" is defined in Section 2.4(b).

"***Pre-Closing Tax***" is defined in Section 5.12(a).

"***Proceeding***" means any civil, criminal or administrative actions, suits, investigations or other proceedings.

"***Redemption and Exchange***" is defined in the recitals to this Agreement.

"***Regency***" is defined in the recitals to this Agreement.

"***Regency Benefit Plans***" is defined in Section 3.17(a)(ii).

"***Regency Common Unit***" means a common unit representing a limited partner interest in Regency.

"***Regency Credit Agreement***" means the Fifth Amended and Restated Credit Agreement dated as of March 4, 2010, by and among Regency, Wachovia Bank, National Association as Administrative Agent and the lenders party thereto, as amended from time.

"***Regency Entities***" means Regency, RGPLP, RGPLLC and the Operating Subsidiaries, collectively.

"***Regency Financial Statements***" is defined in Section 3.10(c).

"***Regency GP Entities***" means RGPLP and RGPLLC.

"***Regency GP Interest***" is defined in Section 3.5(e).

"***Regency GP LP Interests***" is defined in Section 3.5(e).

"***Regency Incentive Distribution Rights***" means the "Incentive Distribution Rights" as such term is defined in the Regency Partnership Agreement.

"***Regency Material Adverse Effect***" means any Material Adverse Effect in respect of the Regency Entities taken as a whole.

"***Regency Material Contracts***" is defined in Section 3.13(b).

"***Regency Partnership Agreement***" means that certain Amended and Restated Agreement of Limited Partnership of Regency Energy Partners LP, dated as of February 3, 2006, between RGPLP, as the General Partner, and Seller, as the Organizational Limited Partner, together with any other Persons who become Partners in the Partnership or parties thereto as provided therein, as amended by that Amendment No. 1 to Agreement of Amended and Restated Agreement of Limited Partnership of Regency Energy Partners LP, dated as of August 15, 2006, between RGPLP, as the General Partner, as further amended by that Amendment No. 2 to Amended and Restated Agreement of Limited Partnership of Regency Energy Partners LP, dated as of September 21, 2006, between RGPLP, as the General Partner.

"***Regency SEC Documents***" is defined in Section 3.10(a).

"***Regency Series A Unit***" is defined in Section 3.5(g).

"***Registration Rights Agreement***" is defined in Section 2.3(a)(vii).

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

"***Representatives***" is defined in Section 5.3.

"***Responsible Officer***" means, with respect to any Person, any vice-president or more senior officer of such Person.

"***RGPLLC***" is defined in the recitals to this Agreement.

"***RGPLP***" is defined in the recitals to this Agreement.

"***Rights-of-Way***" means easements, rights-of-way and similar real estate interests.

"***RIGS Contribution***" is defined in the preamble to this Agreement.

"***RIGS HPC***" is defined in the preamble to this Agreement.

"***SEC***" is defined in Section 3.10(a).

"***Securities Act***" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"***Seller***" is defined in the preamble to this Agreement.

"***Seller Indemnitees***" is defined in Section 8.2.

"***Seller Disclosure Schedule***" means the disclosure schedule to this Agreement prepared by Seller and delivered to the Buyer Parties on the Execution Date.

"***Subsidiary***" means, with respect to any Person, any corporation, limited liability company, partnership, association or other business entity of which a majority of the Voting Interests are at the time owned or Controlled directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof; *provided* that for purposes of this Agreement, RIGS HPC and any of its Subsidiaries shall be deemed to be Subsidiaries of Regency.

"***Tax***" means (a) any tax, charge, fee, levy, penalty or other assessment imposed by any United States federal, state, local or foreign taxing authority, including any excise, property, income, sales, transfer, margin, franchise, payroll, withholding, social security or other tax, including any interest, penalties or additions attributable thereto, whether disputed or not; and (b) any liability for the payment of any amounts of the type described in clause (a) as a result of being a member of a consolidated, combined or unitary group for any period; and (c) any liability of for the payment of any amounts of the type described in clause (a) or (b) as a result of the operation of law or any express or implied obligation to indemnify any other Person.

"***Tax Return***" means any return, report, information return, declaration, claim for refund or other document (including any related or supporting information or schedules) supplied or required to be supplied to any authority with respect to Taxes and including any supplement or amendment thereof.

"***Termination Date***" is defined in Section 7.1(c).

"***Third Amendment***" is defined in the recitals to this Agreement.

"***Transaction Agreements***" means, collectively, this Agreement, the ETP Redemption Agreement and MEP Contribution Agreement.

"***Transfer Taxes***" is defined in Section 5.12(b).

"***Treasury Regulations***" means the regulations (including temporary 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 provision or provisions of succeeding, similar or substitute, temporary or final Treasury Regulations.

"***Voting Interests***" of any Person as of any date means the equity interests of such Person pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers, general partners or trustees of such Person (regardless of whether, at the time, equity interests of any other class or classes shall have, or might have, voting power by reason of the occurrence of any contingency) or, with respect to a partnership (whether general or limited), any general partner interest in such partnership.

AMENDMENT NO. 3
TO
THIRD AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP
OF
ENERGY TRANSFER EQUITY, L.P.

This Amendment No. 3 (this "*Amendment*") to the Third Amended and Restated Agreement of Limited Partnership of Energy Transfer Equity, L.P., a Delaware limited partnership (the "*Partnership*"), dated as of February 8, 2006 (the "*Partnership Agreement*"), is entered into effective as of ___, 2010, by LE GP, LLC, a Delaware limited liability company (the "*General Partner*"), as the general partner of the Partnership, on behalf of itself and the Limited Partners of the Partnership. Capitalized terms used but not defined herein are used as defined in the Partnership Agreement.

RECITALS

WHEREAS, Section 5.8 of the Partnership Agreement provides that the General Partner, without the approval of any Limited Partner except as otherwise provided in the Partnership Agreement, may, for any Partnership purpose, at any time or from time to time, issue additional Partnership Securities to such Persons for such consideration and on such terms and conditions as shall be established by the General Partner in its sole discretion;

WHEREAS, Section 13.1(d)(i) of the Partnership Agreement provides that the General Partner, without the approval of any Partner, may amend any provision of the Partnership Agreement (to reflect a change that, the General Partner determines, does not adversely affect the Limited Partners in any material respect);

WHEREAS, Section 13.1(g) of the Partnership Agreement provides that the General Partner, without the approval of any Partner, may amend any provision of the Partnership Agreement to reflect an amendment that, the General Partner determines, is necessary or appropriate in connection with the authorization of issuance of any class or series of Partnership Securities pursuant to Section 5.8 of the Partnership Agreement;

WHEREAS, all of the Class C Units were converted into Common Units on February 22, 2007, with the result that all Class C Units have been canceled and there are no Class C Units Outstanding as of the date hereof;

WHEREAS, all of the Class B Units were converted into Common Units on March 27, 2007, with the result that all Class B Units have been canceled and there are no Class B Units Outstanding as of the date hereof;

WHEREAS, the Partnership has entered into a General Partner Purchase Agreement, dated as of May 10, 2010 (the "*GP Purchase Agreement*"), between the Partnership, ETE GP Acquirer LLC, a Delaware limited liability company, Regency GP Acquirer, L.P., a Delaware limited partnership ("*Regency GP Seller*"), pursuant to which the Regency GP Seller will transfer (i) 100% of the membership interests in Regency GP LLC, a Delaware limited liability company ("*RGPLLC*") and (ii) the 99.999% limited partner interest in Regency GP LP, a Delaware limited

partnership ("*RGPLP*" and, together with RGPLLC, the "*Regency GP Entities*") and the general partner of Regency Energy Partners, L.P., a Delaware limited partnership ("*Regency*") (such interests, together the "*Acquired Regency GP Interests*") in exchange for the issuance by the Partnership to Regency GP Seller of 3,000,000 units of a new class of Partnership Securities to be designated as "Series A Convertible Preferred Units" with the rights, preferences and privileges and such other terms as are set forth in this Amendment;

WHEREAS, the General Partner has determined that the creation of the Series A Preferred Units (as defined below) will be in the best interests of the Partnership and beneficial to the Limited Partners, including the holders of the Common Units;

WHEREAS, the issuance of the Series A Preferred Units complies with the requirements of the Partnership Agreement; and

WHEREAS, the General Partner has determined, pursuant to Section 13.1(g) of the Partnership Agreement, that the amendments to the Partnership Agreement set forth herein are necessary or appropriate in connection with the authorization of the issuance of the Series A Preferred Units;

NOW, THEREFORE, the Partnership Agreement is hereby amended as follows:

Amendments.

Section 1.1 of the Partnership Agreement is hereby amended to add or amend and restate the following definitions:

"*Combined Accretion Multiple*" has the meaning ascribed to such term in Section 5.13(b)(xi)(B).

"*Election Notice Period*" has the meaning ascribed to such term in Section 5.13(b)(ix)(A).

"*Fair Market Value*" means, as of a particular date, (i) for any Marketable Security, the VWAP Price of such Marketable Security and (ii) for all property other than a Marketable Security, the value of the property on the date it was distributed by the Partnership in a Special Distribution, as determined in good faith by the General Partner.

"*Fractional Unit Cash Consideration*" has the meaning ascribed to such term in Section 5.13(b)(vii)(G).

"*Fundamental Change*" means (i) any merger or consolidation of the Partnership with another entity, (ii) a sale of all or substantially all of the assets of the Partnership, (iii) any dissolution or liquidation of the Partnership, (iv) any other transaction pursuant to which the General Partner or any Affiliate of the General Partner exercises its rights to purchase all of the Outstanding Common Units pursuant to Section 15.1 of this Agreement, (v) the sale or transfer, directly or indirectly, of the general partner interest of the MLP by the Partnership

(excluding any such sale or transfer to a, direct or indirect, wholly-owned Subsidiary of the Partnership), (vi) the failure of the Partnership to continue to maintain, directly or through direct or indirect wholly-owned Subsidiaries, ownership of at least 25,000,000 common units of the MLP (as appropriately adjusted for unit splits, unit distributions and the like) or (vii) the declaration of a distribution by the MLP to its unitholders that constitutes a distribution from Capital Surplus as opposed to Operating Surplus (as each such term is defined in the MLP Agreement as in effect on the Series A Issuance Date).

"*Fundamental Change Conversion Consideration*" means (x) if Common Units will remain Outstanding and continue to constitute Marketable Securities upon consummation of a Fundamental Change, a number of Common Units equal to (A) the sum of (1) the Series A Liquidation Value as of the date of consummation of the Fundamental Change plus (2) the lesser of (a) the Series A Accretion Amount as of the date of the consummation of a Fundamental Change or (b) $10.00, divided by (B) the VWAP Price as of the date of the consummation of the Fundamental Change and (y) in any circumstance not described in clause (x), the consideration received in connection with such Fundamental Change by a hypothetical holder of the number of Common Units that would be received by the holder of one Series A Preferred Unit pursuant to clause (x) had Common Units remained Outstanding and continued to constitute Marketable Securities upon consummation of such Fundamental Change.

"*Fundamental Change Documentation*" means any documentation (in addition to any certificates representing a holder's Series A Preferred Units) that the General Partner reasonably requests to be delivered by each holder of Series A Preferred Units in connection with the conversion or redemption of the Series A Preferred Units due to a Fundamental Change, including, if applicable, wire transfer instructions in respect of any cash consideration to be received in connection with such Fundamental Change.

"*Fundamental Change Elected Common Unit Consideration*" has the meaning ascribed to such term in Section 5.13(b)(ix)(C)(a)(i).

"*Fundamental Change Elected Cash Consideration*" has the meaning ascribed to such term in Section 5.13(b)(ix)(C)(a)(i).

"*Fundamental Change Forced Redemption Election*" has the meaning ascribed to such term in Section 5.13(b)(ix)(A)(a).

"*Fundamental Change Redemption Consideration*" means (i) an amount in cash equal to the Series A Liquidation Value as of the date of the consummation of a Fundamental Change plus (ii) the Fundamental Change Redemption Consideration Premium.

"*Fundamental Change Redemption Consideration Premium*" means, in respect of a Fundamental Change, (x) if Common Units will remain Outstanding

and continue to constitute Marketable Securities upon the consummation of the Fundamental Change, a number of Common Units equal to (A) the greater of (1) the Series A Accretion Amount as of the date of the consummation of a Fundamental Change and (2) $10.00 divided by (B) the VWAP Price as of the date of consummation of the Fundamental Change and (y) in any circumstance not described in clause (x), the consideration received in connection with such Fundamental Change by a hypothetical holder of the number of Common Units that would be received by the holder of one Series A Preferred Unit pursuant to clause (x) had Common Units remained Outstanding and continued to constitute Marketable Securities upon consummation of such Fundamental Change.

"*Fundamental Change Trigger Date*" has the meaning ascribed to such term in Section 5.13(b)(ix)(A).

"*Investor*" means, collectively, Regency GP Seller and each of its Affiliates from time to time that is the registered holder of any Series A Preferred Units.

"*Issue Price*" means the price at which a Unit is purchased from the Partnership, after taking into account any sales commission or underwriting discount charged to the Partnership and after taking into account any other form of discount with respect to the price at which a Unit is purchased from the Partnership; *provided, however*, that in the case of the Series A Preferred Units, the Issue Price shall be $100.00 per Unit.

"*Junior Securities*" means any class or series of Partnership Securities that, with respect to distributions on such Partnership Securities and distributions upon liquidation of the Partnership, ranks junior to the Series A Preferred Units, including but not limited to Common Units.

"*Marketable Security*" means any security listed on the New York Stock Exchange or the NASDAQ Stock Market.

"*Parity Securities*" means any class or series of Partnership Securities that, with respect to distributions on such Partnership Securities or distributions upon liquidation of the Partnership, ranks pari passu with the Series A Preferred Units.

"*Partnership Event*" has the meaning ascribed to such term in Section 5.13(b)(xi)(A).

"*Partnership Event Consummation Date*" has the meaning ascribed to such term in Section 5.13(b)(xi)(A).

"*Post-Partnership Event Accretion Multiple*" has the meaning ascribed to such term in Section 5.13(b)(xi)(B)(b).

"*Pre-Partnership Event Accretion Multiple*" has the meaning ascribed to such term in Section 5.13(b)(xi)(B)(a).

"*Public Equity Partnership Event*" has the meaning ascribed to such term in Section 5.13(b)(xi)(B).

"*Record Date*" means the date established by the General Partner for determining (a) the identity of the Record Holders entitled to notice of, or to vote at, any meeting of Limited Partners or entitled to vote by ballot or give approval of Partnership action in writing without a meeting or entitled to exercise rights in respect of any lawful action of Limited Partners, (b) the identity of Record Holders entitled to receive any report or distribution or to participate in any offer or (c) the identity of the Record Holders of Series A Preferred Units entitled to convert such Units or whose Units are to be redeemed.

"*Regency GP Purchase Agreement*" means the General Partner Purchase Agreement, dated May 10, 2010, by and between the Partnership, ETE GP Acquirer LLC, a Delaware limited liability company and Regency GP Seller.

"*Regency GP Seller*" means Regency GP Acquirer, L.P., a Delaware limited partnership.

"*Regulation FD*" means Regulation FD as promulgated by the Commission, as the same may be amended from time to time.

"*Securities Law Prohibition*" has the meaning ascribed to such term in Section 5.13((b)(vii)(H).

"*Senior Securities*" means any class or series of Partnership Securities that, with respect to distributions on such Partnership Securities or distributions upon liquidation of the Partnership, ranks senior to the Series A Preferred Units.

"*Series A Adjustment Event*" has the meaning ascribed to such term in Section 5.13(b)(xii)(A).

"*Series A Accretion Amount*" means, as of a particular date (i) $100.00 multiplied by (ii) the Trading Price Accretion Percentage as of such date multiplied by (iii) twenty-five percent (25%), expressed as a decimal.

"*Series A Conversion Cash Consideration*" has the meaning ascribed to such term in Section 5.13(b)(vii)(A)(b)(ii).

"*Series A Conversion Consideration*" has the meaning ascribed to such term in Section 5.13(b)(vii)(A).

"*Series A Conversion Documentation*" has the meaning ascribed to such term in Section 5.13(b)(vii)(C)(c).

"*Series A Conversion Notice*" has the meaning ascribed to such term in Section 5.13(b)(vii)(C).

"*Series A Conversion Notice Date*" has the meaning ascribed to such term in Section 5.13(b)(vii)(B).

"*Series A Distribution Payment Date*" has the meaning ascribed to such term in Section 5.13(b)(ii)(A).

"*Series A Distribution Rate*" means a fixed rate of $2.00 per Series A Preferred Unit per Quarter; *provided, however*, that with respect to the period commencing on the Series A Issuance Date and ending on the last day of the Quarter in which the Series A Issuance Date occurs, "*Series A Distribution Rate*" shall mean a fixed rate of the product of $2.00 per Series A Preferred Unit multiplied by a fraction of which the numerator is the number of days in such period and the denominator is 90.

"*Series A Exchange Cap*" means that number of units of Common Units which the Partnership may issue upon conversion or redemption, as the case may be, of the Series A Preferred Units without breaching the Partnership's obligations under the rules or regulations of any National Securities Exchange on which the Common Units are listed or admitted to trading.

"*Series A Issuance Date*" means [l], 2010.

"*Series A Liquidation Value*" means as of a particular date, with respect to a Series A Preferred Unit, the sum of (i) the Issue Price, plus (ii) all accumulated and unpaid and all accrued and unpaid distributions on such Series A Preferred Unit pursuant to Section 5.13(b)(ii)(A) as of such date.

"*Series A Maturity Date*" means [l], 2014.[1]

"*Series A Optional Redemption Trigger Date*" means [l], 2013.[2]

"*Series A Preferred Unit*" means a Partnership Security representing a fractional part of the Partnership Interests of all Limited Partners and Assignees, and having the rights, preferences and privileges and duties and obligations specified with respect to the Series A Preferred Units in this Agreement. The term "Series A Preferred Unit" does not refer to a Common Unit prior to the conversion of a Series A Preferred Unit into a Common Unit pursuant to the terms of this Agreement.

"*Series A Pro Rata Distribution*" means, in respect of any Parity Security, the distribution permitted to be made on such Parity Security in the event that the Partnership fails to pay in full in cash any distribution (or portion thereof) which any holder of Series A Preferred Units accrues and is entitled to receive, which is equal to the distribution payable in respect of such Parity Security as of such date, multiplied by a fraction (i) the numerator of which is the distribution paid in

1 The fourth anniversary of the Series A Issuance Date

2 The third anniversary of the Series A Issuance Date.

respect of each Series A Preferred Unit on the most recent Series A Distribution Payment Date and (ii) the denominator of which is the distribution accumulated and payable on each Series A Preferred Unit immediately prior to the payment of such distribution on the most recent Series A Distribution Payment Date.

"*Series A Redemption Confirmation*" has the meaning ascribed to such term in Section 5.13(b)(viii)(C).

"*Series A Redemption Consideration*" has the meaning ascribed to such term in Section 5.13(b)(viii)(A).

"*Series A Redemption Documentation*" has the meaning ascribed to such term in Section 5.13(b)(viii)(C).

"*Series A Redemption Date*" has the meaning ascribed to such term in Section 5.13(b)(viii)(C)(a).

"*Series A Redemption Notice*" has the meaning ascribed to such term in Section 5.13(b)(viii)(C)(b).

"*Special Distribution*" has the meaning ascribed to such term in Section 5.13(b)(xii)(A).

"*Successor Securities*" has the meaning ascribed to such term in Section 5.13(b)(xi)(B).

"*Trading Price Accretion Percentage*" as of a particular date means, subject to adjustment pursuant to Sections 5.13(b)(xi)(B) and 5.13(b)(xii)(A), a fraction, (i) the numerator of which equals (A) the VWAP Price of a Common Unit as of such date minus (B) the VWAP Price of a Common Unit as of the Series A Issuance Date and (ii) the denominator of which equals the VWAP Price of a Common Unit as of the Series A Issuance Date, *provided* that, if the numerator of the foregoing fraction is a negative amount, then the trading Price Accretion Percentage shall equal zero.

"*VWAP Price*" as of a particular date means the volume-weighted average trading price of a Common Unit on the National Securities Exchange on which the Common Units are listed or admitted to trading, calculated over the consecutive 10-Trading Day period ending on the close of trading on the Trading Day immediately prior to such date; *provided, however,* that the "*VWAP Price*" as of a particular date following consummation of a Public Equity Partnership Event shall mean the volume-weighted average trading price of the Successor Securities on the National Securities Exchange on which the Successor Securities are listed or admitted to trading, calculated over the consecutive 10-Trading Day period ending on the close of trading on the Trading Day immediately prior to such date.

Section 1.1 of the Partnership Agreement is hereby further amended to add the following sentence to the end of the definition of "Common Unit":

“The term “Common Unit” does not refer to a Series A Preferred Unit prior to the conversion of such Unit into a Common Unit pursuant to the terms hereof.”

Section 4.7(c) of the Partnership Agreement is hereby amended and restated to read in its entirety as follows:

”(c) The transfer of a Series A Preferred Unit shall be subject to the restrictions imposed by Section 5.13(b)(x) and Section 6.6.”

Section 5.6(a) of the Partnership Agreement is hereby amended and restated to read in its entirety as follows:

“The Partnership shall maintain for each Partner (or a beneficial owner of Partnership Interests held by a nominee in any case in which the nominee has furnished the identity of such owner to the Partnership in accordance with Section 6031(c) of the Code or any other method acceptable to the General Partner) owning a Partnership Interest a separate Capital Account with respect to such Partnership Interest in accordance with the rules of Treasury Regulation Section 1.704-1(b)(2)(iv) and the methodology set forth in Proposed Treasury Regulation Section 1.704-1(b)(2)(iv)(s). Such Capital Account shall be increased by (i) the amount of all Capital Contributions made to the Partnership with respect to such Partnership Interest pursuant to this Agreement and (ii) all items of Partnership income and gain (including, without limitation, income and gain exempt from tax) computed in accordance with Section 5.6(b) and allocated with respect to such Partnership Interest pursuant to Section 6.1, and decreased by (x) the amount of cash or Net Agreed Value of all actual and deemed distributions of cash or property made with respect to such Partnership Interest pursuant to this Agreement and (y) all items of Partnership deduction and loss computed in accordance with Section 5.6(b) and allocated with respect to such Partnership Interest pursuant to Section 6.1. The Partnership shall follow the methodology set forth in the proposed noncompensatory option regulations under Proposed Treasury Regulation Sections 1.704-1, 1.721-2 and 1.761-3 at all times, including when the assets of the Partnership are revalued or any Series A Preferred Units are converted pursuant to Section 5.13. For the avoidance of doubt, the Series A Preferred Units will be treated as a partnership interest in the Partnership for federal income tax purposes, and, therefore, each holder of a Series A Preferred Unit will be treated as a partner in the Partnership.”

Section 5.6(d)(i) of the Partnership Agreement is hereby amended and restated to read in its entirety as follows:

”(i) In accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(f) and Proposed Treasury Regulation Section 1.704-1(b)(2)(iv)(s), on an issuance of additional Partnership Interests for cash or Contributed Property, the issuance of Partnership Interests as consideration for the provision of services, the conversion of the General Partner’s Combined Interest to Units pursuant to

Section 11.3(b) or the conversion of a Series A Preferred Unit, the Capital Account of all Partners and the Carrying Value of each Partnership property immediately prior to such issuance, or immediately after such conversion (with respect to the conversion of a Series A Preferred Unit), shall be adjusted upward or downward to reflect any Unrealized Gain or Unrealized Loss attributable to such Partnership 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 or on the date of such conversion. Any such Unrealized Gain or Unrealized Loss (or items thereof) shall be allocated (A) if the operation of this sentence is triggered by the conversion of a Series A Preferred Unit, first to the Partners holding converted Series A Preferred Units until the Capital Account of each converted Series A Preferred Unit is equal to the Per Unit Capital Amount for a then Outstanding Common Unit (other than a converted Series A Preferred Unit), and (B) any remaining Unrealized Gain or Unrealized Loss shall be allocated among the Partners pursuant to Section 6.1(c) in the same manner as any item of gain or loss actually recognized would have been allocated. If the Unrealized Gain or Unrealized Loss allocated as a result of the conversion of a Series A Preferred Unit is not sufficient to cause the Capital Account of each converted Series A Preferred Unit to equal the Per Unit Capital Amount for a then Outstanding Common Unit (other than a converted Series A Preferred Unit), then Capital Account balances shall be reallocated between the Partners holding converted Series A Preferred Units and the Partners holding Common Units (other than converted Series A Preferred Units) so as to cause the Capital Account of each converted Series A Preferred Unit to equal the Per Unit Capital Amount for a then Outstanding Common Unit (other than a converted Series A Preferred Unit), in accordance with Proposed Treasury Regulation Section 1.704-1(b)(2)(iv)(s)(3). In determining such Unrealized Gain or Unrealized Loss, the aggregate cash amount and fair market value of all Partnership assets (including, without limitation, cash or cash equivalents) immediately prior to the issuance of additional Partnership Interests shall be determined by the General Partner using such method of valuation as it may adopt; provided, however, that the General Partner, in arriving at such valuation, must take fully into account the fair market value of the Partnership Interests of all Partners at such time and must reduce the fair market value of all Partnership assets by the excess, if any, of the fair market value of any Outstanding Series A Preferred Units that have not yet been converted over the aggregate Issue Price of such Series A Preferred Units to the extent of any Unrealized Gain that has not been reflected in the Partners' Capital Accounts previously, pursuant to Proposed Treasury Regulation Section 1.704-1(b)(2)(iv)(h)(2). The General Partner shall allocate such aggregate value among the assets of the Partnership (in such manner as it determines) to arrive at a fair market value for individual properties."

Article V of the Partnership Agreement is hereby amended to add a new Section 5.13 creating a new series of Units as follows:

"Section 5.13 *Establishment of Series A Preferred Units*.

(a) *General*. The General Partner hereby designates and creates a series of Units to be designated as "Series A Convertible Preferred Units" and consisting of a total of 3,000,000 Series A Preferred Units, having the same rights, preferences and privileges, and subject to the same duties and obligations, as the Common Units, except as set forth in this Section 5.13 and in Sections 5.6(d)(i), 6.6 and 12.10. The class of Series A Preferred Units shall be closed immediately following the Series A Issuance Date and thereafter no additional Series A Preferred Units shall be designated, created or issued without the prior written approval of the General Partner and the holders of a majority of the Outstanding Series A Preferred Units. The initial Capital Account balance in respect of each Series A Preferred Unit issued on the Series A Issuance Date shall be the Issue Price for such Series A Preferred Unit.

(b) *Rights of Series A Preferred Units*. The Series A Preferred Units shall have the following rights, preferences and privileges and shall be subject to the following duties and obligations:

(i) Allocations.

(A) Notwithstanding anything to the contrary in Section 6.1(a), prior to any allocation made pursuant to Section 6.1(a), but after giving effect to any special allocations set forth in Section 6.1(d), any Net Income shall be allocated to all Unitholders holding Series A Preferred Units, Pro Rata, until the Capital Account in respect of each Outstanding Series A Preferred Unit is equal to the Series A Liquidation Value.

(B) Notwithstanding anything to the contrary in Section 6.1(b), Unitholders holding Series A Preferred Units shall not receive any allocation pursuant to Section 6.1(b) unless and until the Adjusted Capital Accounts of all other Partners have been reduced to zero, in which case prior to allocating any remaining Net Losses to the General Partner, Net Losses shall be allocated to all Unitholders holding Series A Preferred Units, Pro Rata, until the Adjusted Capital Accounts of such Unitholders in respect of such Units have been reduced to zero.

(C) Notwithstanding anything to the contrary in Section 6.1(c)(i), (x) Unitholders holding Series A Preferred Units shall be allocated Net Termination Gain in accordance with Section 6.1(c)(i)(A) but shall not receive any allocation pursuant to Sections 6.1(c)(i)(B) — (D) with respect to their Series A Preferred Units, and (y) following any allocation made pursuant to Section 6.1(c)(i)(A) and prior to any allocation made pursuant to Section 6.1(c)(i)(B), any remaining Net Termination Gain shall be allocated to all Unitholders holding Series A Preferred Units, Pro

Rata, until the Capital Account in respect of each Outstanding Series A Preferred Unit is equal to the Series A Liquidation Value.

(D) Notwithstanding anything to the contrary in Section 6.1(c)(ii), (x) Unitholders holding Series A Preferred Units shall not receive any allocation pursuant to Sections 6.1(c)(ii)(A) with respect to their Series A Preferred Units, and (y) following the allocations made pursuant to Section 6.1(c)(ii)(A), and prior to any allocation made pursuant to Section 6.1(c)(ii)(B), any remaining Net Termination Loss shall be allocated to all Unitholders holding Series A Preferred Units, Pro Rata, until the Capital Account in respect of each Outstanding Series A Preferred Unit has been reduced to zero.

(ii) *Distributions.*

(A) Commencing on the Series A Issuance Date, the holders of the Series A Preferred Units as of an applicable Record Date shall accrue and be entitled to receive cumulative distributions, prior to any other distributions pursuant to Section 6.3, in cash in an amount equal to the Series A Distribution Rate on each Outstanding Series A Preferred Unit. All such distributions shall be paid Quarterly, in arrears, within fifty (50) days after the end of each Quarter (a "*Series A Distribution Payment Date*"). If the Partnership fails to pay in full in cash any distribution (or portion thereof) which any holder of Series A Preferred Units accrues and is entitled to receive pursuant to this Section 5.13(b)(ii)(A), then (x) the amount of such accrued and unpaid distributions will accumulate until paid in full in cash and (y) the Partnership shall not be permitted to, and shall not, declare or make (i) any distributions in respect of any Junior Securities and (ii) any distributions in respect of any Parity Securities, other than Series A Pro Rata Distributions, unless and until all accrued and accumulated distributions on the Series A Preferred Units has been paid in full in cash.

(B) Notwithstanding anything in this Section 5.13(b)(ii) to the contrary, with respect to Series A Preferred Units that are converted into Common Units, the holder thereof shall not be entitled to a Series A Preferred Unit distribution and a Common Unit distribution with respect to the same period, but shall be entitled only to the distribution to be paid based upon the class of Units held as of the close of business on the Record Date for the distribution in respect of such period.

(C) Accrued and unpaid distributions in respect of the Series A Preferred Units will not accrue interest.

(iii) *Issuance of Series A Preferred Units*. The Series A Preferred Units shall be issued by the Partnership pursuant to the terms and conditions of the Regency GP Purchase Agreement.

(iv) *Liquidation Value*. In the event of any liquidation, dissolution or winding up of the Partnership, either voluntary or involuntary, the holders of the Series A Preferred Units shall be entitled to receive, out of the assets of the Partnership available for distribution to Unitholders, prior and in preference to any distribution of any assets of the Partnership to the holders of any other class or series of Partnership Securities, the positive value in each such holder's Capital Account in respect of such Series A Preferred Units. If in the year of such liquidation, dissolution or winding up any such holder's Capital Account in respect of such Series A Preferred Units is less than the aggregate Series A Liquidation Value of such Series A Preferred Units, then notwithstanding anything to the contrary contained in this Agreement, and prior to any other allocation pursuant to this Agreement for such year and prior to any distribution pursuant to the preceding sentence, items of gross income and gain shall be allocated to all Unitholders holding Series A Preferred Units, Pro Rata, until the Capital Account in respect of each Outstanding Series A Preferred Unit is equal to the Series A Liquidation Value (and no other allocation pursuant to this Agreement shall reverse the effect of such allocation). If in the year of such liquidation, dissolution or winding up any such holder's Capital Account in respect of such Series A Preferred Units is less than the aggregate Series A Liquidation Value of such Series A Preferred Units after the application of the preceding sentence, then to the extent permitted by law and notwithstanding anything to the contrary contained in this Agreement, items of gross income and gain for any preceding taxable period(s) with respect to which Schedule K-1s have not been filed by the Partnership shall be reallocated to all Unitholders holding Series A Preferred Units, Pro Rata, until the Capital Account in respect of each Outstanding Series A Preferred Unit is equal to the Series A Liquidation Value (and no other allocation pursuant to this Agreement shall reverse the effect of such allocation).

(v) *Voting Rights.*

(A) The Series A Preferred Units shall not be entitled to vote on any matters related to the Partnership other than as expressly provided in this Section 5.13(b)(v).

(B) Notwithstanding any other provision of this Agreement, in addition to all other requirements imposed by Delaware law, and all other

voting rights granted under this Agreement, the affirmative vote of holders of a majority of the Outstanding Series A Preferred Units, voting separately as a class with one vote per Series A Preferred Unit, shall be necessary to amend this Agreement in any manner that (i) alters or changes the rights, preferences or privileges or duties and obligations of the Series A Preferred Units, (ii) increases or decreases the authorized number of Series A Preferred Units (including without limitation any issuance of additional Series A Preferred Units), or (iii) otherwise adversely affects the Series A Preferred Units in any material respect, including without limitation the creation (by reclassification or otherwise) of any class of Senior Securities (or amending the provisions of any existing class of Partnership Securities to make such class of Partnership Securities a class of Senior Securities); *provided*, *however*, that the Partnership may, without the consent or approval of the holders of the Series A Preferred Units (a) create (by reclassification or otherwise) and issue Junior Securities and Parity Securities (including by amending the provisions of any existing class of Partnership Securities to make such class of Partnership Securities a class of Junior Securities or Parity Securities) in an unlimited amount and (b) consummate any Fundamental Change.

(vi) *Certificates*.

(A) The Series A Preferred Units shall be evidenced by certificates in such form as the General Partner may approve and, subject to the satisfaction of any applicable legal, regulatory and contractual requirements, may be assigned or transferred in a manner identical to the assignment and transfer of other Units; unless and until the General Partner determines to assign the responsibility to another Person, the General Partner will act as the registrar and transfer agent for the Series A Preferred Units. The certificates evidencing Series A Preferred Units shall be separately identified and shall not bear the same CUSIP number as the certificates evidencing Common Units.

(B) The certificate(s) representing the Series A Preferred Units may be imprinted with a legend in substantially the following form (in addition to the legend required pursuant to Section 4.7(e)):

“THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) AND ARE SUBJECT TO THE TERMS OF THE THIRD AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT OF ENERGY TRANSFER EQUITY, L.P., AS AMENDED. THE HOLDER OF THIS SECURITY ACKNOWLEDGES FOR THE BENEFIT OF ENERGY

TRANSFER EQUITY, L.P. THAT THIS SECURITY MAY NOT BE SOLD, OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED IF SUCH TRANSFER WOULD (A) VIOLATE THE THEN APPLICABLE FEDERAL OR STATE SECURITIES LAWS OR RULES AND REGULATIONS OF THE SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION OR ANY OTHER GOVERNMENTAL AUTHORITY WITH JURISDICTION OVER SUCH TRANSFER, (B) TERMINATE THE EXISTENCE OR QUALIFICATION OF ENERGY TRANSFER EQUITY, L.P. UNDER THE LAWS OF THE STATE OF DELAWARE, OR (C) CAUSE ENERGY TRANSFER EQUITY, L.P. TO BE TREATED AS AN ASSOCIATION TAXABLE AS A CORPORATION OR OTHERWISE TO BE TAXED AS AN ENTITY FOR FEDERAL INCOME TAX PURPOSES (TO THE EXTENT NOT ALREADY SO TREATED OR TAXED). LE GP, LLC THE GENERAL PARTNER OF ENERGY TRANSFER EQUITY, L.P., MAY IMPOSE ADDITIONAL RESTRICTIONS ON THE TRANSFER OF THIS SECURITY IF IT RECEIVES AN OPINION OF COUNSEL THAT SUCH RESTRICTIONS ARE NECESSARY TO AVOID A SIGNIFICANT RISK OF ENERGY TRANSFER EQUITY, L.P. BECOMING TAXABLE AS A CORPORATION OR OTHERWISE BECOMING TAXABLE AS AN ENTITY FOR FEDERAL INCOME TAX PURPOSES. THE RESTRICTIONS SET FORTH ABOVE SHALL NOT PRECLUDE THE SETTLEMENT OF ANY TRANSACTIONS INVOLVING THIS SECURITY ENTERED INTO THROUGH THE FACILITIES OF ANY NATIONAL SECURITIES EXCHANGE ON WHICH THIS SECURITY IS LISTED OR ADMITTED TO TRADING."

(vii) *Conversion*.

(A) Subject to adjustment as provided in Sections 5.13(b)(xi) and (xii), immediately prior to the close of business on the Series A Maturity Date, each Series A Preferred Unit shall convert into the right to receive, upon the satisfaction of the terms and conditions of this Section 5.13(b)(vii), at the election of the Partnership, either:

a. a number of Common Units equal to:

i. the sum of (A) the Series A Liquidation Value as of the Series A Maturity Date plus (B) the lesser of (1) the Series A Accretion Amount as of the Series A Maturity Date and (2) $10.00, divided by

ii. the VWAP Price as of the Series A Maturity Date; or

b. a number of Common Units and an amount of cash equal to:

i. a number of Common Units equal to (x) the sum of (A) fifty percent (50%) of the Series A Liquidation Value as of the Series A Maturity Date plus (B) the lesser of (1) the Series A Accretion Amount as of the Series A Maturity Date and (2) $10.00, divided by (y) the VWAP Price as of the Series A Maturity Date, and

ii. an amount of cash equal to fifty percent (50%) of the Series A Liquidation Value as of the Series A Maturity Date (the cash consideration to be received pursuant to this clause (ii), the "*Series A Conversion Cash Consideration*").

The consideration to be received by the holder of a Series A Preferred Unit upon the conversion of such Series A Preferred Unit as provided in this Section 5.13(b)(vii)(A) is referred to as the "*Series A Conversion Consideration.*"

(B) Any Common Units received by a holder of Series A Preferred Units as the Series A Conversion Consideration shall be fully paid, validly issued and non-assessable (except as such nonassessability may be affected by matters described in Sections 17-303, 17-607 and 17-804 of the Delaware Act). Immediately prior to the close of business on the Series A Maturity Date, all Series A Preferred Units shall be converted automatically into and shall thereafter represent solely the right to receive the Series A Conversion Consideration. All Series A Preferred Units that have converted into the right to receive the Series A Conversion Consideration shall be automatically canceled and shall cease to exist, and the holders of converted Series A Preferred Units shall cease to have any rights with respect to such Series A Preferred Units other than the right to receive the Series A Conversion Consideration. Upon such conversion, any certificates representing Series A Preferred Units shall thereafter represent solely the right to receive the Series A Conversion Consideration.

(C) Within two Business Days following the Series A Maturity Date, the Partnership shall send written notice (a "*Series A Conversion Notice*") to each holder of record of Outstanding Series A Preferred Units as of the Series A Maturity Date, stating:

a. the election of the Partnership as to whether the Series A Preferred Units have converted into (i) Common Units pursuant to Section 5.13(b)(vii)(A)(a) or (ii) both Common Units and the Series A Conversion Cash Consideration pursuant to Section 5.13(b)(vii)(A)(b);

b. the Partnership's computation of the number of Common Units to be issued and the amount of Series A Conversion Cash Consideration, if any, to be paid in respect of each Series A Preferred Unit pursuant to Section 5.13(b)(vii)(A) (including, in each case, any adjustments pursuant to Sections 5.13(b)(xi) and (xii)), including the Partnership's computation of the Series A Liquidation Value, the Series A Accretion Amount and the VWAP Price, in each case as of the Series A Maturity Date; and

c. that the holder must surrender the certificate or certificates representing any Series A Preferred Units held by such holder to the Partnership, and provide such other documentation as reasonably requested by the General Partner including wire transfer instructions in respect of any Series A Cash Conversion Cash Consideration or any Fractional Unit Cash Consideration (the "*Series A Conversion Documentation*"), in order to receive the Series A Conversion Consideration.

In addition to delivery in accordance with the general notice provisions contained in Section 17.1, the Series A Conversion Notice shall be deemed properly delivered on the date the Partnership issues a press release distributed through a widely circulated news or wire service as would satisfy the requirements of Regulation FD, containing the information required to be included in the Series A Conversion Notice pursuant to this Section 5.13(b)(vii)(C). The date any Series A Conversion Notice is deemed delivered shall be referred to as the "*Series A Conversion Notice Date*."

(D) As promptly as practicable following the Series A Conversion Notice Date and subject to the book-entry provisions set forth below, the holders of Series A Preferred Units shall surrender the certificate or certificates representing the Series A Preferred Units being converted, duly endorsed, at the office of the Partnership or, if identified in the Series A Conversion Notice to such holder by the Partnership, at the offices of any transfer agent for such Units, together with the Series A Conversion Documentation. As promptly as practicable following the receipt of such certificate or certificates (or a lost unit affidavit reasonably acceptable to the Partnership in the event of a lost certificate) representing the Series A Preferred Units and the Series A Conversion Documentation by the Partnership or the Transfer Agent as provided in the immediately preceding sentence (but in any event no later than five (5) Business Days thereafter), the Partnership shall issue to such holder a certificate or certificates for the number of Common Units to which such holder shall be entitled under Section 5.13(b)(vii)(A) (with the number of and denomination of such certificates designated by such holder). In lieu of delivering physical certificates representing the Common Units issuable

upon conversion of Series A Preferred Units, provided the Transfer Agent is participating in the Depository's Fast Automated Securities Transfer program, upon request of the holder, the Partnership shall use its commercially reasonable efforts to cause the Transfer Agent to electronically transmit the Common Units issuable upon conversion to the holder, by crediting the account of the holder's prime broker with the Depository through its Deposit Withdrawal Agent Commission (DWAC) system. The holders of Series A Preferred Units and the Partnership agree to coordinate with the Depository to accomplish this objective. The conversion pursuant to this Section 5.13(b)(vii) shall be deemed to have occurred immediately prior to the close of business on the Series A Maturity Date (whether or not the conversion includes the right to receive Series A Cash Consideration under Section 5.13(b)(vii)(A)(b) or Fractional Unit Cash Consideration under Section 5.13(b)(vii)(G)). The Person or Persons entitled to receive the Common Units issuable upon such conversion shall be treated for all purposes as the Record Holder or Holders of such Common Units at the close of business on the Series A Maturity Date.

(E) If the Partnership (i) elects to have the Series A Preferred Units convert into both Common Units and the right to receive the Series A Conversion Cash Consideration under Section 5.13(b)(vii)(A)(b) or (ii) is required to pay Fractional Unit Cash Consideration pursuant to Section 5.13(b)(vii)(G), then, as promptly as practicable following the receipt of such certificate or certificates (or a lost unit certificate affidavit reasonably acceptable to the Partnership in the event of a lost certificate) representing the Series A Preferred Units and the Series A Conversion Documentation by the Partnership or the Transfer Agent as provided in the first sentence of Section 5.13(b)(vii)(D) (but in any event within five (5) Business Days thereafter), the Partnership shall remit the Series A Cash Conversion Consideration and the Fractional Unit Cash Consideration, as applicable, to the holder surrendering such certificate or certificates representing Series A Preferred Units by wire transfer of immediately available funds to an account specified by such holder in writing.

(F) The Partnership shall pay any and all issue, documentary, stamp and other taxes, excluding any income, franchise or similar taxes, that may be payable in respect of any issue or delivery of Common Units on conversion of, or payment of distributions on, Series A Preferred Units pursuant hereto. However, the holder of any Series A Preferred Units shall pay any tax that is due because the Common Units issuable upon conversion thereof or distribution payment thereon are issued in a name other than such holder's name.

(G) No fractional Common Units shall be issued upon the conversion of any Series A Preferred Units. All Common Units (including

fractions thereof) issuable upon conversion of more than one Series A Preferred Unit by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional unit. If, after the aforementioned aggregation, the conversion would result in the issuance of a fraction of a Common Unit, the Partnership shall, in lieu of issuing any fractional unit, either round up the number of units to the next highest whole number or, at the Partnership's option, pay the holder otherwise entitled to such fraction a sum in cash equal to such fraction multiplied by the VWAP Price as of the Series A Maturity Date. The consideration payable in lieu of fractional Common Units pursuant to this Section 5.13(b)(vii)(G) as well as any consideration payable in lieu of fractional Common Units pursuant to Section 5.13(b)(viii)(F), are referred to as "*Fractional Unit Cash Consideration*."

(H) The Partnership shall not be obligated to issue any Common Units upon conversion of the Series A Preferred Units, whether pursuant to this Section 5.13(b)(vii), or otherwise, if the issuance of such Common Units would exceed the Series A Exchange Cap or if such issuance could reasonably be expected to violate any applicable federal or state securities laws or rules and regulations of the Securities and Exchange Commission, any state securities commission or any other governmental authority with jurisdiction over such issuance (a "*Securities Law Prohibition*"). To the extent that a holder's Series A Preferred Units would otherwise be converted into a number of Common Units that would exceed the Series A Exchange Cap, the Partnership shall pay in cash to such holder an amount equal to the VWAP Price as of the Series A Maturity Date multiplied by the number of Common Units that are not so issued but would otherwise be issuable as part of the Series A Conversion Consideration absent such Series A Exchange Cap or Securities Law Prohibition.

(I) Any Common Units issued upon conversion of the Series A Preferred Units pursuant to this Section 5.13(b)(vii) shall not be subject to the first proviso contained in the definition of "Outstanding" contained in this Agreement for so long as held by the Investor.

(viii) *Optional Redemption*.

(A) Subject to adjustment as provided in Sections 5.13(b)(xi) and (xii), beginning on the Series A Optional Redemption Trigger Date and ending on the last Business Day immediately prior to the Series A Maturity Date, the Partnership may, at its option, cause all, but not less than all, of the Series A Preferred Units to be redeemed by the Partnership for (a) cash in an amount per Outstanding Series A Preferred Unit equal to the Series A Liquidation Value on the Series A Redemption Date plus (b) a number of Common Units per Outstanding Series A Preferred Units equal to (i) the greater of (x) the Series A Accretion Amount on the Series A

Redemption Date and (y) $10.00 (such cash amount, the "*Series A Redemption Consideration*") divided by (ii) the VWAP Price as of the Series A Redemption Date.

(B) Any Common Units received by a holder of Series A Preferred Units as the Series A Redemption Consideration shall be fully paid, validly issued and non-assessable (except as such nonassessability may be affected by matters described in Sections 17-303, 17-607 and 17-804 of the Delaware Act). At the time of the redemption pursuant to this Section 5.13(b)(viii), all Series A Preferred Units shall be converted automatically into and shall thereafter represent solely the right to receive the Series A Redemption Consideration. All such Series A Preferred Units that have converted into the right to receive the Series A Redemption Consideration shall be automatically canceled and shall cease to exist, and the holders of redeemed Series A Preferred Units shall cease to have any rights with respect to such Series A Preferred Units other than the right to receive the Series A Redemption Consideration. Upon such conversion, any certificates representing Series A Preferred Units shall thereafter represent solely the right to receive the Series A Redemption Consideration.

(C) To redeem Series A Preferred Units pursuant to this Section 5.13(b)(viii), the Partnership shall:

a. no earlier than 30 days nor later than two days prior to the Series A Redemption Date, send a written notice (the "*Series A Redemption Notice*") to each holder of record of Outstanding Series A Preferred Units as of the date of such notice stating that the Series A Preferred Units will be redeemed pursuant to this Section 5.13(b)(viii) effective as of the date set forth in the Series A Redemption Notice (the "*Series A Redemption Date*"); and

b. as promptly as practicable following the Series A Redemption Date, send a written notice (a "*Series A Redemption Confirmation*") to each holder of record of Outstanding Series A Preferred Units as of the Series A Redemption Date stating: (i) that the Series A Preferred Units have been redeemed pursuant to this Section 5.13(b)(viii) effective as of the Series A Redemption Date; (ii) the Partnership's computation of the amount of Series A Redemption Consideration to be paid in respect of each Series A Preferred Unit pursuant to Section 5.13(b)(viii)(A) (including any adjustments pursuant to Sections 5.13(b)(xi) and (xii)), including the Partnership's computation of the Series A Liquidation Value, the Series A Accretion Amount and the VWAP Price, in each case as of the Series A Redemption Date; and (iii) that such holder must surrender the certificate or certificates representing any Series A Preferred Units held by such holder to the Partnership and provide such

other documentation as reasonably requested by the General Partner including wire transfer instructions in respect of the Series A Redemption Consideration (the "*Series A Redemption Documentation*"), in order to receive the Series A Redemption Consideration.

In addition to delivery in accordance with the general notice provisions contained in Section 17.1, the Series A Redemption Notice and/or a Series A Redemption Confirmation shall be deemed properly delivered on the date the Partnership issues a press release distributed through a widely circulated news or wire service as would satisfy the requirements of Regulation FD, containing the information required to be included in the Series A Redemption Notice pursuant to this Section 5.13(b)(viii)(C).

(D) As promptly as practicable following the Series A Redemption Date, the holders of Series A Preferred Units shall surrender the certificate or certificates representing the Series A Preferred Units being redeemed, duly endorsed, at the office of the Partnership or, if identified in the Series A Redemption Notice to such holder by the Partnership, at the offices of any transfer agent for such Units, together with the Series A Redemption Documentation. As promptly as practicable following the receipt of such certificate or certificates (or a lost unit affidavit reasonably acceptable to the Partnership in the event of a lost certificate) representing the Series A Preferred Units and the Series A Conversion Documentation by the Partnership or the Transfer Agent as provided in the immediately preceding sentence (but in any event no later than five (5) Business Days thereafter), the Partnership shall:

a. issue to such holder a certificate or certificates for the number of Common Units to which such holder shall be entitled under Section 5.13(b)(viii)(A) (with the number of and denomination of such certificates designated by such holder). In lieu of delivering physical certificates representing the Common Units issuable upon redemption of Series A Preferred Units, provided the Transfer Agent is participating in the Depository's Fast Automated Securities Transfer program, upon request of the holder, the Partnership shall use its commercially reasonable efforts to cause the Transfer Agent to electronically transmit the Common Units issuable upon redemption to the holder, by crediting the account of the holder's prime broker with the Depository through its Deposit Withdrawal Agent Commission (DWAC) system. The holders of Series A Preferred Units and the Partnership agree to coordinate with the Depository to accomplish this objective; and

b. remit the applicable cash portion of the Series A Redemption Consideration to the holder surrendering such certificate or certificates representing Series A Preferred Units by wire transfer of

immediately available funds to an account specified by such holder in writing.

The redemption pursuant to this Section 5.13(b)(viii) shall be deemed to have occurred immediately prior to the close of business on the Series A Redemption Date. The Person or Persons entitled to receive the Common Units issuable upon such redemption shall be treated for all purposes as the Record Holder or Holders of such Common Units at the close of business on the Series A Maturity Date.

(E) The Partnership shall pay any and all issue, documentary, stamp and other taxes, excluding any income, franchise or similar taxes, that may be payable in respect of any issue or delivery of Common Units on redemption of, or payment of distributions on, Series A Preferred Units pursuant hereto. However, the holder of any Series A Preferred Units shall pay any tax that is due because the Common Units issuable upon redemption thereof or distribution payment thereon are issued in a name other than such holder's name.

(F) No fractional Common Units shall be issued upon the redemption of any Series A Preferred Units. All Common Units (including fractions thereof) issuable upon redemption of more than one Series A Preferred Unit by a holder thereof shall be aggregated for purposes of determining whether the redemption would result in the issuance of any fractional unit. If, after the aforementioned aggregation, the redemption would result in the issuance of a fraction of a Common Unit, the Partnership shall, in lieu of issuing any fractional unit, either round up the number of units to the next highest whole number or, at the Partnership's option, pay the holder otherwise entitled to such fraction a sum in cash equal to such fraction multiplied by the VWAP Price as of the Series A Redemption Date.

(G) The Partnership shall not be obligated to issue any Common Units upon redemption of the Series A Preferred Units, whether pursuant to this Section 5.13(b)(viii), or otherwise, if the issuance of such Common Units would exceed the Series A Exchange Cap or if such issuance could reasonably be expected to conflict with a Securities Laws Prohibition. To the extent that a holder's Series A Preferred Units would otherwise be redeemed for a number of Common Units that would exceed the Series A Exchange Cap, the Partnership shall pay in cash to such holder an amount equal to the VWAP Price as of the Series A Redemption Date multiplied by the number of Common Units that are not so issued but would otherwise be issuable as part of the Series A Redemption Consideration absent such Series A Exchange Cap or Securities Law Prohibition.

(H) Any Common Units issued upon redemption of the Series A Preferred Units pursuant to this Section 5.13(b)(viii) shall not be subject to the first proviso contained in the definition of "Outstanding" contained in this Agreement for so long as held by the Investor.

(ix) *Fundamental Change*.

(A) If on the earlier of the date (x) the Partnership enters into a definitive agreement to consummate a Fundamental Change, (y) of the consummation of a Fundamental Change or (z) of the declaration of a distribution by the MLP described in subsection (vii) of the definition of Fundamental Change (the "*Fundamental Change Trigger Date*"), Investor holds, in the aggregate, at least fifty percent (50%) of the Series A Preferred Units issued pursuant to the Regency GP Purchase Agreement, then the Partnership will within 10 Business Days of such date send a written notice to the Investor stating the nature of the Fundamental Change, including a description of the material terms of the transaction constituting a Fundamental Change and, if the Fundamental Change has not yet occurred, the date or expected date of consummation. No later than 10 Business Days following delivery of the notice provided for in the previous sentence (the "*Election Notice Period*"), the Investor may, in its sole discretion, deliver written notice to the Partnership of its election, in its sole discretion, to:

a. upon the occurrence of any of the events specified in subsections (i), (ii), (iii) or (iv) of the definition of Fundamental Change, require the Partnership to redeem all of the Outstanding Series A Preferred Units pursuant to Section 5.13(b)(ix)(B)(a) (a "*Fundamental Change Forced Redemption Election*"); or

b. upon the occurrence of any of the events specified in subsections (v), (vi) or (vii) of the definition of Fundamental Change, require the Partnership to elect to convert or redeem the Series A Preferred Units pursuant to Section 5.13(b)(ix)(C).

If at any time the Investor does not hold, in the aggregate, at least fifty percent (50%) of the Series A Preferred Units issued pursuant to the Regency GP Purchase Agreement, then the provisions of this Section 5.13(b)(ix) shall immediately cease to have any force or effect and the Investor and the holders of Series A Preferred Units shall have no rights hereunder, regardless of whether or not the Investor subsequently acquires additional Series A Preferred Units.

(B) Upon the occurrence of any of the events specified in subsections (i), (ii), (iii) or (iv) of the definition of Fundamental Change:

a. If the Investor timely makes a Fundamental Change Forced Redemption Election, then the Partnership will redeem all of the Outstanding Series A Preferred Units for cash and Common Units in an amount per Outstanding Series A Preferred Unit equal to the Fundamental Change Redemption Consideration.

i. Subject to Section 5.13(b)(ix)(B)(a)(ii), in connection with a redemption pursuant to this Section 5.13(b)(ix)(B)(a), the Partnership will deliver notice of the redemption, the Series A Preferred Units will be canceled, the certificates representing Series A Preferred Units will be surrendered in exchange for the issuance of Common Units and the cash portion of the Fundamental Change Redemption Consideration and any Fractional Unit Cash Consideration will be paid, each in a manner consistent with the provisions of Section 5.13(b)(viii)(B)-(H), except that, for purposes of applying such provisions to a redemption pursuant to this Section 5.13(b)(ix)(B)(a), (A) all references to the "Series A Redemption Consideration" will mean the "Fundamental Change Redemption Consideration," (B) all references to "Series A Redemption Date" will mean the time immediately prior to the consummation of the Fundamental Change, (C) all references to "Series A Redemption Documentation" will mean "Fundamental Change Documentation," (D) the Partnership must deliver the Series A Redemption Notice no later than two Business Days following the later of the date of consummation of the Fundamental Change and the expiration of the Election Notice Period and (E) references to Section 5.13(b)(viii)(A) shall mean a redemption pursuant to this Section 5.13(b)(ix)(B)(a).

ii. In the event the Fundamental Change Redemption Consideration Premium does not consist of Common Units, the Partnership shall (i) make appropriate provision, in the definitive transaction document governing the Fundamental Change or otherwise, to ensure that the holders of Series A Preferred Units receive the Fundamental Change Redemption Consideration (including the Fundamental Change Redemption Consideration Premium) reasonably promptly following such Fundamental Change upon the surrender of their certificates representing Series A Preferred Units and (ii) deliver reasonable notice of such provisions to the holders of Series A Preferred Units (which notice may be delivered in a manner consistent with that contemplated for delivery of a Series A Redemption Notice pursuant to Section 5.13(b)(viii)(C)).

b. If the Investor does not timely make a Fundamental Change Forced Redemption Election, then each Series A Preferred Unit Outstanding immediately prior to the consummation of the Fundamental Change will automatically be converted into the right to receive the Fundamental Change Conversion Consideration pursuant to this Section 5.13(b)(ix)(B)(b).

i. In the event the Fundamental Change Conversion Consideration consists of Common Units, the Partnership will deliver notice of the conversion, the Series A Preferred Units will be canceled, the certificates representing Series A Preferred Units will be surrendered in exchange for the issuance of Common Units and Fractional Unit Cash Consideration will be paid, each in a manner consistent with the provisions of Section 5.13(b)(vii)(B)-(I), except that, for purposes of applying such provisions to a conversion pursuant to this Section 5.13(b)(ix)(B)(b), (A) all references to the "Series A Conversion Consideration" will mean the "Fundamental Change Conversion Consideration," (B) all references to the "Series A Maturity Date" will mean the time immediately prior to the consummation of the Fundamental Change, (C) all references to "Series A Conversion Documentation" will mean "Fundamental Change Documentation," (D) the Partnership must deliver the Series A Conversion Notice no later than two Business Days following the later of the date of consummation of the Fundamental Change and the expiration of the Election Notice Period, (E) Section 5.13(b)(vii)(C)(a) shall be inapplicable, (F) references to Section 5.13(b)(vii)(A) shall mean a conversion pursuant to Section 5.13(b)(ix)(B)(b) and (G) Section 5.13(b)(vii)(H) shall apply to any Common Units that would otherwise be issuable as a result of the Fundamental Change.

ii. In the event the Fundamental Change Conversion Consideration does not consist of Common Units, the Partnership shall (i) make appropriate provision, in the definitive transaction document governing the Fundamental Change or otherwise, to ensure that the holders of Series A Preferred Units receive the Fundamental Change Conversion Consideration reasonably promptly following such Fundamental Change upon the surrender of their certificates representing Series A Preferred Units and (ii) deliver reasonable notice of such provisions to the holders of Series A Preferred Units (which notice may be delivered in a manner consistent with that contemplated for delivery of a Series A Conversion Notice pursuant to Section 5.13(b)(vii)(C)).

(C) a. Upon the occurrence of any of the events specified in subsections (v), (vi) or (vii) of the definition of Fundamental Change and the election of the Investor to require the Partnership to elect to convert or redeem the Series A Preferred Units pursuant to this Section 5.13(b)(ix)(C), the Partnership will, within two Business Days following the later of the date of consummation of the Fundamental Change and the expiration of the Election Notice Period, deliver written notice to the holders of all Outstanding Series A Preferred Units as of the date of consummation of such Fundamental Change, stating (i) the Partnership's election to either (x) convert each of the Series A Preferred Units Outstanding immediately prior to the consummation of the Fundamental Change into, for each Series A Preferred Unit then Outstanding, the right to receive a number of Common Units equal to (A) the Series A Liquidation Value on the date of consummation of the Fundamental Change divided by (B) the VWAP Price as of the date of consummation of the Fundamental Change (the "*Fundamental Change Elected Common Unit Consideration*") or (y) redeem each of the Series A Preferred Units Outstanding immediately prior to the consummation of the Fundamental Change for an amount in cash per Series A Preferred Unit then Outstanding equal to the Series A Liquidation Value on the date of the consummation of the Fundamental Change (the "*Fundamental Change Elected Cash Consideration*"), (ii) the Partnership's calculation of the Fundamental Change Elected Common Unit Consideration or Fundamental Change Elected Cash Consideration, as applicable, and (iii) that the holder must surrender the certificate or certificates representing Series A Preferred Units to the Partnership, together with the Fundamental Change Documentation, in order to receive the Fundamental Change Elected Common Unit Consideration or the Fundamental Change Elected Cash Consideration, as applicable. In addition to delivery in accordance with the general notice provisions contained in Section 17.1, any notice required to be delivered by the Partnership pursuant to this section shall be deemed properly delivered on the date the Partnership issues a press release distributed through a widely circulated news or wire service as would satisfy the requirements of Regulation FD, containing the information required to be included in such notice.

b. In addition to the requirements of Section 5.13(b)(ix)(C)(a) and (c), upon the declaration of a distribution by the MLP described in subsection (vii) of the definition of Fundamental Change, the Partnership will promptly give written notice to the Investor of such declaration and, if (x) the Investor delivers written notice to the Partnership no later than two Business Days after receipt of such notice from the Partnership and the Partnership elects to issue the Fundamental Change Elected Common Unit Consideration pursuant to Section 5.13(ix)(C)(a), then the Partnership shall cause such conversion to occur prior to the Record Date for the distribution on the Common Units next succeeding

such election by the Partnership so that the Investor will be a holder of Common Units as of such Record Date; or (y) if the Investor delivers written notice to the Partnership no later than two Business Days after receipt of such notice from the Partnership and the Partnership elects to redeem the Series A Preferred Units for the Fundamental Change Elected Cash Consideration pursuant to Section 5.13(ix)(C)(a), then the Partnership shall cause such redemption to occur prior to payment of the distribution in respect of the Partnership's Common Units for the Record Date for the distribution on the Common Units next succeeding such election by the Partnership.

c. In the event the Partnership elects to convert the Series A Preferred Units into the right to receive the Fundamental Change Elected Common Unit Consideration, the Series A Preferred Units will be canceled, the certificates representing Series A Preferred Units will be surrendered in exchange for the issuance of Common Units and the Fractional Unit Cash Consideration, if any, will be paid, each in accordance with the provisions of Section 5.13(b)(vii)(B)-(I), except that, for purposes of applying such provisions to a conversion pursuant to Section 5.13(b)(ix)(C)(a)(i)(x), (A) all references to the "Series A Conversion Consideration" will mean the "Fundamental Change Elected Common Unit Consideration," (B) all references to the "Series A Maturity Date" will mean the time immediately prior to the consummation of the Fundamental Change, (C) all references to "Series A Conversion Documentation" will mean "Fundamental Change Documentation," (D) Section 5.13(b)(vii)(C)(a) shall be inapplicable, (E) references to Section 5.13(b)(vii)(A) shall mean a conversion pursuant to Section 5.13(b)(ix)(C)(a)(i)(x) and (F) Section 5.13(b)(vii)(G) shall apply to any Common Units that would otherwise be issuable as a result of the Fundamental Change.

d. In the event the Partnership elects to redeem the Series A Preferred Unit for the Fundamental Change Elected Cash Consideration, the Series A Preferred Units will be canceled, the certificates representing Series A Preferred Units will be surrendered and the Fundamental Change Elected Cash Consideration will be paid in accordance with the provisions of Section 5.13(b)(viii)(B)-(H), except that, for purposes of applying such sections to a redemption pursuant to Section 5.13(b)(ix)(C)(a)(i)(y) (A) all references to the "Series A Redemption Consideration" will mean the "Fundamental Change Elected Cash Consideration," (B) all references to "Series A Redemption Date" will mean the time immediately prior to the consummation of the Fundamental Change and (C) all references to "Series A Redemption Documentation" will mean "Fundamental Change Documentation" and (D) references to Section 5.13(b)(viii)(A) shall mean a redemption pursuant to this Section 5.13(b)(ix)(B)(b)(i)(y).

(D) If any Fundamental Change that is contemplated by a definitive agreement is not consummated and therefore the conditions to the applicable redemption or exchange pursuant to this Section 5.13(b)(ix) have not been satisfied, the Partnership will send written notice to such effect to the Investor (which notice may be delivered in a manner consistent with that contemplated for delivery of a Series A Conversion Notice pursuant to Section 5.13(b)(vii)(C)). Notwithstanding anything to the contrary in this Agreement, if a Fundamental Change is not consummated, no Series A Preferred Units will be redeemed or converted pursuant to this Section 5.13(b)(ix).

(x) *Limitations on Transfer*. Series A Preferred Units may only be transferred to one or more transferees that, after giving effect to such transfer, each hold at least 1,000,000 Series A Preferred Units, *provided* that the foregoing limitation shall not apply to any transfer of Series A Preferred Units to (i) the holders of the class B units in Regency GP Seller of up to eight percent (8%) of the Series A Preferred Units or (ii) Regency GP Seller and its Affiliates. In addition, a Unitholder holding a Series A Preferred Unit that has converted into a Common Unit pursuant to Section 5.13 shall be subject to the restrictions on transfer imposed by Section 6.6(B). For the avoidance of doubt, nothing contained in this Section 5.13(b)(x) shall in any way affect the restrictions on transfers of Partnership Interests contained in Section 4.7, which shall apply to transfers of Series A Preferred Units.

(xi) *Extraordinary Partnership Transactions.*

(A) Except to the extent that any such event is a Fundamental Change as a result of which the Series A Preferred Units are redeemed or converted pursuant to Section 5.13(b)(ix), prior to the consummation of any recapitalization, reorganization, consolidation, merger, spin-off or other business combination in which the holders of Common Units are to receive securities, cash or other assets or any exchange or conversion of limited partnership interests pursuant to which all of the Common Units are converted into Parity Securities (other than, in each case, a Series A Adjustment Event or a Special Distribution) (any such event being a "*Partnership Event*"), the Partnership shall make appropriate provision to ensure that the holders of Series A Preferred Units receive in such Partnership Event a preferred security, issued by the Person surviving or resulting from such Partnership Event and containing provisions substantially equivalent to the provisions set forth in this Section 5.13 without abridgement, including, without limitation, the same powers, preferences, rights to distributions, rights to accumulation upon failure to pay distributions, and relative participating, optional or other special rights and the qualifications, limitations or restrictions thereon, that the Series A Preferred Units had immediately prior to such Partnership Event, subject to the adjustments described in Section 5.13(b)(xi)(B) and Section

5.13(b)(xi)(C). The date on which a Partnership Event is consummated is referred to as the "*Partnership Event Consummation Date*."

(B) If in connection with a Partnership Event the Common Units are converted in whole or in part into other Marketable Securities (such securities the "*Successor Securities*" and such event, a "*Public Equity Partnership Event*"), then, following the Partnership Event Consummation Date, (i) upon the conversion of the Series A Preferred Units pursuant to Section 5.13(b)(vii), the redemption of the Series A Preferred Units pursuant to Section 5.13(b)(viii), or the redemption or conversion of the Series A Preferred Units pursuant to Section 5.13(b)(ix), any portion of the Series A Conversion Consideration, the Series A Redemption Consideration, the Fundamental Change Redemption Consideration, the Fundamental Change Conversion Consideration or the Fundamental Change Elected Common Unit Consideration, as applicable, that would otherwise consist of Common Units pursuant to the terms of Section 5.13(b)(vii), 5.13(b)(viii) or 5.13(b)(ix), as applicable, shall instead consist of Successor Securities, (ii) references in Sections 5.13(b)(ii)(B), 5.13(b)(vii), 5.13(b)(viii), 5.13(b)(ix), 6.6(a) and 6.6(b) to "Common Units" shall refer to the Successor Securities and (iii) the term "*Trading Price Accretion Percentage*" shall be modified to mean an amount equal to (a) the Combined Accretion Multiple less (b) 1.00. The "*Combined Accretion Multiple"* shall mean an amount equal to the product of:

a. a fraction, (i) the numerator of which is the VWAP Price of the Common Units as of the Partnership Event Consummation Date and (ii) the denominator of which is the VWAP Price of the Common Units as of the Series A Issuance Date (the "*Pre-Partnership Event Accretion Multiple*"); multiplied by

b. a fraction, (i) the numerator of which is the VWAP Price of the Successor Securities as of the Series A Conversion Date, the Series A Redemption Date or the date of consummation of the Fundamental Change, as applicable and (ii) the denominator of which is the VWAP Price of the Successor Securities as of the eleventh Trading Day following the Partnership Event Consummation Date (the "*Post-Partnership Event Accretion Multiple*"),

provided that, if the foregoing product is less than 1.00, then the Combined Accretion Multiple shall equal 1.00.

(C) If in connection with a Partnership Event the Common Units do not remain Outstanding and are converted solely into cash or other assets or securities that do not constitute Marketable Securities (or any combination thereof), then following such Partnership Event

Consummation Date, upon the conversion of the Series A Preferred Units pursuant to Section 5.13(b)(vii), the redemption of the Series A Preferred Units pursuant to Section 5.13(b)(viii), or the redemption or conversion of the Series A Preferred Units pursuant to Section 5.13(b)(ix):

a. any portion of the Series A Conversion Consideration, the Series A Redemption Consideration, the Fundamental Change Redemption Consideration, the Fundamental Change Conversion Consideration or the Fundamental Change Elected Common Unit Consideration, as applicable, that would otherwise consist of Common Units pursuant to the terms of Section 5.13(b)(vii), 5.13(b)(viii) or 5.23(b)(ix), as applicable, shall instead be payable solely in cash;

b. the Series A Conversion Consideration or the Series A Redemption Consideration, as applicable, shall be an amount equal to the Series A Liquidation Amount as of the Series A Maturity Date or the Series A Redemption Date, as applicable, plus:

i. in the event of a redemption, the greater of (i) the Series A Accretion Amount as of the Partnership Event Consummation Date and (ii) $10.00; or

ii. in the event of a conversion, the lesser of (i) the Series A Accretion Amount as of the Partnership Event Consummation Date and (ii) $10.00;

c. the term "*Fundamental Change Redemption Consideration Premium*" shall be modified to mean an amount in cash equal to the greater of (i) the Series A Accretion Amount as of the date of the Partnership Event Consummation Date and (ii) $10.00;

d. the term "*Fundamental Change Conversion Consideration*" shall be modified to mean an amount in cash equal to the Series A Liquidation Value as of the date of the consummation of the Fundamental Change plus the lesser of (i) the Series A Accretion Amount as of the Partnership Event Consummation Date and (ii) $10; and

e. the Partnership will no longer have the option to convert the Series A Preferred Units into Common Units pursuant to Section 5.13(b)(ix)(C), but instead must convert them into the right to receive the Fundamental Change Elected Cash Consideration.

(xii) *Distributions, Combinations and Subdivisions; Other Adjustments.*

(A) If, after the Series A Issuance Date and prior to the earlier of the Series A Maturity Date and the Series A Redemption Date, the Partnership (a) makes a distribution on its Common Units in Common Units, (b) subdivides or splits its Common Units into a greater number of Common Units, (c) combines or reclassifies its Common Units into a smaller number of Common Units, (each of the events described in clauses (a) through (c), a "*Series A Adjustment Event*") or (d) makes a distribution on its Common Units in any property other than cash or Common Units (a "*Special Distribution*"), then calculation of the Series A Conversion Consideration and the Series A Redemption Consideration shall be adjusted as provided in this Section 5.13(b)(xii)(A) and Sections 5.13(b)(xii)(C) and (D).

a. Solely for the purposes of determining the Trading Price Accretion Percentage for purposes of Section 5.13(b)(vii)(A) (in the event of a conversion) or Section 5.13(b)(viii)(A) (in the event of a redemption):

i. for each Series A Adjustment Event, the VWAP Price as of the Series A Maturity Date or the Series A Redemption Date, as applicable, shall be adjusted by multiplying such VWAP Price by a fraction, (i) the numerator of which shall be the number of Common Units Outstanding immediately following such Series A Adjustment Event and (ii) the denominator of which shall be the number of Common Units Outstanding immediately prior to such Series A Adjustment Event; and

ii. for each Special Distribution, the VWAP Price as of the Series A Maturity Date or the Series A Redemption Date, as applicable, shall be adjusted by adding to such VWAP Price the Fair Market Value of the property distributed on a Common Unit in such Special Distribution.

b. Solely for the purposes of determining the Trading Price Accretion Percentage for purposes of Section 5.13(b)(xi)(C) (in the event of conversion or redemption following a Partnership Event Consummation Date) and determining the Pre-Partnership Event Accretion Multiple pursuant to Section 5.13(b)(xi)(B)(a):

i. for each Series A Adjustment Event prior to the Partnership Event Consummation Date, the VWAP Price as of the Partnership Event Consummation Date shall be adjusted by multiplying such VWAP Price by a fraction, (i) the numerator of

which shall be the number of Common Units Outstanding immediately following such Series A Adjustment Event and (ii) the denominator of which shall be the number of Common Units Outstanding immediately prior to such Series A Adjustment Event; and

ii. for each Special Distribution prior to the Partnership Event Consummation Date, the VWAP Price as of the Partnership Event Consummation Date shall be adjusted by adding to such VWAP Price the Fair Market Value of the property distributed on a Common Unit in such Special Distribution.

c. Solely for the purposes of determining the Post-Partnership Event Accretion Multiple pursuant to Section 5.13(b)(xi)(B)(b):

i. for each Series A Adjustment Event following the Partnership Event Consummation Date, the VWAP Price as of the Series A Maturity Date or the Series A Redemption Date, as applicable, shall be adjusted by multiplying such VWAP Price by a fraction, (i) the numerator of which shall be the number of shares of Successor Securities outstanding immediately following such Series A Adjustment Event and (ii) the denominator of which shall be the number of shares of Successor Securities outstanding immediately prior to such Series A Adjustment Event; and

ii. for each Special Distribution following the Partnership Event Consummation Date, the VWAP Price as of the Series A Maturity Date or the Series A Redemption Date, as applicable, shall be adjusted by adding to such VWAP Price the Fair Market Value of the property distributed on a share of Successor Securities in such Special Distribution.

For purposes of this Section 5.13(b)(ix)(A)(c), references to “Common Units” in the definitions of “Series A Adjustment Event” and “Special Distribution” set forth in Section 5.13(b)(ix)(A) shall refer to Successor Securities.

(B) If, after the Series A Issuance Date and prior to the date of the consummation of a Fundamental Change, a Series A Adjustment Event or a Special Distribution occurs, then the calculation of the Fundamental Change Redemption Consideration or the Fundamental Change Conversion Consideration shall be adjusted as provided in this Section 5.13(b)(xii)(B) and Sections 5.13(b)(xii)(C) and (D). Solely for the purposes of determining the Trading Price Accretion Percentage for purposes of calculating the “Fundamental Change Conversion

Consideration" (in the event of a conversion) or the "Fundamental Change Redemption Consideration" (in the event of a redemption):

a. for each Series A Adjustment Event, the VWAP Price as of the date of the consummation of a Fundamental Change shall be adjusted by multiplying such VWAP Price by a fraction, (i) the numerator of which shall be the number of Common Units Outstanding immediately following such Series A Adjustment Event and (ii) the denominator of which shall be the number of Common Units Outstanding immediately prior to such Series A Adjustment Event; and

b. for each Special Distribution, the VWAP Price as of the date of the consummation of a Fundamental Change shall be adjusted by adding to such VWAP Price the Fair Market Value of the property distributed on a Common Unit in such Special Distribution.

(C) Subsequent adjustments to the applicable VWAP Price shall be made successively in the order of occurrence of any Series A Adjustment Event or Special Distribution whenever more than one Series A Adjustment Event or Special Distribution occurs during an applicable period.

(D) If a Partnership Event, a Series A Adjustment Event or a Special Distribution occurs during a ten Trading Day period used for purposes of calculating a VWAP Price as of any particular date under any provision of this Agreement, the Partnership shall make appropriate adjustments to the VWAP Price to insure that the VWAP Price properly reflects the value of the Common Units or Successor Securities, as applicable, as of any particular date.

The first sentence of Section 6.1 of the Partnership Agreement is amended and restated in its entirety to read as follows:

"For purposes of maintaining Capital Accounts and in determining the rights of the Partners among themselves, the Partnership's items of income, gain, loss and deduction (computed in accordance with 5.6(b)) shall be allocated (subject to Section 5.13(b)) among the Partners in each taxable year (or portion thereof) as provided herein below."

Section 6.1(d)(ix) is hereby amended and restated in its entirety to read as follows:

"(ix) *Redemption of Series A Preferred Units.* Notwithstanding any other provision of this 6.1 (other than the Regulatory Allocations), with respect to any taxable period during which Series A Preferred Units are redeemed pursuant to the terms of Section 5.13(b), each Partner holding redeemed Series A Preferred Units shall be allocated items of income, gain, loss and deduction in a manner that results in the Capital Account balance of each such Partner attributable to its

redeemed Series A Preferred Units immediately prior to such redemption (and after taking into account any applicable Regulatory Allocations) to equal (i) the amount of cash paid to such Partner in redemption of such Series A Preferred Units, and (ii) the product of the number of Common Units received in the redemption and the Per Unit Capital Amount for a then Outstanding Common Unit (but only to the extent not otherwise achieved by operation of section 5.6(d)(ii)).”

Section 6.2 of the Partnership Agreement is hereby amended to add the following as Section 6.2(i) immediately following Section 6.2(h):

“Section 6.2(i). If Capital Account balances are reallocated between the Partners in accordance with Section 5.6(d)(i) hereof and Proposed Treasury Regulation Section 1.704-1(b)(2)(iv)(s)(4), beginning with the year of reallocation and continuing until the allocations required are fully taken into account, the Partnership shall make corrective allocations (allocations of items of gross income or gain or loss or deduction for federal income tax purposes that do not have a corresponding book allocation) to take into account the Capital Account reallocation, as provided in Proposed Treasury Regulation Section 1.704-1(b)(4)(x).”

Article VI of the Partnership Agreement is hereby amended to add a new Section 6.6 as follows:

“Section 6.6 *Special Provisions Relating to the Holders of Series A Preferred Units*.

(A) A Unitholder holding a Series A Preferred Unit that has converted into a Common Unit pursuant to Section 5.13 shall be required to provide notice to the General Partner of the transfer of the converted Series A Preferred Unit within the earlier of (i) thirty (30) days following such transfer and (ii) the last Business Day of the calendar year during which such transfer occurred, unless (x) the transfer is to an Affiliate of the holder or (y) by virtue of the application of Section 5.6(d)(i), the General Partner has previously determined, based on advice of counsel, that the converted Series A Preferred Unit should have, as a substantive matter, like intrinsic economic and federal income tax characteristics of an Initial Common Unit. In connection with the condition imposed by this Section 6.6, the General Partner shall take whatever steps are required to provide economic uniformity to the converted Series A Preferred Unit in preparation for a transfer of such Units; *provided, however*, that no such steps may be taken that would have a material adverse effect on the Unitholders holding Common Units represented by Common Unit Certificates (for this purpose the allocations of income, gain, loss and deductions with respect to Series A Preferred Units or Common Units will be deemed not to have a material adverse effect on the Unitholders holding Common Units).

(B) A Unitholder holding a Series A Preferred Unit that has converted into a Common Unit pursuant to Section 5.13 shall not be permitted to transfer, by assignment or otherwise, any such Common Unit until after 32 calendar days have elapsed from the date that the Series A Preferred Unit was converted into such Common Unit.

(C) Notwithstanding anything to the contrary set forth in this Agreement, the holders of the Series A Preferred Units (a) shall (i) possess the rights, preferences and privileges and the duties and obligations provided in this Agreement with respect to a Limited Partner pursuant to Article III and Article VII and (ii) have a Capital Account as a Partner pursuant to Section 5.6 and all other provisions related thereto and (b) shall not (i) be entitled to vote on any matters requiring the approval or vote of the holders of Outstanding Units, except as provided in Section 5.13, (ii) be entitled to any distributions other than as provided in Section 5.13, Article VI or Article XII or (iii) be allocated items of income, gain, loss or deduction other than as specified in Section 5.13 or Article VI."

Article XII of the Partnership Agreement is hereby amended to add a new Section 12.10 as follows:

"Section 12.10. *Series A Liquidation Value.* Notwithstanding anything to the contrary set forth in this Agreement, the holders of the Series A Preferred Units shall have the rights, preferences and privileges set forth in Section 5.13(b)(iv) upon liquidation of the Partnership pursuant to this Article XII."

The Partnership Agreement is hereby amended to eliminate any references therein to "Class B Units" or "Class C Units."

Ratification of Partnership Agreement. Except as expressly modified and amended herein, all of the terms and conditions of the Partnership Agreement shall remain in full force and effect.

Governing Law. This Amendment will be governed by and construed in accordance with the laws of the State of Delaware.

Counterparts. This Amendment may be executed in counterparts, all of which together shall constitute an agreement binding on all the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart.

IN WITNESS WHEREOF, this Amendment has been executed as of the date first written above.

GENERAL PARTNER:

LE GP, LLC

By: _____
[Name], [Title]

LIMITED PARTNERS:

All Limited Partners now and hereafter admitted as limited partners of the Partnership, pursuant to Powers of Attorney now and hereafter executed in favor of, and granted and delivered to, the General Partner.

By: LE GP, LLC, General Partner of Energy Transfer Equity, L.P., as
attorney-in-fact for all Limited Partners pursuant to the powers of Attorney granted pursuant to Section 2.6 of the Partnership Agreement.

By: _____
[Name], [Title]

Exhibit 2.2

Execution Copy

REDEMPTION AND EXCHANGE AGREEMENT

BY AND AMONG

ENERGY TRANSFER EQUITY, L.P.,

AND

ENERGY TRANSFER PARTNERS, L.P.

MAY 10, 2010

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REDEMPTION AND EXCHANGE AGREEMENT

This **REDEMPTION AND EXCHANGE AGREEMENT** (this "***Agreement***"), dated as of May 10, 2010 (the "***Execution Date***"), is made and entered into by and among Energy Transfer Equity, L.P., a Delaware limited partnership ("***ETE***"), and Energy Transfer Partners, L.P., a Delaware limited partnership ("***ETP***").

Each of the parties to this Agreement is sometimes referred to individually in this Agreement as a "***Party***" and all of the parties to this Agreement are sometimes collectively referred to in this Agreement as the "***Parties***."

R E C I T A L S

WHEREAS, reference is hereby made to that certain Amended and Restated Limited Liability Company Agreement dated as of March 1, 2007 (the "***Company LLC Agreement***"), of Midcontinent Express Pipeline, LLC, a Delaware limited liability company (the "***Company***"), by and between Kinder Morgan Operating Limited Partnership "A" and ETC Midcontinent Express Pipeline, L.L.C.;

WHEREAS, ETC Midcontinent Express Pipeline III, L.L.C., a Delaware limited liability company and indirect wholly owned subsidiary of ETP ("***ETC III***") owns a 49.9% membership interest in the Company (the "***ETC III MEP Interest***");

WHEREAS, ETC Midcontinent Express Pipeline II, L.L.C., a Delaware limited liability company and indirect wholly owned subsidiary of ETP ("***ETC II***") owns a 0.1% membership interest in the Company (the "***ETC II MEP Interest***");

WHEREAS, ETP desires to convey to ETE (a) all of the outstanding membership interests in ETC III (the "***Acquired ETC III Interest***") and (b) an option (the "***ETC II Option***") to purchase all of the outstanding membership interests in ETC II (the "***Acquired ETC II Interest***" and, together with the Acquired ETC III Interest, the "***Acquired Interests***") on the date that is one year and one day following the Closing Date (the "***Option Closing Date***") in exchange for the redemption of certain limited partner interests of ETP held by ETE (the "***Redemption***");

WHEREAS, pursuant to that certain General Partner Purchase Agreement, dated as of the date hereof (the "***Regency GP Purchase Agreement***"), by and among Regency GP Acquirer, L.P., a Delaware limited partnership, ETE and ETE GP Acquirer LLC, a Delaware limited liability company ("***ETE GP Acquirer***"), subject to the terms and conditions contained therein, ETE (through ETE GP Acquirer) has agreed to acquire (the "***Regency GP Purchase***") (a) 100% of the membership interests in Regency GP, LLC, a Delaware limited liability company and the general partner of RGPLP (defined below) ("***RGPLLC***"), and (b) all of the outstanding limited partner interests in Regency GP LP, a Delaware limited partnership ("***RGPLP***") and the sole owner of the general partner interests of Regency Energy Partners LP, a Delaware limited partnership ("***Regency***");

WHEREAS, immediately after the consummation of this Agreement and the Regency GP Purchase, and subject to the terms and conditions of that certain Contribution Agreement to be

entered into by and among ETE, Regency and Regency Midcontinent Express LLC, a Delaware limited liability company ("***Regency SPV***") (the "***Regency Contribution Agreement***"), ETE desires to (i) contribute to Regency (through Regency SPV), and Regency (through Regency SPV) desires to accept from ETE, the Acquired ETC III Interest and (ii) assign, transfer and sell to Regency (through Regency SPV), and Regency (through Regency SPV) desires to accept from ETE, the ETC II Option, in exchange for certain common units representing limited partner interests of Regency as described therein.

A G R E E M E N T S

NOW, THEREFORE, in consideration of the representations, warranties, agreements and covenants contained in this Agreement, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the Parties undertake and agree as follows:

ARTICLE I
DEFINITIONS AND INTERPRETATIONS

1.1 ***Definitions.*** Capitalized terms used in this Agreement but not defined in the body of this Agreement shall have the meanings ascribed to them in Exhibit A. Capitalized terms defined in the body of this Agreement are listed in Exhibit A with reference to the location of the definitions of such terms in the body of this Agreement.

1.2 ***Interpretations.*** In this Agreement, unless a clear contrary intention appears: (a) the singular includes the plural and vice versa; (b) reference to a Person includes such Person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity; (c) reference to any gender includes each other gender; (d) references to any Exhibit, Schedule, Section, Article, Annex, subsection and other subdivision refer to the corresponding Exhibits, Schedules, Sections, Articles, Annexes, subsections and other subdivisions of this Agreement unless expressly provided otherwise; (e) references in any Section or Article or definition to any clause means such clause of such Section, Article or definition; (f) "hereunder," "hereof," "hereto" and words of similar import are references to this Agreement as a whole and not to any particular provision of this Agreement; (g) the word "or" is not exclusive, and the word "including" (in its various forms) means "including without limitation"; (h) each accounting term not otherwise defined in this Agreement has the meaning commonly applied to it in accordance with GAAP; (i) references to "days" are to calendar days; and (j) all references to money refer to the lawful currency of the United States. The Table of Contents and the Article and Section titles and headings in this Agreement are inserted for convenience of reference only and are not intended to be a part of, or to affect the meaning or interpretation of, this Agreement.

ARTICLE II
REDEMPTION OF THE REDEEMED UNITS; EXCHANGE OF THE ACQUIRED INTERESTS; CLOSING

2.1 ***Redemption of the Redeemed Units.*** Upon the terms and subject to the satisfaction or due waiver of the conditions contained in this Agreement, at the Closing ETE shall surrender to ETP for redemption, and ETP shall accept for redemption from ETE, 12,273,830 ETP Common Units. The ETP Common Units to be surrendered by ETE to ETP for redemption as contemplated herein are referred to in this Agreement as the "***Redeemed Units***."

2.2 ***Transfer of the Acquired Interests.*** Upon the terms and subject to the satisfaction or due waiver of the conditions contained in this Agreement, in exchange for the Redeemed Units at the Closing, ETP shall (a) convey, assign, transfer and deliver to ETE, and ETE shall accept from ETP, the Acquired ETC III Interest and (b) grant ETE the ETC II Option.

2.3 ***Time and Place of Closing.*** The closing of the redemption of the Redeemed Units in exchange for the transfer of the Acquired Interests, the granting of the ETC II Option and the other transactions contemplated by this Agreement (the "***Closing***") will take place at the offices of Vinson & Elkins L.L.P., 1001 Fannin Street, Suite 2500, Houston, Texas 77002 on the second Business Day after all of the conditions set forth in Article VI (other than those conditions which by their terms are only capable of being satisfied at the Closing, but subject to the satisfaction or due waiver of those conditions) have been satisfied or waived by the Party or Parties entitled to waive such conditions, unless another time, date and place are agreed to in writing by the Parties. The date of the Closing is referred to in this Agreement as the "***Closing Date***." The Closing will be deemed effective as of 12:02 a.m., Houston, Texas time, on the Closing Date.

2.4 ***Deliveries and Actions at Closing.***

(a) ETE Deliveries and Actions. At the Closing, ETE will execute and deliver, or cause to be executed and delivered, to ETP, each of the following documents, where the execution or delivery of documents is contemplated, and will take or cause to be taken the following actions, where the taking of actions is contemplated:

(i) Redeemed Units. Original unit certificates representing the ETP Common Units comprising the Redeemed Units;

(ii) Estimated Consideration Adjustment. The amount, if any, required to be paid by ETE at Closing pursuant to Section 2.5(b), by wire transfer of immediately available funds to an account designated by ETP before Closing.

(iii) Assignment of Interest. A counterpart of an assignment (the "***Assignment of Interest***"), substantially in the form attached hereto as Exhibit C, evidencing the conveyance, assignment, transfer and delivery to ETE of the Acquired ETC III Interest, duly executed by ETE;

(iv) ETE Option Agreement. A counterpart of an option agreement, substantially in the form attached hereto as Exhibit D (the "***ETE Option Agreement***"),

evidencing ETE's option to acquire all of the outstanding membership interests in ETC II on the Option Closing Date, duly executed by ETE; and

(b) ETP Deliveries and Actions. At the Closing, ETP will execute and deliver, or cause to be executed and delivered, to ETE, each of the following documents, where the execution or delivery of documents is contemplated, and will take or cause to be taken the following actions, where the taking of actions is contemplated:

(i) Estimated Consideration Adjustment. The amount, if any, required to be paid by ETP at Closing pursuant to Section 2.5(b), by wire transfer of immediately available funds to an account designated by ETE before Closing;

(ii) Distribution Amounts. The amount, if any, required to be paid by ETP pursuant to Section 2.6(a) and Section 2.6(b), by wire transfer of immediately available funds to an account designated by ETE;

(iii) FIRPTA Certificate. A certificate of ETP in the form specified in Treasury Regulation Section 1.1445-2(b)(2)(iv) that ETP is not a "foreign person" within the meaning of Section 1445 of the Code;

(iv) Assignment of Interest. A counterpart of the Assignment of Interest, duly executed by ETP;

(v) ETE Option Agreement. A counterpart of the ETE Option Agreement, duly executed by ETP; and

2.5 ***Consideration Adjustment.***

(a) The "***Consideration Adjustment Amount***" shall be an amount determined as follows:

(i) The Consideration Adjustment Amount shall be increased by 49.9% of the amount (if any) by which the Net Working Capital of the Company as of the Closing Date ("***Closing Date Net Working Capital***") exceeds negative $83,161,000 (the "***Net Working Capital Threshold***");

(ii) The Consideration Adjustment Amount shall be decreased by 49.9% of the amount (if any) by which the Net Working Capital Threshold exceeds Closing Date Net Working Capital;

(iii) The Consideration Adjustment Amount shall be decreased by 49.9% of the amount (if any) by which the Long-Term Debt of the Company as of the Closing Date ("***Closing Date Long-Term Debt***") exceeds $798,836,000 (the "***Long-Term Debt Threshold***");

(iv) The Consideration Adjustment Amount shall be increased by 49.9% of the amount (if any) by which the Long-Term Debt Threshold exceeds Closing Date Long-Term Debt;

(v) The Consideration Adjustment Amount shall be increased by 49.9% of the Pre-Closing Capex Amount.

(b) Not later than eleven Business Days prior to the Closing Date, ETP shall prepare and deliver to ETE a preliminary settlement statement (the "***Estimated Adjustment Statement***") setting forth (i) an estimated balance sheet of the Company as of the Closing Date, which balance sheet will be prepared in accordance with GAAP, applied consistently with the Company's past practices (including its preparation of the Financial Statements) (the "***Estimated Closing Date Balance Sheet***") based on the most recent financial information of the Company reasonably available to ETP, (ii) a calculation of the difference, if any, between the Net Working Capital shown on the Estimated Closing Date Balance Sheet ("***Estimated Net Working Capital***") and the Net Working Capital Threshold, (iii) a calculation of the difference, if any, between the Closing Date Long-Term Debt shown on the Estimated Closing Date Balance Sheet ("***Estimated Closing Date Long-Term Debt***") and the Long-Term Debt Threshold, (iv) an estimated calculation of the Pre-Closing Capex Amount ("***Estimated Pre-Closing Capex Amount***") and (v) an estimated calculation of the Consideration Adjustment Amount. ETE shall have the right, following ETE's receipt of the Estimated Adjustment Statement, to object thereto by delivering written notice to ETP no later than two Business Days before the Closing Date (which objection may, at the discretion of ETE, include any objections of Regency delivered to ETE in relation to the estimated adjustment statement delivered by ETE to Regency pursuant to the first sentence of Section 2.5(b) of the Regency Contribution Agreement). To the extent ETE timely objects to the Estimated Adjustment Statement (or any component thereof), ETE and ETP shall attempt to resolve their differences (including by working with Regency to resolve any differences in respect of the determinations to be made under Section 2.5(b) of the Regency Contribution Agreement); provided that, if ETE and ETP (and, to the extent applicable, Regency) are unable to resolve any such dispute prior to the Closing Date, then ETP's calculations as reflected in the Estimated Adjustment Statement shall control for purposes of all payments to be made at Closing. To the extent ETE and ETP resolve any of their differences prior to the Closing, then the Parties shall jointly agree on a revised Estimated Adjustment Statement that will control for purposes of the payments to be made at the Closing. The estimated Consideration Adjustment Amount that controls for purposes of the payments to be made at the Closing is referred to herein as the "***Estimated Consideration Adjustment Amount***." If the Estimated Consideration Adjustment is (i) a positive number, then at the Closing ETE shall wire transfer in immediately available funds the amount of the Estimated Consideration Adjustment Amount to an account to be designated by ETP before Closing, or (ii) a negative number, then at the Closing ETP shall wire transfer in immediately available funds an amount equal to the absolute value of such Estimated Consideration Adjustment Amount to an account to be designated by ETE before Closing.

(c) Not later than the 91st day following the Closing Date, ETE shall prepare and deliver to ETP a statement (the "***Final Adjustment Statement***") (which Final Adjustment Statement may, at the discretion of ETE, be the same as the final adjustment statement delivered by Regency to ETE pursuant to Section 2.5(c) of the Regency Contribution Agreement) setting forth (i) a balance sheet of the Company as of the Closing Date, which balance sheet will be prepared in the same manner as the Estimated Closing Date Balance Sheet (the "***Final Closing Date Balance Sheet***") based on the most recent financial information of the Company reasonably available to ETE or Regency, (ii) a calculation of the difference, if any, between the

Net Working Capital shown on the Final Closing Date Balance Sheet and Estimated Net Working Capital, (iii) a calculation of the difference, if any, between the Closing Date Long-Term Debt shown on the Final Closing Date Balance Sheet and Estimated Closing Date Long-Term Debt, (iv) a calculation of the actual Pre-Closing Capex Amount (the "***Final Pre-Closing Capex Amount***"), together with a calculation showing the difference, if any, between the Final Pre-Closing Capex Amount and the Estimated Pre-Closing Capex Amount and (v) the final calculation of the Consideration Adjustment Amount. At any time during the 29-day period following the receipt of the Final Adjustment Statement (the "***Review Period***"), ETP may deliver to ETE a written report containing any changes that ETP proposes be made to the Final Adjustment Statement (such written report, an "***Objection Notice***"). ETE shall provide to ETP such documentation and other data that is in its possession or that it has the right to obtain from Regency pursuant to Section 2.5(c) of the Regency Contribution Agreement, and, during normal business hours, access to its and the Company's officers, employees, agents and other personnel as is reasonably necessary to enable ETP to appropriately review the Final Adjustment Statement, including preparing a Final Closing Date Balance Sheet and making the calculations set forth in the first sentence of this Section 2.5(c). ETP shall be deemed to have waived any rights to object to the Final Adjustment Statement unless ETP delivers an Objection Notice to ETE within the Review Period and, if the Review Period expires without ETP so delivering an Objection Notice, then the Final Adjustment Statement shall become final and binding for all purposes of this Agreement. If ETP delivers an Objection Notice to ETE during the Review Period, then ETP and ETE shall attempt to agree on the amount of the actual Consideration Adjustment Amount, including by working with Regency to determine the actual Purchase Price Adjustment Amount (as such term is defined in the Regency Contribution Agreement); provided that ETE shall have no obligation to agree on the amount of the actual Consideration Adjustment Amount so long as Regency has not agreed to the actual Purchase Price Adjustment Amount. If such Parties cannot reach agreement within 30 days after the date on which ETP delivered such Objection Notice to ETE, the Parties and Regency, if applicable, shall refer the remaining disputed matters necessary to the final determination of the Consideration Adjustment Amount to PricewaterhouseCoopers LLP, or if PricewaterhouseCoopers LLP is unable or unwilling to perform its obligations under this Section 2.5(c), such other nationally-recognized independent accounting firm as is mutually agreed on by ETE and ETP (the "***Accounting Firm***"). The Accounting Firm shall, if requested by ETE and ETP, resolve any disputes under this Section 2.5(c) as well as any disputes under Section 2.5(c) of the Regency Contribution Agreement. Each Party shall deliver simultaneously to the Accounting Firm (i) the Objection Notice and such work papers, invoices and other reports and information relating to the disputed matters as the Accounting Firm may request and (ii) such Party's proposed resolution of the disputed matters and any materials it wishes to present to justify the resolution it so presents. Each Party shall be afforded the opportunity to discuss the disputed matters with the Accounting Firm. The Accounting Firm shall act as an expert (and not as an arbitrator) for the limited purpose of determining the specific disputed matters necessary to the final determination of the Consideration Adjustment Amount submitted by either ETP or ETE to the Accounting Firm, and whether and to what extent, if any, the Consideration Adjustment Amount requires adjustment as a result of the resolution of those disputed matters (applying GAAP consistently with the Company's past practices). The Accounting Firm may not award damages or penalties and shall not have authority to address matters not in dispute between the Parties or necessary to the determination of the final Consideration Adjustment Amount. The Accounting Firm's

determination shall be made within 30 days after submission of the disputed matters and shall be final and binding on all Parties, without right of appeal. In determining the proper amount of the Consideration Adjustment Amount, the Accounting Firm shall not increase the Consideration Adjustment Amount more than the increase proposed by ETP nor decrease the Consideration Adjustment Amount more than the decrease proposed by ETE, as applicable. Each Party shall each bear its own legal fees and other costs of presenting its case to the Accounting Firm. ETP shall bear all of the costs and expenses of the Accounting Firm incurred in resolving such disputed matters that are allocated to ETE or ETP, taking into account costs and expenses to be borne by Regency in accordance with Section 2.5(c) of the Regency Contribution Agreement. The Consideration Adjustment Amount as finally determined pursuant to this Section 2.5(c) shall be referred to as the "***Final Consideration Adjustment Amount***."

(d) Within ten days after the earlier of (i) the expiration of the Review Period without delivery of any Objection Notice and (ii) the date on which ETP, ETE or the Accounting Firm, as applicable, finally determine the actual Consideration Adjustment Amount (A) if the Final Consideration Adjustment Amount exceeds the Estimated Consideration Adjustment Amount (such excess, the "***ETP Adjustment Payment***"), ETE shall wire transfer in immediately available funds an amount equal to the ETP Adjustment Payment to an account designated by ETP, and (B) if the Estimated Consideration Adjustment Amount exceeds the Final Consideration Adjustment Amount (such excess, the "***ETE Adjustment Payment***"), ETP shall wire transfer in immediately available funds an amount equal to the ETE Adjustment Payment to an account designated by ETE.

2.6 ***Pro Ration of Distributions.***

(a) If the Closing occurs after the last day of the calendar quarter (the "***Preceding Quarter***") immediately prior to the calendar quarter (the "***Closing Quarter***") in which the Closing Date occurs but prior to the Record Date for the distribution in respect of the Preceding Quarter, then at the Closing ETP shall wire transfer in immediately available funds to an account designated by ETE before Closing the following:

(i) an amount equal to the product of (A) the number of Redeemed Units multiplied by (B) $0.89375 (unless prior to the Closing, ETP shall have declared its distribution in respect of the Preceding Quarter, in which event such number in this clause (II) shall be the amount declared per ETP Common Unit) (such amount being referred to herein as the "***Estimated Preceding Quarter Distribution Amount***");

(ii) an amount equal to $6,013,274 (the "***GP/IDR Distribution Amount***");

(iii) an amount equal to the product of (A) the number of Redeemed Units multiplied by (B) the product of (I) $0.89375 times (II) a fraction, (1) the numerator of which is the number of days in the Closing Quarter commencing on the first day of the Closing Quarter and ending on and including the Closing Date and (2) the denominator of which is the total number of days in the Closing Quarter (the amount determined pursuant to this clause (iii) being referred to herein as the "***Estimated Pro Rata Closing Quarter Distribution Amount***"); and

(iv) the product of (A) the GP/IDR Distribution Amount times (B) a fraction (I) the numerator of which is the number of days in the Closing Quarter commencing on the first day of the Closing Quarter and ending on and including the Closing Date and (II) the denominator of which is the total number of days in the Closing Quarter (the amount determined pursuant to this clause (iv), the "***Pro Rata Closing Quarter GP/IDR Distribution Amount***").

(b) If the Closing occurs after the Record Date for the distribution in respect of the Preceding Quarter, then at the Closing ETP shall wire transfer in immediately available funds an amount equal to the sum of the Estimated Pro Rata Closing Quarter Distribution Amount and the Pro Rata Closing Quarter GP/IDR Distribution Amount to an account designated by ETP before Closing.

(c) If the Closing occurs within the period specified in Section 2.6(a), unless the actual declared per unit distribution in respect of the Preceding Quarter is used to determine the Estimated Preceding Quarter Distribution Amount, then not later than the second Business Day following ETP's declaration of its distribution in respect of the Preceding Quarter, ETP shall prepare and deliver to ETE a calculation of the Actual Preceding Quarter Distribution Amount (as defined below). Within two Business Days of the delivery to ETE of such calculation, (i) if the Actual Preceding Quarter Distribution Amount exceeds the Estimated Preceding Quarter Distribution Amount, then ETP shall wire transfer in immediately available funds the amount of such excess to an account designated by ETE and (ii) if the Estimated Preceding Quarter Distribution Amount exceeds the Actual Preceding Quarter Distribution Amount, then ETE shall wire transfer in immediately available funds the amount of such excess to an account designated by ETP.

(d) Not later than the second Business Day following ETP's declaration of its distribution in respect of the Closing Quarter, ETP shall prepare and deliver to ETE a calculation of the Actual Pro Rata Closing Quarter Distribution Amount (as defined below). Within two Business Days of the delivery of such calculation, (i) if the Actual Pro Rata Closing Quarter Distribution Amount exceeds the Estimated Pro Rata Closing Quarter Distribution Amount, ETP shall wire transfer in immediately available funds an amount equal to such excess to an account designated by ETE and (ii) if the Estimated Pro Rata Closing Quarter Distribution Amount exceeds the Actual Pro Rata Closing Quarter Distribution Amount, ETE shall wire transfer in immediately available funds an amount equal to such excess to an account designated by ETP.

(e) ***"Actual Preceding Quarter Distribution Amount"*** means the product of (i) the number of Redeemed Units multiplied by (ii) the actual per-unit distribution declared on the ETP Common Units in respect of the Preceding Quarter.

(f) "***Actual Pro Rata Closing Quarter Distribution Amount***" means the product of (i) the number of Redeemed Units multiplied by (ii) the actual per-unit distribution declared on the ETP Common Units in respect of the Closing Quarter multiplied by (iii) a fraction, (A) the numerator of which is the number of days in the Closing Quarter commencing on the first day of such quarter and ending on and including the Closing Date and (B) the denominator of which is the total number of days in the Closing Quarter.

2.7 ***Adjustment to Contribution Consideration.*** All amounts to be paid by ETP to ETE pursuant to Section 2.6 shall be deemed to be adjustments to the Consideration Adjustment Amount.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF ETP

ETP hereby represents and warrants to ETE as follows:

3.1 ***Organization; Qualification.*** Each of ETP, ETC III, ETC II and the Company is an entity duly formed, validly existing and in good standing under the laws of the State of Delaware and has all requisite organizational power and authority to own, lease and operate its properties and to carry on its business as it is now being conducted, and is duly qualified, registered or licensed to do business as a foreign entity and is in good standing in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification necessary, except where the failure to be so duly qualified, registered or licensed and in good standing would not reasonably be expected to have a Company Material Adverse Effect or to prevent or materially delay the consummation of the transactions contemplated by the Transaction Documents to which ETP is, or will be, a party or to materially impair ETP's ability to perform its obligations under the Transaction Documents to which it is, or will be, a party. ETP has made available to ETE true and complete copies of the Organizational Documents of ETC III, ETC II and the Company, as in effect on the Execution Date.

3.2 ***Authority; Enforceability.***

(a) ETP has the requisite partnership power and authority to execute and deliver the Transaction Documents to which it is, or will be, a party, and to consummate the transactions contemplated thereby. The execution and delivery by ETP of the Transaction Documents to which ETP is, or will be, a party, and the consummation by ETP of the transactions contemplated thereby, have been duly and validly authorized by ETP, and no other limited partnership proceedings on the part of ETP are necessary to authorize the Transaction Documents to which it is, or will be, a party or to consummate the transactions contemplated by the Transaction Documents to which it is, or will be, a party.

(b) The Transaction Documents to which ETP is, or will be, a party have been (or will be, when executed and delivered at the Closing) duly executed and delivered by ETP, and, assuming the due authorization, execution and delivery by the other parties thereto, each Transaction Document to which ETP is, or will be, a party constitutes (or will constitute, when executed and delivered at the Closing) the valid and binding agreement of ETP, enforceable against ETP in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar Laws relating to or affecting creditors' rights generally and subject, as to enforceability, to legal principles of general applicability governing the availability of equitable remedies, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether such enforceability is considered in a proceeding in equity or at law) (collectively, "***Creditors' Rights***").

3.3 ***Non-Contravention.***

(a) Except as set forth on Schedule 3.3(a) of the ETP Disclosure Schedule, the execution, delivery and performance by ETP of the Transaction Documents to which ETP is, or will be, a party and the consummation by ETP of the transactions contemplated thereby do not and will not: (i) result in any breach of any provision of the Organizational Documents of ETP; (ii) constitute a default (or an event that with notice or passage of time or both would give rise to a default) under, or give rise to any right of termination, cancellation, amendment or acceleration (with or without the giving of notice, or the passage of time or both) under any of the terms, conditions or provisions of any Contract to which ETP is a party or by which any property or asset of ETP is bound or affected; (iii) assuming compliance with the matters referred to in Section 3.4, violate any Law to which ETP is subject or by which any of ETP's properties or assets is bound, except, in the cases of clauses (ii) and (iii) for such defaults or rights of termination, cancellation, amendment or acceleration or violations as would not reasonably be expected to have a Company Material Adverse Effect or to prevent or materially delay the consummation of the transactions contemplated by the Transaction Documents to which ETP is, or will be, a party or to materially impair ETP's ability to perform its obligations under the Transaction Documents to which it is, or will be, a party.

(b) Except as set forth on Schedule 3.3(b) of the ETP Disclosure Schedule, the execution, delivery and performance of the Transaction Documents to which ETP is, or will be, a party by ETP and the consummation by ETP of the transactions contemplated thereby do not and will not: (i) result in any breach of any provision of the Organizational Documents of ETC III, ETC II or the Company; (ii) constitute a default (or an event that with the giving of notice or the passage of time or both would give rise to a default) under, or give rise to any right of termination, cancellation, amendment or acceleration (with or without the giving of notice, or the passage of time or both) under any of the terms, conditions or provisions of any Contract to which ETC III, ETC II or the Company is a party or by which any property or assets of ETC III, ETC II or the Company is bound or affected; (iii) assuming compliance with the matters referred to in Section 3.4, violate any Law to which ETC III, ETC II or the Company is subject or by which any of ETC III's, ETC II's or the Company's properties or assets is bound; (iv) constitute (with or without the giving of notice or the passage of time or both) an event which would result in the creation of any Lien (other than Permitted Liens) on any asset of ETC III, ETC II or the Company; or (v) cause ETC III, ETC II or the Company to become subject to, or to become liable for the payment of, any Tax, except, in the cases of clauses (ii), (iii) and (iv), for such defaults or rights of termination, cancellation, amendment, or acceleration, violations or Liens, as would not reasonably be expected to have a Company Material Adverse Effect.

3.4 ***Governmental Approvals***. Except as set forth on Schedule 3.4 of the ETP Disclosure Schedule, no declaration, filing or registration with, or notice to, or authorization, consent or approval of, any Governmental Authority is necessary for the consummation by ETP of the transactions contemplated by the Transaction Documents to which it is, or will be, a party, other than (a) filings under the HSR Act, if any, and (b) such other declarations, filings, registrations, notices, authorizations, consents or approvals that have been obtained or made or that would in the ordinary course be made or obtained after the Closing, or which, if not obtained or made, would not reasonably be expected to have a Company Material Adverse Effect or to prevent or materially delay the consummation of the transactions contemplated by the

Transaction Documents to which ETP is, or will be, a party or to materially impair ETP's ability to perform its obligations under the Transaction Documents to which it is, or will be, a party.

3.5 ***Capitalization.***

(a) Schedule 3.5(a) of the ETP Disclosure Schedule sets forth, as of the Execution Date, a correct and complete description of the following: (i) all of the issued and outstanding membership interests of ETC III, ETC II and the Company and (ii) the record owners of the membership interests of ETC III, ETC II and the Company. Except as set forth on Schedule 3.5(a) of the ETP Disclosure Schedule, there are no other outstanding equity interests of the Company.

(b) (i) At the Closing, the Acquired ETC III Interest (A) will constitute 100% of the issued and outstanding membership interests of ETC III, (B) will have been duly authorized, validly issued and fully paid (to the extent required under the ETC III LLC Agreement) and will be nonassessable (except as such nonassessability may be affected by Section 18-607 of the Delaware LLC Act) and (C) will not have been issued in violation of any preemptive rights, rights of first refusal or other similar rights of any Person.

(ii) At the Closing, the Acquired ETC II Interest (A) will constitute 100% of the issued and outstanding membership interests of ETC II, (B) will have been duly authorized, validly issued and fully paid (to the extent required under the ETC II LLC Agreement) and will be nonassessable (except as such nonassessability may be affected by Section 18-607 of the Delaware LLC Act) and (C) will not have been issued in violation of any preemptive rights, rights of first refusal or other similar rights of any Person.

(c) The ETC III MEP Interest (i) constitutes 49.9% of the issued and outstanding membership interests of the Company, (ii) has been duly authorized, validly issued and fully paid (to the extent required under the Company Agreement) and is nonassessable (except as such nonassessability may be affected by Section 18-607 of the Delaware LLC Act) and (iii) was not issued in violation of any preemptive rights, rights of first refusal or other similar rights of any Person. The ETC III MEP Interest is owned beneficially and of record by ETC III, free and clear of all Liens other than (i) any transfer restrictions imposed by federal and state securities laws and (ii) any transfer restrictions contained in the Organizational Documents of the Company.

(d) The ETC II MEP Interest (i) constitutes 0.1% of the issued and outstanding membership interests of the Company, (ii) has been duly authorized, validly issued and fully paid (to the extent required under the Company LLC Agreement) and is nonassessable (except as such nonassessability may be affected by Section 18-607 of the Delaware LLC Act) and (iii) was not issued in violation of any preemptive rights, rights of first refusal or other similar rights of any Person. The ETC II MEP Interest is owned beneficially and of record by ETC II, free and clear of all Liens other than (i) any transfer restrictions imposed by federal and state securities laws and (ii) any transfer restrictions contained in the Organizational Documents of the Company.

(e) Except as set forth in the ETE Option Agreement or the Company LLC Agreement, there are no preemptive rights, rights of first refusal or other outstanding rights,

options, warrants, conversion rights, stock appreciation rights, redemption rights, repurchase rights, agreements, arrangements, calls, subscription agreements, commitments or rights of any kind that obligate ETC III, ETC II or the Company to issue or sell any equity interests or any securities or obligations convertible or exchangeable into or exercisable for, or giving any Person a right to subscribe for or acquire, any equity interests in ETC III, ETC II or the Company, and no securities or obligations evidencing such rights are authorized, issued or outstanding. There are no preemptive rights, rights of first refusal or other outstanding options, warrants, conversion rights, redemption rights, repurchase rights, calls or subscription agreements pursuant to the Company LLC Agreement or any other agreement to which ETC III, ETC II or the Company is a party that is or will be exercisable in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby.

(f) None of ETC III, ETC II or the Company has outstanding any bonds, debentures, notes or other obligations the holders of which have the right to vote (or convertible into or exercisable for securities having the right to vote) with the holders of equity interests in ETC III, ETC II or the Company on any matter.

(g) As of the Execution Date, none of ETC III, ETC II or the Company owns any equity interest in any other Person except for (i) ETC III's ownership of the ETC III MEP Interest and (ii) ETC II's ownership of the ETC II MEP Interest.

3.6 ***Ownership of Acquired Interests.***

(a) (i) ETP has good and valid title to the Acquired ETC III Interest, free and clear of all Liens other than (A) any transfer restrictions imposed by federal and state securities laws and (B) any transfer restrictions contained in the Organizational Documents of ETC III.

(ii) ETP has good and valid title to the Acquired ETC II Interest, free and clear of all Liens other than (A) any transfer restrictions imposed by federal and state securities laws, (B) any transfer restrictions contained in the Organizational Documents of ETC II and (C) the ETC II Option.

(b) (i) Upon the consummation of the transactions contemplated by this Agreement, ETP will assign, convey, transfer and deliver to ETE good and valid title to the Acquired ETC III Interest, free and clear of all Liens other than (A) any transfer restrictions imposed by federal and state securities laws, (B) any transfer restrictions contained in the Organizational Documents of ETC III and (C) any Liens on the Acquired ETC III Interest as a result of actions by ETE.

(ii) Upon the consummation of the transactions contemplated by the ETE Option Agreement, ETP will assign, convey, transfer and deliver to ETE good and valid title to the Acquired ETC II Interest, free and clear of all Liens other than (A) any transfer restrictions imposed by federal and state securities laws, (B) any transfer restrictions contained in the Organizational Documents of ETC II and (C) any Liens on the Acquired ETC II Interest as a result of actions by ETE.

(c) ETP is not a party to any agreements, arrangements or commitments obligating ETP to grant, deliver or sell, or cause to be granted, delivered or sold, the Acquired Interests, by

sale, lease, license or otherwise, other than (i) this Agreement, (ii) the ETE Option Agreement to be executed at Closing and (iii) the purchase rights in favor of certain members of the Company set forth in Section 3.6(b) of the Company LLC Agreement.

(d) There are no voting trusts, proxies or other agreements or understandings to which ETP is bound with respect to the voting of the Acquired Interests.

3.7 ***Compliance with Law.*** Except for Environmental Laws, Laws requiring the obtaining or maintenance of a Permit and Tax matters, which are the subject of Sections 3.12, 3.15 and 3.16, respectively, and except as to matters that would not reasonably be expected to have a Company Material Adverse Effect, (a) the Company is in compliance with all applicable Laws, (b) the Company has not received written notice of any violation of any applicable Law and (c) to the Knowledge of ETP, the Company is not under investigation by any Governmental Authority for potential non-compliance with any Law.

3.8 ***Title to Properties and Assets.*** Except as to matters that would not reasonably be expected to have a Company Material Adverse Effect, the Company has title to or rights or interests in its real property and personal property, free and clear of all Liens (subject to Permitted Liens), sufficient to allow it to conduct its business as currently being conducted or as will be conducted immediately following completion of the MEP Expansion Project.

3.9 ***Rights-of-Way.*** Except as set forth on Schedule 3.9 of the ETP Disclosure Schedule, (a) the Company has such Rights-of-Way from each Person as are necessary to use, own and operate the Company's assets in the manner such assets are currently used, owned and operated by the Company or as will be used, owned or operated by the Company immediately following completion of the MEP Expansion Project, (b) the Company has fulfilled and performed all of its obligations with respect to such Rights-of-Way and (c) no event has occurred that allows, or after the giving of notice or the passage of time, or both, would allow, revocation or termination thereof or would result in any impairment of the rights of the holder of any such Rights-of-Way.

3.10 ***Financial Statements.***

(a) Attached hereto as Schedule 3.10(a) of the ETP Disclosure Schedule are true and complete copies of the following financial statements (collectively, the "***Company Financial Statements***"): (i) an audited balance sheet of the Company as of December 31, 2009 and the related audited statements of income, changes in owners' equity and cash flows for the 12-month period then ended and (ii) an unaudited balance sheet of the Company as of March 31, 2010 and the related unaudited statements of income, changes in owners' equity and cash flows for the quarterly period then ended (the "***Interim Financial Statements***").

(b) Except as set forth on Schedule 3.10(b) of the ETP Disclosure Schedule, the Company Financial Statements have been prepared in accordance with GAAP, applied on a consistent basis throughout the periods presented thereby and fairly present in all material respects the financial position and operating results, equity and cash flows of the Company as of, and for the periods ended on, the respective dates thereof, subject, however, in the case of the

Interim Financial Statements, to normal year-end audit adjustments and accruals and the absence of notes and other textual disclosures required by GAAP.

(c) The Company does not have any liability, whether accrued, contingent, absolute or otherwise, except for (i) liabilities set forth on the balance sheet of the Company dated as of March 31, 2010 or the notes thereto, (ii) liabilities that have arisen since March 31, 2010 in the ordinary course of business and (iii) liabilities that would not reasonably be expected to have a Company Material Adverse Effect.

(d) Neither ETC III nor ETC II has any assets or liabilities other than the ETC III MEP Interest and ETC II MEP Interest, respectively.

3.11 ***Absence of Certain Changes.*** Except as set forth on Schedule 3.11 of the ETP Disclosure Schedule or as expressly contemplated by this Agreement, since December 31, 2009, the business of the Company has been conducted in the ordinary course and in a manner consistent with past practice and there has not been:

(a) any event, occurrence or development which has had, or would be reasonably expected to have, a Company Material Adverse Effect;

(b) purchase any securities or ownership interests of, or make any investment in, any Person, other than ordinary course overnight investments consistent with the cash management policies of the Company;

(c) any transaction by the Company that required Special Consent (as such term is defined in the Company LLC Agreement), other than the incurrence of indebtedness pursuant to the Company Credit Facility in accordance with its terms existing on the Execution Date;

(d) any declaration, setting aside or payment of any dividends on or distributions in respect of any equity interests or other securities of the Company;

(e) any capital expenditure in excess of $500,000 in the aggregate, except (i) [in accordance with the Development Plan (as such term is defined in the Company LLC Agreement) included as Schedule 3.11(e) of the ETP Disclosure Schedule], (ii) in accordance with a Budget (as such term is defined in the Company LLC Agreement) approved in accordance with the Company LLC Agreement prior to the Execution Date and disclosed to ETE, (iii) in accordance with the draft budget included as Schedule 3.22 of the ETP Disclosure Schedule, (iv) maintenance capital expenditures required on an emergency basis or for the safety of individuals or the environment, or (v) any capital expenditure as disclosed in the Interim Financial Statements;

(f) any material change to the Company's tax methods, principles or elections; or

(g) any agreement by the Company to do any of the foregoing.

3.12 ***Environmental Matters.*** Except as to matters set forth on Schedule 3.12 of the ETP Disclosure Schedule and except as to matters that would not reasonably be expected to have a Company Material Adverse Effect:

(a) the Company is in compliance with all applicable Environmental Laws;

(b) the Company possesses all Permits required under Environmental Laws for its operations as currently conducted and is in compliance with the terms of such Permits, and such Permits are in full force and effect;

(c) the Company and its properties and operations are not subject to any pending or, to the Knowledge of ETP, threatened Proceeding arising under any Environmental Law, nor has the Company received any written and pending notice, order or complaint from any Governmental Authority alleging a violation of or liability arising under any Environmental Law;

(d) ETP has made available to ETE complete and correct copies of all material environmental site assessment reports and studies relating to the Company that are in the possession of ETP and, to ETP's Knowledge, there are no other such reports or studies in existence; and

(e) to the Knowledge of ETP, there has been no Release of Hazardous Substances on, at, under, to, or from any of the properties of the Company, or from or in connection with the Company's operations in a manner that would reasonably be expected to give rise to any liability pursuant to any Environmental Law.

3.13 ***Material Contracts.***

(a) Except as set forth on Schedule 3.13 of the ETP Disclosure Schedule, as of the Execution Date, the Company is not party to or bound by any Contract that:

(i) relates to (A) the purchase of materials, supplies, goods, services or other assets, (B) the purchase, sale, transporting, gathering, processing, or storing of natural gas, condensate or other liquid or gaseous hydrocarbons or the products therefrom, or the provision of services related thereto or (C) the construction of capital assets, in the cases of clauses (A), (B) and (C) that (1) provides for either (x) annual payments by the Company in excess of $500,000 or (y) aggregate payments by the Company in excess of $1,000,000 and (2) cannot be terminated by the Company on 90 day's or less notice without payment by the Company of any material penalty;

(ii) is a firm natural gas transportation Contract;

(iii) contains any provision or covenant, which after the Closing will apply to the business of the Company, materially restricting the Company from engaging in any lawful business activity or competing with any Person;

(iv) (A) relates to the creation, incurrence, assumption, or guarantee of any indebtedness for borrowed money by the Company or (B) creates a capitalized lease obligation;

(v) relates to any commodity or interest rate swap, cap or collar agreements or other similar hedging or derivative transactions;

(vi) is in respect of the formation of any partnership or joint venture or otherwise relates to the joint ownership or operation of the assets owned by the Company;

(vii) includes the acquisition or sale of assets with a book value in excess of $1,000,000 (whether by merger, sale of stock, sale of assets or otherwise);

(viii) any Contract or commitment that involves a sharing of profits, losses, costs or liabilities by the Company with any other Person; and

(ix) otherwise involves the payment by or to the Company of more than $250,000 in the aggregate and cannot be terminated by the Company on 90 days or less notice without payment by the Company of any material penalty.

(b) Each Contract required to be disclosed pursuant to Section 3.13(a) (collectively, the "***Company Material Contracts***") is a valid and binding obligation of the Company, and is in full force and effect and enforceable in accordance with its terms against the Company and, to the Knowledge of ETP, the other parties thereto, except, in each case, as enforcement may be limited by Creditors' Rights. ETP has made available to ETE a true and complete copy of each Company Material Contract to which ETP has the right to provide to ETE pursuant to the Organizational Documents of the Company.

(c) None of the Company nor, to the Knowledge of ETP, any other party to any Company Material Contract is in default or breach in any material respect under the terms of any Company Material Contract and no event has occurred that with the giving of notice or the passage of time or both would constitute a breach or default in any material respect by the Company or, to the Knowledge of ETP, any other party to any Company Material Contract, or would permit termination, modification or acceleration under any Company Material Contract.

(d) As of the Execution Date, to the Knowledge of ETP, the Company has not received notice that any current supplier, shipper or customer intends to amend or discontinue a business relationship (including termination of a Company Material Contract) with the Company that could reasonably be expected to generate revenues for the Company or pursuant to which the Company could reasonably be expected to incur costs, in either case of $1,000,000 or more in the aggregate.

3.14 ***Legal Proceedings.*** Other than with respect to Proceedings arising under Environmental Laws which are the subject of Section 3.12 or as is set forth on Schedule 3.14 of ETP Disclosure Schedule, there are no Proceedings pending or, to the Knowledge of ETP, threatened against the Company, except such Proceedings as would not reasonably be expected to have a Company Material Adverse Effect or to prevent or materially delay the consummation of the transactions contemplated by the Transaction Documents to which ETP is, or will be, a party or to materially impair ETP's ability to perform its obligations under the Transaction Documents to which its is, or will be, a party**.**

3.15 ***Permits.*** Other than with respect to Permits issued pursuant to or required under Environmental Laws that are the subject of Section 3.12, the Company has all Permits as are necessary to use, own and operate its assets in the manner such assets are currently used, owned

and operated by the Company or that will be used, owned or operated by the Company immediately following completion of the MEP Expansion Project, except where the failure to have such Permits would not reasonably be expected to have a Company Material Adverse Effect.

3.16 ***Taxes.*** (a) All material Tax Returns required to be filed with respect to ETC III, ETC II and the Company have been filed and all such Tax Returns are complete and correct in all material respects and all material Taxes due relating to ETC III, ETC II and the Company have been paid in full. There are no claims (other than claims being contested in good faith through appropriate proceedings and for which adequate reserves have been made in accordance with GAAP) against ETC III, ETC II or the Company for any Taxes, and no assessment, deficiency, or adjustment has been asserted or proposed in writing with respect to any Taxes or Tax Returns of or with respect to ETC III, ETC II or the Company.

(b) No tax audits or administrative or judicial proceedings are being conducted or are pending with respect to ETC III, ETC II or the Company.

(c) All material Taxes required to be withheld, collected or deposited by or with respect to ETC III, ETC II or the Company have been timely withheld, collected or deposited as the case may be, and to the extent required, have been paid to the relevant taxing authority.

(d) There are no outstanding agreements or waivers extending the applicable statutory periods of limitation for any material Taxes associated with the ownership or operation of the assets of ETC III, ETC II or the Company for any period.

(e) None of ETC III, ETC II or the Company is a party to any Tax sharing agreement.

(f) ETP is not a "foreign person" as defined in Section 1445(f)(3) of the Code, and the rules and Treasury Regulations promulgated thereunder, or an entity disregarded as separate from its owner for United States federal income tax purposes.

(g) The Company has in effect an election pursuant to Section 754 of the Code.

(h) None of ETC III, ETC II or the Company, has engaged in a transaction that would be reportable by or with respect to ETC III, ETC II or the Company pursuant to Treasury Regulation § 1.6011-4 or any predecessor thereto.

(i) For each taxable year since its formation, each of the Company, ETC III and ETC II is, or has been, properly classified as a partnership or an entity disregarded as separate from its owner for United States federal income tax purposes. None of the Company, ETC III or ETC II has made an election pursuant to Treasury Regulation Section 301.7701-3(c) to be treated as an association taxable as a corporation for United States federal income tax purposes.

(j) For each taxable year of the Company beginning after December 31, 2005, at least 90% of the gross income of the Company has been income that is "qualifying income" within the meaning of Section 7704(d) of the Code. ETP expects that at least 90% of the gross income of the Company will be income that is "qualifying income" within the meaning of Section 7704(d) of the Code for the taxable year ending on December 31, 2010.

3.17 ***Employee Benefits.*** None of the Company, ETC III or ETC II employs or has ever employed any employees. None of the Company, ETC III or ETC II or any of their respective ERISA Affiliates sponsors, maintains, contributes to or has an obligation to contribute to, or has, or will have, at any time within the six years immediately preceding the Closing Date sponsored, maintained, contributed to or had an obligation to contribute to, any "employee benefit plans" (within the meaning of Section 3(3) of ERISA or any stock purchase, stock option, severance, employment, change-in-control, fringe benefit, collective bargaining, bonus, incentive, deferred compensation, employee loan or any other employee benefit plans, agreements, programs, policies or other arrangements, whether or not subject to ERISA. None the Company, ETC III or ETC II has or could reasonably be expected to have any present liability, nor do any circumstances exist that could reasonably be expected to result in the Company, ETC III or ETC II having any future material liabilities with respect to any current or former employees of ETP or any of its Affiliates.

3.18 ***Brokers' Fee.*** Except for the fee payable to RBS Securities, Inc. which shall be paid by ETP, no broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of ETP.

3.19 ***Regulatory Status***. Except as set forth on Schedule 3.19 of the ETP Disclosure Schedule, there are no currently effective tariffs authorized and approved by the FERC as of the date of this Agreement applicable to the Company, or currently pending material rate filings, certificate applications, or other filings that relate to the Company made with FERC prior to the date of this Agreement. The Company (i) has all necessary approvals from FERC to provide service to customers pursuant to the Natural Gas Act and the Natural Gas Policy Act of 1978, as amended, and (ii) has made all required FERC filings necessary to offer such service, except where failure to have any such approval or to have made any such filing would not reasonably be expected to have a Company Material Adverse Effect.

3.20 ***Intellectual Property***. The Company owns or has the right to use pursuant to license, sublicense, agreement or otherwise all material items of Intellectual Property required in the operation of the business as presently conducted; (b) no third party has asserted in writing delivered to the Company an unresolved claim that the Company is infringing on the Intellectual Property of such third party and (c) to the Knowledge of ETP, no third party is infringing on the Intellectual Property owned by the Company.

3.21 ***Insurance.*** Schedule 3.21 to the ETP Disclosure Schedule contains, as of the Execution Date, a complete and correct list of all liability, property, fire, casualty, product liability, workers' compensation and other insurance policies, if any, that are in full force and effect as of the Execution Date that insure or relate to the assets of the Company (the "***Company Policies***"). To the Knowledge of ETP, as of the Execution Date there is no claim, suit or other matter currently pending in respect of which the Company has received any notice from the insurer under any Company Policies disclaiming coverage, reserving rights with respect to a particular claim or such Company Policy in general or canceling or materially amending any such Company Policy. To the Knowledge of ETE, all premiums due and payable for such Company Policies have been duly paid, and such Company Policies or extensions or renewals

thereof in the amounts described will be outstanding and duly in full force without interruption until the Closing Date.

3.22 ***Budget.*** Attached as Schedule 3.22 of the ETP Disclosure Schedule is the draft budget of the Company for fiscal year 2010 as of the Execution Date.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF ETE

ETE hereby represents and warrants to ETP as follows:

4.1 ***Organization; Qualification.*** ETE is an entity duly formed, validly existing and in good standing under the laws of the State of Delaware and has all requisite organizational power and authority to own, lease and operate its properties and to carry on its business as it is now being conducted, and is duly qualified, registered or licensed to do business as a foreign entity and is in good standing in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification necessary, except where the failure to be so duly qualified, registered or licensed and in good standing would not reasonably be expected to have an ETE Material Adverse Effect or to prevent or materially delay the consummation of the transactions contemplated by the Transaction Documents to which it is, or will be, a party or to materially impair the ability of ETE to perform its obligations under the Transaction Documents to which it is, or will be, a party. ETE has made available to ETP true and complete copies of the Organizational Documents of ETE, as in effect on the Execution Date.

4.2 ***Authority; Enforceability; Valid Issuance.***

(a) ETE has the requisite partnership power and authority to execute and deliver the Transaction Documents to which it is, or will be, a party, and to consummate the transactions contemplated thereby. The execution and delivery by ETE of the Transaction Documents to which it is, or will be, a party, and the consummation by it of the transactions contemplated thereby, have been duly and validly authorized by ETE, and no other limited partnership proceedings on the part of ETE are necessary to authorize the Transaction Documents to which it is, or will be, a party or to consummate the transactions contemplated by the Transaction Documents to which it is, or will be, a party.

(b) The Transaction Documents to which ETE is, or will be, a party have been (or will be, when executed and delivered at the Closing) duly executed and delivered by ETE, and, assuming the due authorization, execution and delivery by the other parties thereto, each Transaction Document to which ETE is, or will be, a party constitutes (or will constitute, when executed and delivered at the Closing) the valid and binding agreement of ETE, enforceable against ETE in accordance with its terms, except as such enforceability may be limited by Creditors' Rights.

(c) The redemption of the Redeemed Units pursuant to this Agreement has been duly authorized by ETE and there are no liens, claims, encumbrances, preemptive rights, rights of first refusal, options, calls or other similar rights of any Person with respect to the Redeemed Units, other than those set forth in the ETP Partnership Agreement.

4.3 ***Non-Contravention.*** Except as set forth on Schedule 4.3 of the ETE Disclosure Schedule, the execution, delivery and performance of the Transaction Documents to which ETE is, or will be, a party and the consummation by ETE of the transactions contemplated thereby does not and will not: (a) result in any breach of any provision of the Organizational Documents of ETE; (b) constitute a default (or an event that with notice or passage of time or both would give rise to a default) under, or give rise to any right of termination, cancellation, amendment or acceleration (with or without the giving of notice, or the passage of time or both) under any of the terms, conditions or provisions of any Contract to which ETE is a party or by which any property or asset of ETE is bound or affected; (c) assuming compliance with the matters referred to in Section 4.4, violate any Law to which ETE is subject or by which any of ETE's properties or assets is bound; or (d) constitute (with or without the giving of notice or the passage of time or both) an event which would result in the creation of any Lien (other than Permitted Liens) on any asset of ETE, except, in the cases of clauses (b), (c) and (d), for such defaults or rights of termination, cancellation, amendment, acceleration, violations or Liens as would not reasonably be expected to have an ETE Material Adverse Effect or to prevent or materially delay the consummation of the transactions contemplated by the Transaction Documents to which ETE is, or will be, a party or to materially impair ETE's ability to perform its obligations under the Transaction Documents to which it is, or will be, a party.

4.4 ***Governmental Approvals.*** Except as set forth on Schedule 4.4 of the ETE Disclosure Schedule no declaration, filing or registration with, or notice to, or authorization, consent or approval of, any Governmental Authority is necessary for the consummation by ETE of the transactions contemplated by the Transaction Documents to which it, or will be, a party, other than (a) filings under the HSR Act and (b) such other declarations, filings, registrations, notices, authorizations, consents or approvals that have been obtained or made or that would in the ordinary course of business be made or obtained after the Closing, or which, if not obtained or made, would not reasonably be expected to have an ETE Material Adverse Effect or to prevent or materially delay the consummation of the transactions contemplated by the Transaction Documents to which ETE is, or will be, a party or to materially impair ETE's ability to perform its obligations under the Transaction Documents to which it is, or will be, a party.

4.5 ***Matters Relating to Acquisition of the Acquired Interests.*** ETE has undertaken such investigation as it has deemed necessary to enable it to make an informed and intelligent decision with respect to the execution, delivery and performance of this Agreement and the acquisition of the Acquired Interests. ETE has had an opportunity to ask questions and receive answers from ETP regarding the terms and conditions of the offering of the Acquired Interests and the business, properties, prospects, and financial condition of the Company (to the extent ETP possessed such information). The foregoing, however, does not modify the representations and warranties of ETP in Article III and such representations and warranties constitute the sole and exclusive representations and warranties of ETP to ETE in connection with the transactions contemplated by this Agreement.

(b) ETE is an Eligible Person (as such term is defined in the Company LLC Agreement).

4.6 ***Brokers' Fee***. Except for the fee payable to Credit Suisse Securities (USA) LLC which shall be paid by ETE , no broker, investment banker, financial advisor or other Person is

entitled to any broker's finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of ETE.

ARTICLE V
COVENANTS OF THE PARTIES

5.1 ***Conduct of the Company's Business***. From the Execution Date through the Closing, except as described in Schedule 5.1 to the ETP Disclosure Schedule or consented to or approved in writing by ETE, which consent or approval shall not be unreasonably withheld, conditioned or delayed (provided that no such consent or approval shall be considered to be unreasonably withheld, conditioned or delayed as a result of ETE's compliance with any covenant in the Regency Contribution Agreement), ETP shall not take, and shall cause ETC III and ETC II not to take, any action to amend the Company LLC Agreement (except as may be required by Section 3.8 of the Company LLC Agreement) or to approve, or cause ETC III and ETC II to approve, the taking by the Company of the following actions:

(a) any matters that require Special Consent (as such term is defined in the Company LLC Agreement) pursuant to Section 6.3(b) of the Company LLC Agreement, other than the incurrence of indebtedness pursuant to the Company Credit Facility in accordance with its terms existing on the Execution Date;

(b) purchase any securities or ownership interests of, or make any investment in, any Person, other than ordinary course overnight investments consistent with the cash management policies of the Company;

(c) make any capital expenditure in excess of $500,000 in the aggregate, except (i) [in accordance with the Development Plan (as such term is defined in the Company LLC Agreement)], (ii) in accordance with a Budget (as defined in the Company LLC Agreement) approved in accordance with the Company LLC Agreement prior to the Execution Date and disclosed to ETE or (iii) as required on an emergency basis or for the safety of individuals or the environment;

(d) make any material change to the Company's tax methods, principles or elections; or

(e) agree or commit to take any of the actions described above.

Notwithstanding anything in this Agreement to the contrary, nothing in this Section 5.1 shall prohibit ETP from taking any action, or approving the taking by ETC III and ETC II or the Company of any action, if, prior to taking such action, or approving the taking of such action, ETP determines in good faith, after consultation with outside legal counsel, that failure to take such action, or to approve the taking of such action, would be reasonably likely to be inconsistent the implied contractual covenant of good faith and fair dealing imposed on ETC III and ETC II, as applicable, in its capacity as a member of the Company and a party to the Company LLC Agreement under the Delaware LLC Act.

5.2 ***Notice of Certain Events***. Each Party shall promptly notify the other Parties of:

(a) any event, condition or development that has resulted in the inaccuracy or breach of any representation or warranty, covenant or agreement contained in this Agreement made by or to be complied with by such notifying Party at any time during the term hereof and that would reasonably be expected to result in any of the conditions set forth in Article VI not to be satisfied; *provided*, *however*, that no such notification shall be deemed to cure any such breach of or inaccuracy in such notifying Party's representations and warranties or covenants and agreements or in the ETP Disclosure Schedule or the ETE Disclosure Schedule for any purpose under this Agreement and no such notification shall limit or otherwise affect the remedies available to the other Parties;

(b) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by the Transaction Documents;

(c) any notice or other communication from any Governmental Authority in connection with the transactions contemplated by the Transaction Documents; and

(d) any Proceedings commenced that would be reasonably expected to prevent or materially delay the consummation of the transactions contemplated by the Transaction Documents or materially impair the notifying Party's ability to perform its obligations under the Transaction Documents**.**

5.3 ***Access to Information.*** From the Execution Date until the Closing Date, upon the request from ETE, ETP will, and will cause ETC III, ETC II and the Company to: (a) give ETE and its counsel, financial advisors, auditors and other authorized representatives (collectively, "***Representatives***") reasonable access to the offices, properties, books and records of the Company and to the books and records of ETP, ETC III and ETC II relating to the Company and permit ETE to make copies thereof, in each case (i) during normal business hours and (ii) solely to the extent that ETP either (1) has access to such offices, properties, books and records and has the right, pursuant to the Company LLC Agreement, to provide access to such offices, properties, books and records to such Persons or (2) has the right, pursuant to the Company LLC Agreement, to require the Company to provide such access to such Persons; and (b) furnish to ETE and its Representatives such financial operating data and other information relating to ETC III, ETC II and the Company as such Persons may reasonably request, solely to the extent that ETP either (i) possesses such financial and operating data and other information and has the right, pursuant to the Company LLC Agreement, to furnish such financial and operating data and other information to such Persons or (ii) has the right, pursuant to the Company LLC Agreement, to require the Company to furnish such financial and operating data and other information to such Persons. Any investigation pursuant to this Section 5.3 shall be conducted in such manner as not to interfere with the conduct of the business of ETP, ETC III, ETC II, or the Company. Notwithstanding the foregoing, ETE shall not be entitled to perform any intrusive or subsurface investigation or other sampling of, on or under any of the properties of the Company without the prior written consent of ETP. Notwithstanding the foregoing provisions of this Section 5.3, ETP shall not be required to, or to cause ETC III, ETC II, or the Company to, grant access or furnish information to ETE or any of its Representatives to the extent that such information is subject to an attorney/client or attorney work product privilege or that such access or the furnishing of such information is prohibited by Law or an existing Contract. To the extent practicable, ETP shall

make reasonable and appropriate substitute disclosure arrangements under circumstances in which the restrictions of the preceding sentence apply. To the fullest extent permitted by Law, ETP and its Representatives and Affiliates shall (1) not be responsible or liable to ETE for personal injuries sustained by ETE's Representatives in connection with the access provided pursuant to this Section 5.3 and (2) shall be indemnified and held harmless by ETE for any losses suffered by any such Persons in connection with any such personal injuries; provided such personal injuries are not caused by the gross negligence or willful misconduct of ETP. The Regency Parties and their respective counsel, financial advisors, auditors and other authorized representatives shall be deemed to be Representatives of ETP for all purposes of this Section 5.3.

5.4 ***Governmental Approvals.*** The Parties will cooperate with each other and use reasonable best efforts to obtain from any Governmental Authorities any consents, licenses, permits, waivers, approvals, authorizations or orders required to be obtained and to make any filings with or notifications or submissions to any Governmental Authority that are necessary in order to consummate the transactions contemplated by the Transaction Documents and the Regency GP Purchase Agreement and shall diligently and expeditiously prosecute, and shall cooperate fully with each other in the prosecution of, such matters.

(b) Without limiting Section 5.4(a), as soon as practicable following the Execution Date, but in no event later than ten Business Days following the Execution Date, the Parties shall make such filings as may be required by the HSR Act with respect to the transactions contemplated by the Transaction Documents, which filings shall include a request for early termination of any applicable waiting period. Thereafter, the Parties shall file as promptly as practicable all reports or other documents required or requested by the U.S. Federal Trade Commission or the U.S. Department of Justice pursuant to the HSR Act or otherwise including requests for additional information concerning such transactions, so that the waiting period specified in the HSR Act will expire or be terminated as soon as reasonably possible after the Execution Date. Each Party shall cause their respective counsel to furnish each other Party such necessary information and reasonable assistance as such other Party may reasonably request in connection with the Parties' preparation of necessary filings or submissions under the provisions of the HSR Act. Each Party shall cause their counsel to supply to each other Party copies of the date stamped receipt copy of the cover letters delivering the filings or submissions required under the HSR Act to any Governmental Authority. Regency shall pay the statutory filing fee associated with filings under the HSR Act.

(c) The Parties agree to cooperate with each other and use reasonable best efforts to contest and resist, any Proceeding, and to have vacated, lifted, reversed or overturned any decree, judgment, injunction or other order (whether temporary, preliminary or permanent) of any Governmental Authority that is in effect and that restricts, prevents or prohibits the consummation of the transactions contemplated by the Transaction Documents.

5.5 ***Legends.*** If the Acquired Interest is certificated, ETE agrees to the imprinting, so long as the restrictions described in the legend are applicable, of the following legend on any certificates evidencing all or any portion of the Acquired Interest:

THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE

IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "***SECURITIES ACT***") AND ARE SUBJECT TO THE TERMS OF THE AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT OF ETC MIDCONTINENT EXPRESS PIPELINE III, L.L.C. (THE "***LLC AGREEMENT***"). ACCORDINGLY, THEY MAY NOT BE OFFERED OR SOLD EXCEPT (A) IN ACCORDANCE WITH THE TERMS OF THE LLC AGREEMENT AND (B) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH OTHER APPLICABLE FEDERAL AND STATE SECURITIES LAWS.

5.6 ***Expenses.*** All costs and expenses incurred by ETP in connection with the Transaction Documents and the transactions contemplated thereby shall be paid by ETP and all costs and expenses incurred by ETE in connection with the Transaction Documents and the transactions contemplated thereby shall be paid by ETE; *provided*, *however*, that if any action at law or equity is necessary to enforce or interpret the terms of the Transaction Documents, the prevailing Party shall be entitled to reasonable attorneys' fees and expenses in addition to any other relief to which such Party may be entitled.

5.7 ***Further Assurances***. Subject to the terms and conditions of this Agreement, each of the Parties shall use its commercially reasonable efforts to take, or cause to be taken, all action, and to do, or cause to be done, all things necessary, proper or advisable under applicable Law to consummate the transactions contemplated by the Transaction Documents and the Regency GP Purchase Agreement. Without limiting the generality of the foregoing, each Party will use its reasonable best efforts to obtain timely all authorizations, consents and approvals of all third parties necessary in connection with the consummation of the transactions contemplated by this Agreement prior to the Closing. The Parties will coordinate and cooperate with each other in exchanging such information and assistance as any of the Parties hereto may reasonably request in connection with the foregoing.

5.8 ***Public Statements.*** The Parties shall consult with each other prior to issuing any public announcement, statement or other disclosure with respect to the Transaction Documents or the transactions contemplated thereby and none of ETP and its Affiliates, on the one hand, nor the ETE and its Affiliates, on the other hand, shall issue any such public announcement, statement or other disclosure without having first notified ETE, on the one hand, or ETP, on the other hand; *provided*, *however*, that any of ETP and its Affiliates, on the one hand, and ETE and its Affiliates, on the other hand, may make any public disclosure without first so consulting with or notifying the other Party or Parties if such disclosing party believes that it is required to do so by Law or by any stock exchange listing requirement or trading agreement concerning the publicly traded securities of ETP or any of its Affiliates, on the one hand, or ETE or any of its Affiliates, on the other hand.

5.9 ***Tax Matters.*** Filing Tax Returns.

(i) ETP will file or cause to be filed all Tax Returns of the Company, ETC III and ETC II that are required to be filed (after taking into account extensions) on or prior

to the Closing Date and will prepare or cause to be prepared such Tax Returns in a manner consistent with past practice unless otherwise required by Law.

(ii) ETE shall file or cause to be filed all Tax Returns of the Company and ETC III that are required to be filed for all (A) taxable years ending on or prior to the Closing Date which are filed after the Closing Date, (B) taxable years beginning prior to the Closing Date and ending after the Closing Date, and (C) taxable years beginning after the Closing Date.

(b) Cooperation. Each of the Parties shall cooperate fully, as and to the extent reasonably requested by the other Party, in connection with the filing of Tax Returns and any audit, litigation or other proceeding with respect to Taxes. Such cooperation shall include the retention and (upon the other Party's request) the provision of records and information relevant to any such 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.

(c) Transfer Taxes. All transfer and other such Taxes and fees (including any penalties and interest) incurred in connection with the transfer of the Acquired Interests pursuant to this Agreement shall be paid equally by ETP (on the one hand) and ETE (on the other hand) when due.

(d) Closing of Taxable Year. ETP shall use its commercially reasonable efforts to cause there to be an interim closing of the books under Section 706 of the Code for the Company effective as of the Closing Date, for purposes of dividing and allocating the Company's income and loss for the taxable year in which the Closing occurs. Such income and loss shall be divided and allocated pursuant to a reasonable accounting for such income and loss that is acceptable to the Parties.

ARTICLE VI
CONDITIONS TO CLOSING

6.1 ***Conditions to Obligations of Each Party***. *The respective obligation of each Party to consummate the Closing is subject to the satisfaction, on or prior to the Closing Date, of each 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 (in such Party's sole discretion)**:***

(a) Approvals. All authorizations, consents, orders or approvals of, or declarations or filings with, or expiration of waiting periods imposed under the HSR Act, if any, or set forth on Schedule 6.1(a) shall have been obtained or made.

(b) Governmental Restraints. No order, decree or injunction of any Governmental Authority shall be in effect, and no Law shall have been enacted or adopted that enjoins, prohibits or makes illegal the consummation of the transactions contemplated by the Transaction Documents and no Proceeding by any Governmental Authority with respect to the transactions contemplated by the Transaction Documents shall be pending that seeks to restrain, enjoin, prohibit or delay the transactions contemplated by the Transaction Documents.

(c) Required Consents. The consents, approvals and waivers set forth on Schedule 6.1(c) shall have been obtained.

(d) Regency GP Purchase. The Regency GP Purchase shall have been consummated pursuant to the terms of the Regency GP Purchase Agreement.

(e) Master Services Agreement. The Master services shall have been executed and delivered by the parties thereto and ETP shall have received a fully executed counterpart thereof.

6.2 ***Conditions to Obligations of ETE.*** The obligation of ETE to consummate the Closing is subject to the satisfaction, on or prior to the Closing Date, of each of the following conditions, any one or more of which may be waived in writing, in whole or in part, by ETE (in ETE's sole discretion):

(a) ETE Loan Documents Waiver. ETE shall have received waivers and/or amendments of the ETE Loan Documents related to the transactions contemplated hereby reasonably acceptable to ETE.

(b) Closing Deliverables. ETP shall have delivered or caused to be delivered all of the closing deliveries set forth in Section 2.4(b) and in the other Transaction Documents.

6.3 ***Conditions to Obligations of ETP.*** The obligation of ETP to consummate the Closing is subject to the satisfaction, on or prior to the Closing Date, of each of the following conditions, any one or more of which may be waived in writing, in whole or in part, by ETP (in ETP's sole discretion):

(a) ETE Loan Documents Waiver. ETE shall have received waivers and/or amendments of the ETE Loan Documents related to the transactions contemplated hereby reasonably acceptable to ETE.

(b) Closing Deliverables. ETE shall have delivered or caused to be delivered all of the closing deliveries set forth in Section 2.4(a) and in the other Transaction Documents.

ARTICLE VII
TERMINATION RIGHTS

7.1 ***Termination Rights.*** This Agreement may be terminated at any time prior to the Closing as follows:

(a) By mutual written consent of the Parties;

(b) By either ETP or ETE if any Governmental Authority of competent jurisdiction shall have issued a final and non-appealable order, decree or judgment prohibiting the consummation of the transactions contemplated by this Agreement;

(c) By either ETP or ETE in the event that the Closing has not occurred on or prior to June 9, 2010 (the "***Termination Date***"); *provided, however,* that (i) ETP may not terminate this Agreement pursuant to this Section 7.1(c) if such failure of the Closing to occur is due to the

failure of ETP to perform and comply in all material respects with the covenants and agreements to be performed or complied with by ETP and (ii) ETE may not terminate this Agreement pursuant to this Section 7.1(c) if such failure of the Closing to occur is due to the failure of ETE to perform and comply in all material respects with the covenants and agreements to be performed or complied with by ETE;

(d) By ETE if there shall have been a breach or inaccuracy of ETP's representations and warranties in this Agreement or a failure by ETP to perform its covenants and agreements in this Agreement, in any such case in a manner that would result in, if occurring and continuing on the Closing Date, the failure of the conditions to the Closing set forth in Section 6.2(a) or Section 6.2(b), unless such failure is reasonably capable of being cured, and ETP is using all reasonable best efforts to cure such failure by the Termination Date; *provided, however*, that ETE may not terminate this Agreement pursuant to this Section 7.1(d) if (i) any of ETE's representations and warranties shall have become and continue to be untrue in a manner that would cause the condition set forth in Section 6.3(a) not to be satisfied or (ii) there has been, and continues to be, a failure by ETE to perform its covenants and agreements in such a manner as would cause the condition set forth in Section 6.3(b) not to be satisfied;

(e) By ETP if there shall have been a breach or inaccuracy of ETE's representations and warranties in this Agreement or a failure by ETE to perform its covenants and agreements in this Agreement, in any such case in a manner that would result in, if occurring and continuing on the Closing Date, the failure of the conditions to the Closing set forth in Section 6.3(a) or Section 6.3(b), unless such failure is reasonably capable of being cured, and ETE is using all reasonable best efforts to cure such failure by the Termination Date; *provided, however*, that ETP may not terminate this Agreement pursuant to this Section 7.1(e) if (i) any of ETP's representations and warranties shall have become and continue to be untrue in a manner that would cause the condition set forth in Section 6.2(a) not to be satisfied or (ii) there has been, and continues to be, a failure by ETP to perform its covenants and agreements in such a manner as would cause the condition set forth in Section 6.2(b) not to be satisfied;

(f) By either ETP or ETE if the Regency Contribution Agreement has been terminated pursuant to its terms; or

(g) By ETE, if the Regency GP Purchase Agreement has been terminated pursuant to its terms.

7.2 ***Effect of Termination.*** In the event of the termination of this Agreement pursuant to Section 7.1, all rights and obligations of the Parties under this Agreement shall terminate, except for the provisions of this Section 7.2, Article IX and Sections 5.6, 5.8, 10.1, 10.3, 10.7 and 10.8; *provided, however,* that no termination of this Agreement shall relieve any Party from any liability for any willful and intentional breach of this Agreement by such Party or for Fraud by such Party and all rights and remedies of a non-breaching Party under this Agreement in the case of any such willful and intentional breach or Fraud, at law and in equity, shall be preserved, including the right to recover reasonable attorneys' fees and expenses. Except to the extent otherwise provided in the immediately preceding sentence, the Parties agree that, if this Agreement is terminated, the Parties shall have no liability to each other under or relating to this Agreement.

ARTICLE VIII
INDEMNIFICATION

8.1 ***Indemnification by ETP.*** Subject to the terms of this Article VIII, from and after the Closing, ETP shall indemnify and hold harmless ETE and its respective partners, members, managers, directors, officers, employees, consultants and permitted assigns (collectively, the "***ETE Indemnitees***"), to the fullest extent permitted by Law, from and against any losses, claims, damages, liabilities and costs and expenses (including reasonable attorneys' fees and expenses) (collectively, "***Losses***") incurred, arising out of or relating to:

(a) the failure of any representation or warranty of ETP contained in Article III to be true and correct as of the date of this Agreement or as of the Closing (as if made on and as of the Closing); provided that the truth and correctness of representations and warranties that by their terms expressly speak of a specified date will be determined as of such date; and

(b) any breach of any of the covenants or agreements of ETP contained in this Agreement.

(c) any Taxes of the Company attributable to a Tax period or portion thereof that ends on or before the Closing Date (excluding Taxes that ETP is obligated to pay as set forth in Section 5.9(c)); and

(d) the Excluded Items.

Notwithstanding the foregoing provisions of this Section 8.1, for purposes of Section 8.1(a), the determination of whether there has been a breach of any representation or warranty of ETP related to ETC II contained in Section 3.16 shall be made as of the date of this Agreement and as of the Option Closing Date (and not as of the Closing).

8.2 ***Indemnification by ETE.*** Subject to the terms of this Article VIII, from and after the Closing, ETE shall indemnify and hold harmless ETP and its directors, officers, employees, consultants and permitted assigns (collectively, the "***ETP Indemnitees***" and, together with the ETE Indemnitees, the "***Indemnitees***"), to the fullest extent permitted by Law, from and against Losses incurred, arising out of or relating to:

(a) the failure of any representation or warranty of ETE contained in Article IV to be true and correct as of the date of this Agreement or as of the Closing (as if made on and as of the Closing); provided that the truth and correctness of representations and warranties that by their terms expressly speak of a specified date will be determined as of such date;

(b) any breach of any of the covenants or agreements of ETE contained in this Agreement; and

(c) any Taxes of ETE attributable to a Tax period or portion thereof that ends on or before the Closing Date (excluding Taxes that ETE is obligated to pay as set forth in Section 5.9(c)).

8.3 ***Limitations and Other Indemnity Claim Matters.*** Notwithstanding anything to the contrary in this Article VIII or elsewhere in this Agreement, the following terms shall apply to any claim for monetary damages arising out of this Agreement or related to the transactions contemplated hereby:

(a) De Minimis. No indemnifying party (an "***Indemnifying Party***") will have any liability under this Article VIII in respect of any individual claim involving Losses arising under Section 8.1(a) or Section 8.2(a) to any single ETE Indemnitee or ETP Indemnitee, as applicable, of less than $125,000 (each, a "***De Minimis Claim***"). Notwithstanding the forgoing, this Section 8.3(a) shall not apply to Losses arising from any breach or inaccuracy of the representations or warranties set forth in Section 3.18, Section 4.5 or Section 4.6.

(b) Deductible.

(i) ETP will not have any liability under Section 8.1(a) unless and until the ETE Indemnitees have suffered Losses in excess of $6,000,000 in the aggregate (the "***Deductible***") arising from Claims under Section 8.1(a) that are not De Minimis Claims, and then recoverable Losses claimed under Section 8.1(a) shall be limited to those that exceed the Deductible.

(ii) ETE will not have any liability under Section 8.2(a) until the ETP Indemnitees have suffered Losses in excess of the Deductible that are not De Minimis Claims, and then recoverable Losses claimed under Section 8.2(a) shall be limited to those that exceed the Deductible.

(c) Cap.

(i) ETP's aggregate liability under this Agreement and from the transactions contemplated hereby shall not exceed $90,000,000 (the "***Cap***"); provided that the limitation set forth in this Section 8.3(c)(i) shall not apply to Losses arising out of or relating to: (i) any breach or inaccuracy of the representations and warranties set forth in Sections 3.1, 3.2, 3.3, 3.5, 3.6, 3.16 or 3.18, (ii) any breach of any covenants or agreements of ETP set forth in this Agreement or (iii) the matters described in Section 8.1(c) and Section 8.1(d)***;*** *provided further* that, notwithstanding anything in this Section 8.1(c) to the contrary, ETP's aggregate liability under this Agreement and from the transactions contemplated hereby shall not exceed $598,800,000 (the "***Aggregate Cap***").

(ii) ETE's aggregate liability under this Agreement and from the transactions contemplated hereby shall not exceed the Cap; provided that the limitation set forth in this Section 8.3(c)(ii) shall not apply to Losses arising out of or relating to: (i) any breach or inaccuracy of the representations and warranties set forth in Sections 4.1, 4.2, 4.3, 4.5 or 4.6, (ii) any breach of any covenants or agreements of ETE set forth in this Agreement that by their terms are to be performed after the Closing Date or (iii) the matters described in Section 8.2(c)***;*** *provided further* that, notwithstanding anything in this Section 8.1(c) to the contrary, the ETE's aggregate liability under this Agreement and from the transactions contemplated hereby shall not exceed the Aggregate Cap.

(d) Survival; Claims Period.

(i) The representations, warranties, covenants and agreements of the Parties under this Agreement shall survive the execution and delivery of this Agreement and shall continue in full force and effect until the one-year anniversary of the Closing Date (the "***Expiration Date***"); provided that (i) the representations and warranties set forth in Sections 3.1 (Organization; Qualification), 3.2 (Authority; Enforceability), 3.3 (Non-Contravention), 3.4 (Governmental Approvals), 3.5 (Capitalization), 3.6 (Ownership of Acquired Interests), 3.18 (Brokers' Fee), 4.1 (Organization; Qualification), 4.2 (Authority; Enforceability; Valid Issuance), 4.3 (Non-Contravention), 4.4 (Governmental Approvals), 4.5 (Matters Relating to the Acquisition of the Acquired Units) and 4.6 (Brokers' Fee) shall survive indefinitely, (ii) the representations and warranties set forth in Sections 3.10(d) (Financial Statements) and 3.17 (Employee Benefits), to the extent such representations and warranties relate to ETC II or the ETC II MEP Interest shall continue in full force and effect until the one-year anniversary of the Option Closing Date (which shall be deemed to be the Expiration Date with respect to such representations and warranties), (iii) the representations and warranties set forth in Section 3.16 (Taxes) shall survive the execution and delivery of this Agreement and shall continue in full force and effect until ninety (90) days after the expiration of the applicable statute of limitations (which shall be deemed to be the Expiration Date with respect to such representations and warranties) and (iv) any covenants or agreements contained in this Agreement that by their terms are to be performed after the Closing Date shall survive until fully discharged.

(ii) No action for a breach of any representation or warranty contained herein (other than representations or warranties that survive indefinitely pursuant to Section 8.3(d)(i)) shall be brought after the Expiration Date, except for claims of which a Party has received a Claim Notice setting forth in reasonable detail the claimed misrepresentation or breach of warranty with reasonable detail, prior to the Expiration Date**.**

(e) Calculation of Losses. In calculating amounts payable to any ETP Indemnitee or ETE Indemnitee (each such person, an "***Indemnified Party***") for a claim for indemnification hereunder, the amount of any indemnified Losses shall be determined without duplication of any other Loss for which an indemnification claim has been made or could be made under any other representation, warranty, covenant, or agreement and shall be computed net of (i) payments actually recovered by the Indemnified Party under any insurance policy with respect to such Losses and (ii) any prior or subsequent actual recovery by the Indemnified Party from any Person with respect to such Losses.

(f) Waiver of Certain Damages. Notwithstanding any other provision of this Agreement, in no event shall any Party be liable for punitive, special, indirect, consequential, remote, speculative or lost profits damages of any kind or nature, regardless of the form of action through which such damages are sought, except (i) for any such damages recovered by any third party against an Indemnified Party in respect of which such Indemnified Party would otherwise be entitled to indemnification pursuant to the terms hereof and (ii) in the case of consequential damages, (A) to the extent an Indemnified Party is required to pay consequential damages to an

unrelated third party and (B) to the extent of consequential damages to an Indemnified Party arising from fraud or willful conduct.

(g) Sole and Exclusive Remedy. Except for the assertion of any claim based on fraud or willful misconduct, the remedies provided in this Article VIII shall be the sole and exclusive legal remedies of the Parties, from and after the Closing, with respect to this Agreement and the transactions contemplated hereby.

8.4 ***Indemnification Procedures.*** Each Indemnitee agrees that promptly after it becomes aware of facts giving rise to a claim by it for indemnification pursuant to this Article VIII, such Indemnitee must assert its claim for indemnification under this Article VIII (each, a "***Claim***") by providing a written notice (a "***Claim Notice***") to the Indemnifying Party allegedly required to provide indemnification protection under this Article VIII specifying, in reasonable detail, the nature and basis for such Claim (e.g., the underlying representation, warranty, covenant or agreement alleged to have been breached). Notwithstanding the foregoing, an Indemnitee's failure to send or delay in sending a third party Claim Notice will not relieve the Indemnifying Party from liability hereunder with respect to such Claim except to the extent the Indemnifying Party is prejudiced by such failure or delay and except as is otherwise provided herein, including in Section 8.3(e).

(b) In the event of the assertion of any third party Claim for which, by the terms hereof, an Indemnifying Party is obligated to indemnify an Indemnitee, the Indemnifying Party will have the right, at such Indemnifying Party's expense, to assume the defense of same including the appointment and selection of counsel on behalf of the Indemnitee so long as such counsel is reasonably acceptable to the Indemnitee. If the Indemnifying Party elects to assume the defense of any such third party Claim, it shall within 30 days of its receipt of the Claim Notice notify the Indemnitee in writing of its intent to do so. The Indemnifying Party will have the right to settle or compromise or take any corrective or remediation action with respect to any such Claim by all appropriate proceedings, which proceedings will be diligently prosecuted by the Indemnifying Party to a final conclusion or settled at the discretion of the Indemnifying Party. The Indemnitee will be entitled, at its own cost, to participate with the Indemnifying Party in the defense of any such Claim. If the Indemnifying Party assumes the defense of any such third-party Claim but fails to diligently prosecute such Claim, or if the Indemnifying Party does not assume the defense of any such Claim, the Indemnitee may assume control of such defense and in the event it is determined pursuant to the procedures set forth in Article IX that the Claim was a matter for which the Indemnifying Party is required to provide indemnification under the terms of this Article VIII, the Indemnifying Party will bear the reasonable costs and expenses of such defense (including reasonable attorneys' fees and expenses). Notwithstanding the foregoing, the Indemnifying Party may not assume the defense of the third-party Claim (but will be entitled at its own cost to participate with the Indemnified Party in the defense of any such Claim) if the potential Losses under the third-party Claim could reasonably and in good faith be expected to exceed, in the aggregate when combined with all claims previously made by the Indemnified Party to the Indemnifying Party under this Article VIII, the maximum amount for which the Indemnifying Party may be liable pursuant to Section 8.3(c); *provided*, *however*, that to the extent the Parties are not in agreement with respect to the calculation of potential Losses the Indemnifying Party shall have the right to assume the defense of the third-party Claim in

accordance herewith until the Parties have agreed or a final non-appealable judgment has been entered into, with respect to the determination of the potential Losses.

(c) Notwithstanding anything to the contrary in this Agreement, the Indemnifying Party will not be permitted to settle, compromise, take any corrective or remedial action or enter into an agreed judgment or consent decree, in each case, that subjects the Indemnitee to any criminal liability, requires an admission of guilt, wrongdoing or fault on the part of the Indemnitee or imposes any continuing obligation on or requires any payment from the Indemnitee without the Indemnitee's prior written consent.

8.5 ***No Reliance.***

(a) THE REPRESENTATIONS AND WARRANTIES OF ETP CONTAINED IN ARTICLE III CONSTITUTE THE SOLE AND EXCLUSIVE REPRESENTATIONS AND WARRANTIES OF ETP TO ETE IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. THE REPRESENTATIONS OF ETE CONTAINED IN ARTICLE IV CONSTITUTE THE SOLE AND EXCLUSIVE REPRESENTATIONS AND WARRANTIES OF ETE TO ETP IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EXCEPT FOR SUCH REPRESENTATIONS AND WARRANTIES, NO PARTY OR ANY OTHER PERSON MAKES ANY OTHER EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY WITH RESPECT TO SUCH PARTY OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, AND EACH PARTY DISCLAIMS ANY OTHER REPRESENTATIONS OR WARRANTIES, WHETHER MADE BY SUCH PARTY OR ANY OF ITS AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR REPRESENTATIVES (INCLUDING WITH RESPECT TO THE DISTRIBUTION OF, OR ANY PERSON'S RELIANCE ON, ANY INFORMATION, DISCLOSURE OR OTHER DOCUMENT OR OTHER MATERIAL MADE AVAILABLE TO ANY PARTY IN ANY DATA ROOM, ELECTRONIC DATA ROOM, MANAGEMENT PRESENTATION OR IN ANY OTHER FORM IN EXPECTATION OF, OR IN CONNECTION WITH, THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT). EXCEPT FOR SUCH REPRESENTATIONS AND WARRANTIES, EACH PARTY DISCLAIMS ALL LIABILITY AND RESPONSIBILITY FOR ANY REPRESENTATION, WARRANTY, PROJECTION, FORECAST, STATEMENT, OR INFORMATION MADE, COMMUNICATED OR FURNISHED (ORALLY OR IN WRITING) TO ANY OTHER PARTY OR ITS AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR REPRESENTATIVES (INCLUDING OPINION, INFORMATION, PROJECTION, OR ADVICE THAT MAY HAVE BEEN OR MAY BE PROVIDED TO ANY PARTY OR ANY OFFICER, DIRECTOR, EMPLOYEE, AGENT OR REPRESENTATIVE OF SUCH PARTY OR ANY OF ITS AFFILIATES).

Except as provided in Sections 7.2, 8.1 and 8.2, no Party nor any Affiliate of a Party shall assert or threaten, and each Party hereby waives and shall cause such Affiliates to waive, any claim or other method of recovery, in contract, in tort or under applicable Law, against any Person that is not a Party (or a successor to a Party) relating to the transactions contemplated by this Agreement.

ARTICLE IX
GOVERNING LAW AND CONSENT TO JURISDICTION

9.1 ***Governing Law.*** This Agreement shall be governed by and construed and interpreted in accordance with the Laws of the State of Delaware, without giving effect to the conflicts of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of Delaware.

9.2 ***Consent to Jurisdiction***. The Parties irrevocably submit to the exclusive jurisdiction of (a) the Delaware Court of Chancery, and (b) any state appellate court therefrom within the State of Delaware (or, only if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware), for the purposes of any Proceeding arising out of this Agreement or the transactions contemplated hereby (and each agrees that no such Proceeding relating to this Agreement or the transactions contemplated hereby shall be brought by it except in such courts). The Parties irrevocably and unconditionally waive (and agree not to plead or claim) any objection to the laying of venue of any Proceeding arising out of this Agreement or the transactions contemplated hereby in (i) the Delaware Court of Chancery, or (ii) any state appellate court therefrom within the State of Delaware (or, only if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware) or that any such Proceeding brought in any such court has been brought in an inconvenient forum. Each of the Parties hereto also agrees that any final and non-appealable judgment against a Party hereto in connection with any Proceeding shall be conclusive and binding on such Party and that such award or judgment may be enforced in any court of competent jurisdiction, either within or outside of the United States. A certified or exemplified copy of such award or judgment shall be conclusive evidence of the fact and amount of such award or judgment.

9.3 ***Waiver Of Jury Trial. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY ACTION OR PROCEEDING TO ENFORCE OR TO DEFEND ANY RIGHTS UNDER THIS AGREEMENT SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.***

ARTICLE X
GENERAL PROVISIONS

10.1 ***Amendment and Modification.*** This Agreement may be amended, modified or supplemented only by written agreement of the Parties hereto.

10.2 ***Waiver of Compliance; Consents.*** Except as otherwise provided in this Agreement, any failure of any of the Parties to comply with any obligation, covenant, agreement or condition in this Agreement may be waived by the Party or Parties entitled to the benefits thereof only by a written instrument signed by the Party or Parties granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure**.**

10.3 ***Notices.*** Any notice, demand or communication required or permitted under this Agreement shall be in writing and delivered personally, by reputable overnight delivery service or other courier or by certified mail, postage prepaid, return receipt requested, and shall be deemed to have been duly given (a) as of the date of delivery if delivered personally or by overnight delivery service or other courier or (b) on the date receipt is acknowledged if delivered by certified mail, addressed as follows; *provided* that a notice of a change of address shall be effective only upon receipt thereof:

If to ETP to:

Energy Transfer Equity, L.P.
3738 Oak Lawn
Dallas, TX 75219
Attention: General Counsel

If to ETE to:

Energy Transfer Equity, L.P.
3738 Oak Lawn
Dallas, TX 75219
Attention: General Counsel

10.4 ***Assignment.*** This Agreement shall be binding upon and inure to the benefit of the Parties and their successors and permitted assigns. No Party may assign or transfer this Agreement or any of its rights, interests or obligations under this Agreement without the prior written consent of the other Parties. Any attempted assignment or transfer in violation of this Agreement shall be null, void and ineffective.

10.5 ***Third Party Beneficiaries.*** This Agreement shall be binding upon and inure solely to the benefit of the Parties hereto and their respective successors and assigns. Except as provided in Sections 8.1 and 8.2, none of the provisions of this Agreement shall be for the benefit of or enforceable by any third party, including any creditor of any Party or any of their Affiliates. No such third party shall obtain any right under any provision of this Agreement or shall by reasons of any such provision make any claim in respect of any liability (or otherwise) against any other Party.

10.6 ***Entire Agreement.*** This Agreement and the other Transaction Documents constitute the entire agreement and understanding of the Parties with respect to the subject matter hereof and supersede all prior agreements and understandings, both oral and written, among the Parties or between any of them with respect to such subject matter.

10.7 ***Severability***. Whenever possible, each provision or portion of any provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable Law but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or portion of any

provision in such jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision or portion of any provision had never been contained herein.

10.8 ***Representation by Counsel.*** Each of the Parties agrees that it has been represented by independent counsel of its choice during the negotiation and execution of this Agreement and the documents referred to herein, and that it has executed the same upon the advice of such independent counsel. Each Party and its counsel cooperated in the drafting and preparation of this Agreement and the documents referred to herein, and any and all drafts relating thereto shall be deemed the work product of the Parties and may not be construed against any Party by reason of its preparation. Therefore, the Parties waive the application of any Law providing that ambiguities in an agreement or other document will be construed against the Party drafting such agreement or document.

10.9 ***Disclosure Schedules.*** The inclusion of any information (including dollar amounts) in any section of the ETP Disclosure Schedule or the ETE Disclosure Schedule shall not be deemed to be an admission or acknowledgment by a Party that such information is required to be listed on such section of the ETP Disclosure Schedule or the ETE Disclosure Schedule or is material to or outside the ordinary course of the business of such Party or the Person to which such disclosure relates. The information contained in this Agreement, the Exhibits and the Schedules is disclosed solely for purposes of this Agreement, and no information contained in this Agreement, the Exhibits or the Schedules shall be deemed to be an admission by any Party to any third Person of any matter whatsoever (including any violation of a legal requirement or breach of contract). The disclosure contained in one disclosure schedule contained in the ETE Disclosure Schedule or ETP Disclosure Schedule may be incorporated by reference into any other disclosure schedule contained therein, and shall be deemed to have been so incorporated into any other disclosure schedule so long as it is readily apparent that the disclosure is applicable to such other disclosure schedule.

10.10 ***Facsimiles***; ***Counterparts.*** This Agreement may be executed by facsimile signatures by any Party and such signature shall be deemed binding for all purposes hereof, without delivery of an original signature being thereafter required. This Agreement may be executed in one or more counterparts, each of which, when executed, shall be deemed to be an original and all of which together shall constitute one and the same document.

[Signature page follows]

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed by its respective duly authorized officers as of the date first above written.

ENERGY TRANSFER PARTNERS, L.P.

By: Energy Transfer Partners GP, L.P.,
its general partner

By: Energy Transfer Partners, L.L.C.,
its general partner

By: /s/ Martin Salinas, Jr.
Name: Martin Salinas, Jr.
Title: Chief Financial Officer

ENERGY TRANSFER EQUITY, L.P.

By: LE GP, LLC,
its general partner

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

EXHIBIT A

"***Accounting Firm***" is defined in Section 2.5(c).

"***Acquired ETC II Interest***" is defined in the recitals to this Agreement.

"***Acquired ETC III Interest***" is defined in the recitals to this Agreement.

"***Acquired Interest***" is defined in the recitals to this Agreement.

"***Actual Preceding Quarter Distribution Amount***" is defined in Section 2.6(e).

"***Actual Pro Rata Closing Quarter Distribution Amount***" is defined in Section 2.6(f).

"***Administrative Agent***" is defined in the MEP Credit Agreement.

"***Affiliate***" means a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, a specified Person. A Person shall be deemed to control another Person if such first Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise.

"***Agreement***" is defined in the preamble to this Agreement.

"***Assignment of Interests***" is defined in Section 2.4(a)(iv).

"***Available Cash***" is defined in the ETP Partnership Agreement.

"***Board***" has the meaning assigned to such term in the Company LLC Agreement.

"***Budget***" has the meaning assigned to such term in the Company LLC Agreement.

"***Business Day***" means any day that is not a Saturday, Sunday or other day on which commercial banks in the State of Texas are authorized or obligated to be closed by applicable Laws.

"***Cap***" is defined in Section 8.3(c).

"***Claim***" is defined in Section 8.4(a).

"***Claim Notice***" is defined in Section 8.4(a).

"***Closing***" is defined in Section 2.3.

"***Closing Date***" is defined in Section 2.3.

"***Closing Date Long-Term Debt***" is defined in Section 2.5(a)(iii).

"***Closing Date Net Working Capital***" is defined in Section 2.5(a)(i).

"***Closing Quarter***" is defined in Section 2.6(a).

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

"***Company***" is defined in the recitals to this Agreement.

"***Company Credit Facility***" means the $1,400,000,000 credit facility of the Company established pursuant to the MEP Credit Agreement.

"***Company Financial Statements***" are defined in Section 3.10(a).

"***Company LLC Agreement***" is defined in the recitals to this Agreement.

"***Company Material Adverse Effect***" means any Material Adverse Effect in respect of the Company.

"***Company Material Contracts***" is defined in Section 3.13(b).

"***Company Policies***" is defined in Section 3.21.

"***Consideration Adjustment Amount***" is defined in Section 2.5(a).

"***Contract***" means any written agreement, lease, license, note, evidence of indebtedness, mortgage, security agreement, understanding, instrument or other legally binding arrangement.

"Control" means, where used with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of Voting Interests, by contract or otherwise, and the terms "Controlling" and "Controlled" have correlative meanings.

"***Creditworthy Affiliate***" has the meaning assigned to such term in the Company LLC Agreement.

"***Creditors' Rights***" is defined in Section 3.2(b).

"***Deductible***" is defined in Section 8.3(b)(i).

"***Delaware LLC Act***" means the Delaware Limited Liability Company Act, as amended from time to time.

"***De Minimis Claim***" is defined in Section 8.3(a).

"***Disclosure Schedule***" means, i) with respect to ETP, the ETP Disclosure Schedule and (ii) with respect to ETE, the ETE Disclosure Schedule.

"***Environmental Laws***" means any and all Laws pertaining to the prevention of pollution, the protection of human health (including worker health and safety) and the environment (including ambient air, surface water, ground water, land, surface or subsurface strata and natural resources), and the investigation, removal and remediation of contamination.

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

"***ERISA Affiliate***" means, with respect to any entity, trade or business, any other entity, trade or business that is a member of a group described in Section 414(b),(c), (m) or (o) of the Code or Section 4001(b)(l) of ERISA that includes the first entity, trade or business, or that is a member of the same "controlled group" as the first entity, trade or business pursuant to section 4001(a)(14) of ERISA.

"***Estimated Adjustment Statement***" is defined in Section 2.5(b).

"***Estimated Closing Date Balance Sheet***" is defined in Section 2.5(b).

"***Estimated Closing Date Long-Term Debt***" is defined in Section 2.5(b).

"***Estimated Consideration Adjustment Amount***" is defined in Section 2.5(b).

"***Estimated Net Working Capital***" is defined in Section 2.5(b).

"***Estimated Preceding Quarter Distribution Amount***" is defined in Section 2.6(a).

"***Estimated Pre-Closing Capex Amount***" is defined in Section 2.5(b).

"***Estimated Pro Rata Closing Quarter***" is defined in Section 2.6(a).

"***ETC II***" is defined in the recitals to this Agreement.

"***ETC II LLC Agreement***" means the limited liability company agreement of ETC II, dated April 12, 2010.

"***ETC II MEP Interest***" is defined in the recitals to this Agreement.

"***ETC II Option***" is defined in the recitals to this Agreement.

"***ETC III***" is defined in the recitals to this Agreement.

"***ETC III MEP Interest***" is defined in the recitals to this Agreement.

"***ETC III LLC Agreement***" means the limited liability company agreement of ETC III, dated April 12, 2010.

"***ETE***" is defined in the preamble to this Agreement.

"***ETE Acquirer***" is defined in the recitals to this Agreement.

"***ETE Adjustment Payment***" is defined in Section 2.5(d).

"***ETE Credit Agreement***" means the Amended and Restated Credit Agreement dated as of July 13, 2006, by and among ETE, Wachovia, Bank National Association, as Administrative Agent and the lenders party thereto.

"***ETE Disclosure Schedule"*** means the disclosure schedule to this Agreement prepared by ETE and delivered to ETP on the Execution Date, as may be supplemented in accordance with the terms of this Agreement.

"***ETE Indemnitees***" is defined in Section 8.1.

"***ETE Loan Documents***" means the "Loan Documents" as defined in the ETE Credit Agreement.

"***ETE Material Adverse Effect***" means any Material Adverse Effect in respect of ETE.

"***ETE Option Agreement***" is defined in Section 2.4(a)(v).

"***ETP***" is defined in the recitals to this Agreement.

"***ETP Adjustment Payment***" is defined in Section 2.5(d).

"***ETP Disclosure Schedule"*** means the disclosure schedule to this Agreement prepared by ETP and delivered to ETE on the Execution Date, as may be supplemented in accordance with the terms of this Agreement.

"***ETP Guarantee Agreement***" has the meaning assigned to the term Guarantee Agreement in the Company LLC Agreement.

"***ETP Guaranty Agreement***" means that certain Guaranty Agreement, dated as of February 29, 2008, between ETP and The Royal Bank of Scotland plc, as the administrative agent, as amended by that certain First Amendment to Guaranty Agreement, dated as of November 6, 2009, between ETP and The Royal Bank of Scotland plc, as the administrative agent.

"***ETP Indemnitees***" is defined in Section 8.2.

"***ETP Partnership Agreement***" means the Second Amended and Restated Agreement of Limited Partnership of Energy Transfer Partners, L.P., as amended and in effect as of the date of this Agreement.

"***Excluded Items***" means matters described on Exhibit E attached hereto.

"***Execution Date***" is defined in the preamble to this Agreement.

"***Expiration Date***" is defined in Section 8.3(e)(i).

"***FERC***" means the Federal Energy Regulatory Commission of the United States of America.

"***Final Closing Date Balance Sheet***" is defined in Section 2.5(c).

"***Final Consideration Adjustment Amount***" is defined in Section 2.5(c).

"***Final Pre-Closing Capex Amount***" is defined in Section 2.5(c).

"***Final Adjustment Statement***" is defined in Section 2.5(c).

"***Fraud***" means actual fraud involving a knowing and intentional misrepresentation of a material fact.

"***GAAP***" means generally accepted accounting principles in the United States of America.

"***GE***" is defined in the recitals to this Agreement.

"***Governmental Authority***" means any executive, legislative, judicial, regulatory or administrative agency, body, commission, department, board, court, tribunal, arbitrating body or authority of the United States or any foreign country, or any state, local or other governmental subdivision thereof.

"***GP/IDR Distribution Amount***" is defined in Section 2.6(a).

"***Hazardous Substances***" means each substance, waste or material regulated, defined, designated or classified as a hazardous waste, hazardous substance, hazardous material, pollutant, contaminant or toxic substance under any Environmental Law; provided that the term Hazardous Substances shall be deemed not to include petroleum, petroleum products, natural gas or natural gas liquids that are in containers or vessels that are in good condition and compliant with applicable Environmental Laws.

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

"***Indemnified Party***" is defined in Section 8.3(f).

"***Indemnifying Party***" is defined in Section 8.3(a).

"***Indemnitees***" is defined in Section 8.2.

"***Intellectual Property***" means patents, trademarks, copyrights, and trade secrets.

"***Interim Financial Statement***" is defined in Section 3.10(a).

"***Knowledge***" means (a) with respect to ETP, the actual knowledge of Kelcy Warren, Martin Salinas, Mike Smith and Tom Mason and (b) with respect to ETE, the actual knowledge of John McReynolds and Sonia Aube.

"***Law***" means any law, statute, code, ordinance, order, rule, rule of common law, regulation, judgment, decree, injunction, franchise, permit, certificate, license or authorization of any Governmental Authority.

"***Lien***" means, with respect to any property or asset, (i) any mortgage, pledge, security interest, lien or other similar property interest or encumbrance in respect of such property or

asset, and (ii) any easements, rights-of-way, restrictions, restrictive covenants, rights, leases and other encumbrances on title to real or personal property (whether or not of record).

"***Long-Term Debt***" mean all long-term debt, determined in accordance with GAAP as applied consistent with the Company's past practices (including its preparation of the Financial Statements).

"***Long-Term Debt Threshold***" is defined in Section 2.5(a)(iii).

"***Losses***" is defined in Section 8.1.

"***Master Services Agreement***" means the Master Services Agreement in substantially the form attached as Exhibit D hereto.

"***Material Adverse Effect***" means, with respect to any Person, any change, event or development that is materially adverse to the business, financial condition, or operations of such Person and its Subsidiaries, taken as a whole; *provided*, *however*, that, a Material Adverse Effect shall not be deemed to have occurred as a result of any of the following changes, events or developments (either alone or in combination): (a) any change in general economic, political or business conditions (including any effects on the economy arising as a result of acts of terrorism); (b) any change in oil or natural gas commodity prices; (c) any change affecting the natural gas transportation industry generally but which does not have a disproportionate impact on the business of such Person and its Subsidiaries; (d) any change in accounting requirements or principles imposed by GAAP or any change in Law after the Execution Date but which does not, in each case, have a disproportionate impact on the business of such Person and its Subsidiaries; or (e) any change resulting from the execution of this Agreement or the announcement of the transactions contemplated hereby.

"***MEP Credit Agreement***" means the Credit Agreement, dated as of February 29, 2008, by and among the Company, The Royal Bank of Scotland plc, as Administrative Agent, and the lenders party thereto.

"***MEP Expansion Project***" is defined as capital projects to increase Zone 1 capacity from 1,432,500 Dth/d to 1,832,500 Dth/d and Zone 2 from 1,000,000 Dth/d to 1,200,000 Dth/d.

"***Net Working Capital***" means (a) total current assets minus (b) total current liabilities, all as determined in accordance with GAAP as applied consistently with the Company's past practices (including its preparation of the Company Financial Statements).

"***Net Working Capital Threshold***" is defined in Section 2.5(a)(i).

"***Objection Notice***" is defined in Section 2.5(c).

"***Option Closing Date***" is defined in the recitals to this Agreement.

"***Organizational Documents***" means, with respect to any Person, the articles of incorporation, certificate of incorporation, certificate of formation, certificate of limited partnership, bylaws, limited liability company agreement, operating agreement, partnership

agreement, stockholders' agreement and all other similar documents, instruments or certificates executed, adopted or filed in connection with the creation, formation or organization of such Person, including any amendments thereto (including, in the case of the Company, the Company LLC Agreement).

"***Party***" and "***Parties***" are defined in the preamble of this Agreement.

"***Permits***" means all permits, approvals, consents, licenses, franchises, exemptions and other authorizations, consents and approvals of or from Governmental Authorities.

"***Permitted Liens***" means, with respect to any Person, (a) statutory Liens for current Taxes applicable to the assets of such Person or assessments not yet delinquent or the amount or validity of which is being contested in good faith and for which adequate reserves have been established in accordance with GAAP; (b) mechanics', carriers', workers', repairmen's, landlords' and other similar liens arising or incurred in the ordinary course of business of such Person relating to obligations as to which there is no default on the part of such Person, (c) Liens as may have arisen in the ordinary course of business of such Person, none of which are material to the ownership, use or operation of the assets of such Person; (d) any state of facts that an accurate on the ground survey of any real property of such Person would show, and any easements, rights-of-way, restrictions, restrictive covenants, rights, leases, and other encumbrances on title to real or personal property filed of record, in each case, that do not materially detract from the value of or materially interfere with the use and operation of any of the assets of such Person; (e) statutory Liens for obligations that are not delinquent, (f) Liens encumbering the fee interest of those tracts of real property encumbered by Rights-of-Way, (g) legal highways, zoning and building laws, ordinances and regulations, that do not materially detract from the value of or materially interfere with the use of the assets of such Person in the ordinary course of business and (h) any Liens with respect to assets of such Person, which, together with all other Liens, do not materially detract from the value of such Person or materially interfere with the present use of the assets owned by such Person or the conduct of the business of such Person.

"***Person***" means any natural person, corporation, limited partnership, general partnership, limited liability company, joint stock company, joint venture, association, company, estate, trust, bank trust company, land trust, business trust, or other organization, whether or not a legal entity, custodian, trustee-executor, administrator, nominee or entity in a representative capacity and any Governmental Authority.

"***Pre-Closing Capex Amount***" means the aggregate amount of capital expenditures, as defined in accordance with GAAP (whether funded through capital contributions, debt incurrence, cash on hand or otherwise), made by the Company from and after January 1, 2010 through the Closing.

"***Preceding Quarter***" is defined in Section 2.6(a).

"***Proceeding***" means any civil, criminal or administrative actions, suits, investigations or other proceedings.

"***Record Date***" means the close of business on the date specified by ETP as the record date for any quarterly distribution of cash in respect of the ETP Common Units.

"***Redeemed Units***" is defined in Section 2.1.

"***Redemption***" is defined in the recitals to this Agreement.

"***Regency***" is defined in the recitals to this Agreement.

"***Regency Contribution Agreement***" is defined in the recitals to this Agreement.

"***Regency GP Purchase***" is defined in the recitals to this Agreement.

"***Regency GP Purchase Agreement***" is defined in the recitals to this Agreement.

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

"***Representatives***" is defined in Section 5.3.

"***Responsible Officer***" means, with respect to any Person, any vice-president or more senior officer of such Person.

"***Review Period***" is defined in Section 2.5(c).

"***RGPLLC***" is defined in the recitals to this Agreement.

"***RGPLP***" is defined in the recitals to this Agreement.

"***Rights-of-Way***" means easements, rights-of-way and similar real estate interests.

"***Securities Act***" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"***Subsidiary***" means, with respect to any Person, any corporation, limited liability company, partnership, association or other business entity of which a majority of the Voting Interests are at the time owned or Controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof.

"***Tax***" means any tax, charge, fee, levy, penalty or other assessment imposed by any United States federal, state, local or foreign taxing authority or any other taxing authority, including any excise, real and personal property (tangible or intangible), income, sales, transfer, margin, franchise, payroll, withholding, social security or other tax, including any interest, penalties or additions attributable thereto.

"***Tax Return***" means any return, report, information return, declaration, claim for refund or other document (including any related or supporting information or schedules) supplied or

required to be supplied to any taxing authority or any Person with respect to Taxes and including any supplement or amendment thereof.

"***Termination Date***" is defined in Section 7.1(c).

"***Transaction Documents***" means this Agreement, the Company Guarantee Agreement, the Assignment of Interest and the ETE Option Agreement.

"***Voting Interests***" of any Person as of any date means the equity interests of such Person pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers, general partners or trustees of such Person (regardless of whether, at the time, equity interests of any other class or classes shall have, or might have, voting power by reason of the occurrence of any contingency) or, with respect to a partnership (whether general or limited), any general partner interest in such partnership.

Exhibit 2.3

Execution Copy

CONTRIBUTION AGREEMENT

BY AND AMONG

ENERGY TRANSFER EQUITY, L.P.,

REGENCY ENERGY PARTNERS LP

AND

REGENCY MIDCONTINENT EXPRESS LLC

MAY 10, 2010

TABLE OF CONTENTS

CONTRIBUTION AGREEMENT

This **CONTRIBUTION AGREEMENT** (this "***Agreement***"), dated as of May 10, 2010 (the "***Execution Date***"), is made and entered into by and among Energy Transfer Equity, L.P., a Delaware limited partnership ("***ETE***"), Regency Energy Partners LP, a Delaware limited partnership ("***Regency***"), and Regency Midcontinent Express LLC, a Delaware limited liability company ("***Regency SPV***").

Each of Regency and Regency SPV are sometimes referred to individually in this Agreement as a "***Regency Party***" and are sometimes collectively referred to in this Agreement as the "***Regency Parties***."

Each of the parties to this Agreement is sometimes referred to individually in this Agreement as a "***Party***" and all of the parties to this Agreement are sometimes collectively referred to in this Agreement as the "***Parties***."

R E C I T A L S

WHEREAS, reference is hereby made to that certain Amended and Restated Limited Liability Company Agreement dated as of March 1, 2007 (the "***Company LLC Agreement***"), of Midcontinent Express Pipeline, LLC, a Delaware limited liability company (the "***Company***"), by and between Kinder Morgan Operating Limited Partnership "A" and ETC Midcontinent Express Pipeline, L.L.C. ("***ETC***");

WHEREAS, ETC Midcontinent Express Pipeline III, L.L.C., a Delaware limited liability company and indirect wholly owned subsidiary of ETP ("***ETC III***") owns a 49.9% membership interest in the Company (the "***ETC III MEP Interest***");

WHEREAS, ETC Midcontinent Express Pipeline II, L.L.C., a Delaware limited liability company and indirect wholly owned subsidiary of ETP ("***ETC II***") owns a 0.1% membership interest in the Company (the "***ETC II MEP Interest***");

WHEREAS, pursuant to that certain Redemption and Exchange Agreement dated as of the date hereof (the "***ETP Redemption Agreement***"), by and between ETE and ETP, subject to the terms and conditions contained therein, ETP has agreed to redeem certain limited partner interests of ETP held by ETE in exchange for (a) all of the outstanding membership interests in ETC III (the "***Acquired ETC III Interest***") and (b) an option substantially in the form attached hereto as Exhibit B (the "***ETC II Option***") to purchase all of the outstanding membership interests in ETC II (the "***Acquired ETC II Interest***" and, together with the Acquired ETC III Interest, the "***Acquired Interests***") on the date that is one year and one day following the Closing Date (the "***Option Closing Date***") (the "***Redemption and Exchange***");

WHEREAS, pursuant to that certain General Partner Purchase Agreement, dated as of the date hereof (the "***Regency GP Purchase Agreement***"), by and among Regency GP Acquirer, L.P., a Delaware limited partnership, ETE and ETE GP Acquirer LLC, a Delaware limited liability company, subject to the terms and conditions contained therein, ETE (through ETE GP Acquirer) has agreed to acquire (the "***Regency GP Purchase***") (a) 100% of the membership interests in Regency GP, LLC, a Delaware limited liability company and the general partner of

RGPLP (as defined below) ("***RGPLLC***") and (b) all of the outstanding limited partner interests in Regency GP LP, a Delaware limited partnership ("***RGPLP***") and the sole owner of the general partner interests of Regency.

WHEREAS; Regency SPV is a wholly owned Subsidiary of Regency; and

WHEREAS, immediately after the consummation of the Redemption and Exchange and Regency GP Purchase, and subject to the terms and conditions of this Agreement, ETE desires to (i) contribute to Regency (through Regency SPV), and Regency (through Regency SPV) desires to accept from ETE, the Acquired ETC III Interest and (ii) assign, transfer and sell to Regency (through Regency SPV), and Regency (through Regency SPV) desires to accept from ETE, the ETC II Option, (collectively, the "***ETC Consideration Interests***") in exchange for certain Regency Common Units described herein.

A G R E E M E N T S

NOW, THEREFORE, in consideration of the representations, warranties, agreements and covenants contained in this Agreement, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the Parties undertake and agree as follows:

ARTICLE I
DEFINITIONS AND INTERPRETATIONS

1.1 ***Definitions***. Capitalized terms used in this Agreement but not defined in the body of this Agreement shall have the meanings ascribed to them in Exhibit A. Capitalized terms defined in the body of this Agreement are listed in Exhibit A with reference to the location of the definitions of such terms in the body of this Agreement.

1.2 ***Interpretations***. In this Agreement, unless a clear contrary intention appears: (a) the singular includes the plural and vice versa; (b) reference to a Person includes such Person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity; (c) reference to any gender includes each other gender; (d) references to any Exhibit, Schedule, Section, Article, Annex, subsection and other subdivision refer to the corresponding Exhibits, Schedules, Sections, Articles, Annexes, subsections and other subdivisions of this Agreement unless expressly provided otherwise; (e) references in any Section or Article or definition to any clause means such clause of such Section, Article or definition; (f) "hereunder," "hereof," "hereto" and words of similar import are references to this Agreement as a whole and not to any particular provision of this Agreement; (g) the word "or" is not exclusive, and the word "including" (in its various forms) means "including without limitation"; (h) each accounting term not otherwise defined in this Agreement has the meaning commonly applied to it in accordance with GAAP; (i) references to "days" are to calendar days; and (j) all references to money refer to the lawful currency of the United States. The Table of Contents and the Article and Section titles and headings in this Agreement are inserted for convenience of reference only and are not intended to be a part of, or to affect the meaning or interpretation of, this Agreement.

ARTICLE II
CONTRIBUTION OF THE ETC CONSIDERATION INTERESTS; CLOSING

2.1 ***Contribution of the ETC Consideration Interests***. Upon the terms and subject to the satisfaction or due waiver of the conditions contained in this Agreement, at the Closing ETE shall contribute, assign, transfer and deliver to Regency, and Regency (through Regency SPV) shall accept from ETE, the ETC Consideration Interests.

2.2 ***Consideration for ETC Consideration Interests***. The consideration (the "***Unit Contribution Consideration***") to be delivered by Regency (through Regency SPV) to ETE in exchange for the contribution, assignment, transfer and delivery of the ETC Consideration Interests by ETE to Regency (through Regency SPV) shall consist of 26,266,791 Regency Common Units. The Unit Contribution Consideration shall be issuable by Regency to ETE in accordance with Section 2.4(a)(i). The Regency Common Units comprising the Unit Contribution Consideration are referred to in this Agreement as the "***Acquired Units***."

2.3 ***Time and Place of Closing***. The closing of the contribution, assignment, transfer and delivery of the ETC Consideration Interests to Regency (through Regency SPV) and the other transactions contemplated by this Agreement (the "***Closing***") will take place at the offices of Vinson & Elkins L.L.P., 1001 Fannin Street, Suite 2500, Houston, Texas 77002 on the second Business Day after all of the conditions set forth in Article VI (other than those conditions which by their terms are only capable of being satisfied at the Closing, but subject to the satisfaction or due waiver of those conditions) have been satisfied or waived by the Party or Parties entitled to waive such conditions, unless another time, date and place are agreed to in writing by the Parties. The date of the Closing is referred to in this Agreement as the "***Closing Date***." The Closing will be deemed effective as of 12:03 a.m., Houston, Texas time, on the Closing Date.

2.4 ***Deliveries and Actions at Closing***.

(a) Regency Party Deliveries and Actions. At the Closing, the Regency Parties will execute and deliver, or cause to be executed and delivered, to ETE, each of the following documents, where the execution or delivery of documents is contemplated, and will take or cause to be taken the following actions, where the taking of actions is contemplated:

(i) Unit Contribution Consideration. Original unit certificates representing the Regency Common Units comprising the Unit Contribution Consideration;

(ii) Estimated Purchase Price Adjustment Amount. The amount, if any, required to be paid by Regency pursuant to Section 2.5(b), by wire transfer of immediately available funds to an account designated by ETE.

(iii) Assignment of Interest. A counterpart of an assignment (the "***Assignment of Interest***"), substantially in the form attached hereto as Exhibit C, evidencing the conveyance, assignment, transfer and delivery to Regency (through Regency SPV) of the Acquired ETC III Interest, duly executed by the Regency Parties;

(iv) Option Assignment Agreement. A counterpart of an option agreement, substantially in the form attached hereto as Exhibit D (the "***Option Assignment***

Agreement"), evidencing the assignment of the ETC II Option from ETE to Regency, duly executed by the Regency Parties;

(v) Registration Rights Agreement. A counterpart of a registration rights agreement, substantially in the form attached hereto as Exhibit E (the "***Registration Rights Agreement***") duly executed by Regency; and

(vi) Closing Certificate. The certificate contemplated by Section 6.3(g).

(b) ETE Deliveries and Actions. At the Closing, ETE will execute and deliver, or cause to be executed and delivered, to the Regency Parties, each of the following documents, where the execution or delivery of documents is contemplated, and will take or cause to be taken the following actions, where the taking of actions is contemplated:

(i) Estimated Purchase Price Adjustment. The amount, if any, required to be paid by ETE pursuant to Section 2.5(b), by wire transfer of immediately available funds to an account designated by the Regency Parties;

(ii) Distribution Amounts. The amount, if any, required to be paid by ETE pursuant to Section 2.6(a) and Section 2.6(b), by wire transfer of immediately available funds to an account designated by the Regency Parties;

(iii) FIRPTA Certificate. A certificate of ETE in the form specified in Treasury Regulation Section 1.1445-2(b)(2)(iv) that ETE is not a "foreign person" within the meaning of Section 1445 of the Code;

(iv) Assignment of Interest. A counterpart of the Assignment of Interest, duly executed by ETE;

(v) Option Assignment Agreement. A counterpart of the Option Assignment Agreement, duly executed by ETE;

(vi) Registration Rights Agreement. A counterpart of the Registration Rights Agreement, duly executed by ETE; and

(vii) Closing Certificate. The certificate contemplated by Section 6.2(e).

2.5 ***Purchase Price Adjustment***.

(a) The "***Purchase Price Adjustment Amount***" shall be an amount determined as follows:

(i) The Purchase Price Adjustment Amount shall be increased by 49.9% of the amount (if any) by which the Net Working Capital of the Company as of the Closing Date ("***Closing Date Net Working Capital***") exceeds negative $83,161,000 (the "***Net Working Capital Threshold***");

(ii) The Purchase Price Adjustment Amount shall be decreased by 49.9% of the amount (if any) by which the Net Working Capital Threshold exceeds Closing Date Net Working Capital;

(iii) The Purchase Price Adjustment Amount shall be decreased by 49.9% of the amount (if any) by which the Long-Term Debt of the Company as of the Closing Date ("***Closing Date Long-Term Debt***") exceeds $798,836,000 (the "***Long-Term Debt Threshold***");

(iv) The Purchase Price Adjustment Amount shall be increased by 49.9% of the amount (if any) by which the Long-Term Debt Threshold exceeds Closing Date Long-Term Debt; and

(v) The Purchase Price Adjustment Amount shall be increased by 49.9% of the Pre-Closing Capex Amount.

(b) Not later than ten Business Days prior to the Closing Date, ETE shall prepare and deliver to Regency a preliminary settlement statement (the "***Estimated Adjustment Statement***") setting forth (i) an estimated balance sheet of the Company as of the Closing Date, which balance sheet will be prepared in accordance with GAAP, applied consistently with the Company's past practices (including its preparation of the Financial Statements) (the "***Estimated Closing Date Balance Sheet***") based on the most recent financial information of the Company reasonably available to ETE, (ii) a calculation of the difference, if any, between the Net Working Capital shown on the Estimated Closing Date Balance Sheet ("***Estimated Net Working Capital***") and the Net Working Capital Threshold, (iii) a calculation of the difference, if any, between the Long-Term Debt shown on the Estimated Closing Date Balance Sheet ("***Estimated Closing Date Long-Term Debt***") and the Long-Term Debt Threshold, (iv) an estimated calculation of the Pre-Closing Capex Amount ("***Estimated Pre-Closing Capex Amount***") and (v) an estimated calculation of the Purchase Price Adjustment Amount. Regency shall have the right, following Regency's receipt of the Estimated Adjustment Statement, to object thereto by delivering written notice to ETE no later than three Business Days before the Closing Date. To the extent Regency timely objects to the Estimated Adjustment Statement (or any component thereof), Regency and ETE shall attempt to resolve their differences; *provided* that, if Regency and ETE are unable to resolve any such dispute prior to the Closing Date, then ETE's calculations as reflected in the Estimated Adjustment Statement shall control for purposes of all payments to be made at Closing. To the extent Regency and ETE resolve any of their differences prior to the Closing, then the Parties shall jointly agree on a revised Estimated Adjustment Statement that will control for purposes of the payments to be made at the Closing. The estimated Purchase Price Adjustment Amount that controls for purposes of the payments to be made at the Closing is referred to herein as the "***Estimated Purchase Price Adjustment Amount***." If the Estimated Purchase Price Adjustment Amount is a positive number, then at Closing Regency shall wire transfer in immediately available funds an amount equal to the Estimated Purchase Price Adjustment Amount to an account to be designated by ETE before Closing. If the Estimated Purchase Price Adjustment Amount is a negative number, then at Closing ETE shall wire transfer in immediately available funds an amount equal to the absolute value of the Estimated Purchase Price Adjustment Amount to an account to be designated by Regency before Closing.

(c) Not later than the 90th day following the Closing Date, Regency shall prepare and deliver to ETE a statement (the "***Final Adjustment Statement***") setting forth (i) an estimated balance sheet of the Company as of the Closing Date, which balance sheet will be prepared in the same manner as the Estimated Closing Date Balance Sheet (the "***Final Closing Date Balance Sheet***") based on the most recent financial information of the Company reasonably available to Regency, (ii) a calculation of the difference, if any, between the Net Working Capital shown on the Final Closing Date Balance Sheet and Estimated Net Working Capital, (iii) a calculation of the difference, if any, between the Closing Date Long-Term Debt shown on the Final Closing Date Balance Sheet and Estimated Closing Date Long-Term Debt, (iv) a calculation of the actual Pre-Closing Capex Amount (the "***Final Pre-Closing Capex Amount***"), together with a calculation showing the difference, if any, between the Final Pre-Closing Capex Amount and the Estimated Pre-Closing Capex Amount and (v) the final calculation of the Purchase Price Adjustment Amount. At any time during the 30-day period following receipt of the Final Adjustment Statement (the "***Review Period***"), ETE may deliver to Regency a written report containing any changes that ETE proposes be made to the Final Adjustment Statement (such written report, an "***Objection Notice***"). Regency shall provide to ETE such documentation and other data, and, during normal business hours, access to its and the Company's officers, employees, agents and other personnel as is reasonably necessary to enable ETE to appropriately review the Final Adjustment Statement, including preparing a Final Closing Date Balance Sheet and making the calculations set forth in the first sentence of this Section 2.5(c). ETE shall be deemed to have waived any rights to object to the Final Adjustment Statement unless ETE delivers an Objection Notice to Regency within the Review Period and, if the Review Period expires without ETE so delivering an Objection Notice, then the Final Adjustment Statement shall become final and binding for all purposes of this Agreement. If ETE delivers an Objection Notice to Regency during the Review Period, then ETE and Regency shall attempt to agree on the amount of the actual Purchase Price Adjustment Amount. If such Parties cannot reach agreement within 30 days after the date on which ETE delivered such Objection Notice to Regency, the Parties shall refer the remaining disputed matters necessary to the final determination of the Purchase Price Adjustment Amount to PriceWaterhouseCoopers, or if PriceWaterhouseCoopers is unable or unwilling to perform its obligations under this Section 2.5(c), such other nationally-recognized independent accounting firm as is mutually agreed on by ETE and Regency (the "***Accounting Firm***"). The Accounting Firm shall, if requested by ETE, resolve any disputes under this Section 2.5(c), as well as any disputes under Section 2.5(c) of the Redemption and Exchange Agreement. Each Party shall deliver simultaneously to the Accounting Firm (i) the Objection Notice and such work papers, invoices and other reports and information relating to the disputed matters as the Accounting Firm may request and (ii) such Party's proposed resolution of the disputed matters and any materials it wishes to present to justify the resolution it so presents. Each Party shall be afforded the opportunity to discuss the disputed matters with the Accounting Firm. The Accounting Firm shall act as an expert (and not as an arbitrator) for the limited purpose of determining the specific disputed matters necessary to the determination of the Purchase Price Adjustment Amount submitted by either ETE or Regency to the Accounting Firm, and whether and to what extent, if any, the Purchase Price Adjustment Amount requires adjustment as a result of the resolution of those disputed matters (applying GAAP consistently with the Company's past practices). The Accounting Firm may not award damages or penalties and shall not have authority to address matters not in dispute between the Parties or necessary to the determination of the final Purchase Price Adjustment

Amount. The Accounting Firm's determination shall be made within 30 days after submission of the disputed matters and shall be final and binding on all Parties, without right of appeal. In determining the proper amount of the Purchase Price Adjustment Amount, the Accounting Firm shall not increase the Purchase Price Adjustment Amount more than the increase proposed by ETE nor decrease the Purchase Price Adjustment Amount more than the decrease proposed by Regency, as applicable. Each Party shall each bear its own legal fees and other costs of presenting its case to the Accounting Firm. ETE and Regency shall each bear one-half of the costs and expenses of the Accounting Firm incurred in resolving such disputed matters. The Purchase Price Adjustment Amount as finally determined pursuant to this Section 2.5(c) shall be referred to as the "***Final Purchase Price Adjustment Amount***."

(d) Within ten days after the earlier of (i) the expiration of the Review Period without delivery of any Objection Notice and (ii) the date on which ETE and Regency, or the Accounting Firm, as applicable, finally determine the actual Purchase Price Adjustment Amount (A) if the Final Purchase Price Adjustment Amount exceeds the Estimated Purchase Price Adjustment Amount (such excess, the "***ETE Adjustment Payment***"), Regency shall wire transfer in immediately available funds an amount equal to the ETE Adjustment Payment to an account designated by ETE and (B) if the Estimated Purchase Price Adjustment Amount exceeds the Final Purchase Price Adjustment Amount (such excess, the "***Regency Adjustment Payment***"), ETE shall wire transfer in immediately available funds an amount equal to the Regency Adjustment Payment to an account designated by Regency.

2.6 ***Pro Ration of Distributions***.

(a) If the Closing occurs after the last day of the calendar quarter (the "***Preceding Quarter***") immediately prior to the calendar quarter (the "***Closing Quarter***") in which the Closing Date occurs but prior to the Record Date for the distribution in respect of the Preceding Quarter, then at the Closing, (i) ETE shall wire transfer in immediately available funds an amount equal to the product of (a) the number of Acquired Units multiplied by (b) $0.46 (unless prior to the Closing, Regency shall have declared its distribution in respect of the Preceding Quarter, in which event such number in this clause (b) shall be the amount declared per Regency Common Unit) (such aggregate amount being referred to herein as the "***Estimated Preceding Quarter Distribution Amount***") to an account designated by Regency before Closing and (ii) ETE shall wire transfer in immediately available funds an amount equal to the product of (A) the number of Acquired Units multiplied by (B) $0.46 multiplied by (C) a fraction, (1) the numerator of which is the number of days in the Closing Quarter commencing on the first day of the Closing Quarter and ending on and including the Closing Date and (2) the denominator of which is the total number of days in the Closing Quarter (such aggregate amount being referred to herein as the "***Estimated Pro Rata Closing Quarter Distribution Amount***") to an account designated by Regency before Closing.

(b) If the Closing occurs after the Record Date for distribution in respect of the Preceding Quarter, at the Closing ETE shall wire transfer in immediately available funds an amount equal to the Estimated Pro Rata Closing Quarter Distribution Amount to an account designated by Regency before Closing.

(c) If the Closing occurs within the period specified in Section 2.6(a), unless the actual declared per unit distribution in respect of the Preceding Quarter is used to determine the Estimated Preceding Quarter Distribution Amount, then not later than the second Business Day following Regency's declaration of its distribution in respect of the Preceding Quarter, Regency shall prepare and deliver to ETE a calculation of the Actual Preceding Quarter Distribution Amount (as defined below). Within two Business Days of such delivery, (i) if the Actual Preceding Quarter Distribution Amount exceeds the Estimated Preceding Quarter Distribution Amount, then ETE shall wire transfer in immediately available funds the amount of such excess to an account designated by Regency and (ii) if the Estimated Preceding Quarter Distribution Amount exceeds the Actual Preceding Quarter Distribution Amount, then Regency shall wire transfer in immediately available funds the amount of such excess to an account designated by ETE.

(d) Not later than the second Business Day following Regency's declaration of its distribution in respect of the Closing Quarter, Regency shall prepare and deliver to ETE a calculation of the Actual Pro Rata Closing Quarter Distribution Amount (as defined below). Within two Business Days of such delivery, (i) if the Actual Pro Rata Closing Quarter Distribution Amount exceeds the Estimated Pro Rata Closing Quarter Distribution Amount, ETE shall wire transfer in immediately available funds an amount equal to such excess to an account designated by Regency and (ii) if the Estimated Pro Rata Closing Quarter Distribution Amount exceeds the Actual Pro Rata Closing Quarter Distribution Amount, Regency shall wire transfer in immediately available funds an amount equal to such excess to an account designated by ETE.

(e) "***Actual Preceding Quarter Distribution Amount***" means the product of (i) the number of Acquired Units multiplied by (ii) the actual per-unit distribution declared on the Regency Common Units in respect of the Preceding Quarter.

(f) "***Actual Pro Rata Closing Quarter Distribution Amount***" means the product of (i) the number of Acquired Units multiplied by (ii) the actual per-unit distribution declared on the Regency Common Units in respect of the Closing Quarter multiplied by (iii) a fraction, (A) the numerator of which is the number of days in the Closing Quarter commencing on the first day of such quarter and ending on and including the Closing Date and (B) the denominator of which is the total number of days in the Closing Quarter.

2.7 ***Adjustment to Contribution Consideration***. All amounts to be paid by ETE to Regency pursuant to Section 2.6 shall be deemed to be adjustments to the Purchase Price Adjustment Amount.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF ETE

ETE hereby represents and warrants to the Regency Parties as follows:

3.1 ***Organization; Qualification***. Each of ETE, ETC III, ETC II and the Company is an entity duly formed, validly existing and in good standing under the laws of the State of Delaware and has all requisite organizational power and authority to own, lease and operate its properties and to carry on its business as it is now being conducted, and is duly qualified,

registered or licensed to do business as a foreign entity and is in good standing in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification necessary, except where the failure to be so duly qualified, registered or licensed and in good standing would not reasonably be expected to have a Company Material Adverse Effect or to prevent or materially delay the consummation of the transactions contemplated by the Transaction Documents to which ETE is, or will be, a party or to materially impair ETE's ability to perform its obligations under the Transaction Documents to which it is, or will be, a party. ETE has made available to the Regency Parties true and complete copies of the Organizational Documents of ETC III, ETC II and the Company, as in effect on the Execution Date.

3.2 ***Authority; Enforceability***.

(a) ETE has the requisite partnership power and authority to execute and deliver the Transaction Documents to which it is, or will be, a party, and to consummate the transactions contemplated thereby. The execution and delivery by ETE of the Transaction Documents to which ETE is, or will be, a party, and the consummation by ETE of the transactions contemplated thereby, have been duly and validly authorized by ETE, and no other limited partnership proceedings on the part of ETE are necessary to authorize the Transaction Documents to which it is, or will be, a party or to consummate the transactions contemplated by the Transaction Documents to which it is, or will be, a party.

(b) The Transaction Documents to which ETE is, or will be, a party have been (or will be, when executed and delivered at the Closing) duly executed and delivered by ETE, and, assuming the due authorization, execution and delivery by the other parties thereto, each Transaction Document to which ETE is, or will be, a party constitutes (or will constitute, when executed and delivered at the Closing) the valid and binding agreement of ETE, enforceable against ETE in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar Laws relating to or affecting creditors' rights generally and subject, as to enforceability, to legal principles of general applicability governing the availability of equitable remedies, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether such enforceability is considered in a proceeding in equity or at law) (collectively, "***Creditors' Rights***").

3.3 ***Non-Contravention***.

(a) Except as set forth on Schedule 3.3(a) of the ETE Disclosure Schedule, the execution, delivery and performance by ETE of the Transaction Documents to which ETE is, or will be, a party and by ETE and ETP of the ETP Redemption Agreement, and the consummation by ETE of the transactions contemplated thereby, do not and will not: (i) result in any breach of any provision of the Organizational Documents of ETE; (ii) constitute a default (or an event that with notice or passage of time or both would give rise to a default) under, or give rise to any right of termination, cancellation, amendment or acceleration (with or without the giving of notice, or the passage of time or both) under any of the terms, conditions or provisions of any Contract to which ETE is a party or by which any property or asset of ETE is bound or affected; (iii) assuming compliance with the matters referred to in Section 3.4, violate any Law to which

ETE is subject or by which any of ETE's properties or assets is bound, except, in the cases of clauses (ii) and (iii) for such defaults or rights of termination, cancellation, amendment or acceleration or violations as would not reasonably be expected to have a Company Material Adverse Effect or to prevent or materially delay the consummation of the transactions contemplated by the Transaction Documents to which ETE is, or will be, a party or to materially impair ETE's ability to perform its obligations under the Transaction Documents to which it is, or will be, a party.

(b) Except as set forth on Schedule 3.3(b) of the ETE Disclosure Schedule, the execution, delivery and performance of the Transaction Documents to which ETE is, or will be, a party by ETE and the consummation by ETE of the transactions contemplated thereby does not and will not: (i) result in any breach of any provision of the Organizational Documents of ETC III, ETC II or the Company; (ii) constitute a default (or an event that with the giving of notice or the passage of time or both would give rise to a default) under, or give rise to any right of termination, cancellation, amendment or acceleration (with or without the giving of notice, or the passage of time or both) under any of the terms, conditions or provisions of any Contract to which ETC III, ETC II or the Company is a party or by which any property or assets of ETC III, ETC II or the Company is bound or affected; (iii) assuming compliance with the matters referred to in Section 3.4, violate any Law to which ETC III, ETC II or the Company is subject or by which any of ETC III's, ETC II's or the Company's properties or assets is bound; (iv) constitute (with or without the giving of notice or the passage of time or both) an event which would result in the creation of any Lien (other than Permitted Liens) on any asset of ETC III, ETC II or the Company; or (v) cause the Company, ETC III or ETC II to become subject to, or to become liable for the payment of, any Tax, except, in the cases of clauses (ii), (iii) and (iv), for such defaults or rights of termination, cancellation, amendment or acceleration, violations or Liens, as would not reasonably be expected to have a Company Material Adverse Effect.

3.4 ***Governmental Approvals***. Except as set forth on Schedule 3.4 of the ETE Disclosure Schedule, no declaration, filing or registration with, or notice to, or authorization, consent or approval of, any Governmental Authority is necessary for the consummation by ETE of the transactions contemplated by the Transaction Documents to which it is, or will be, a party, other than (a) filings under the HSR Act and (b) such other declarations, filings, registrations, notices, authorizations, consents or approvals that have been obtained or made or that would in the ordinary course be made or obtained after the Closing, or which, if not obtained or made, would not reasonably be expected to have a Company Material Adverse Effect or to prevent or materially delay the consummation of the transactions contemplated by the Transaction Documents to which ETE is, or will be, a party or to materially impair ETE's ability to perform its obligations under the Transaction Documents to which it is, or will be, a party.

3.5 ***Capitalization***.

(a) Schedule 3.5(a) of the ETE Disclosure Schedule sets forth, as of the Execution Date, a correct and complete description of the following: (i) all of the issued and outstanding membership interests of ETC III, ETC II and the Company and (ii) the record owners of the membership interests of ETC III, ETC II and the Company. Except as set forth on Schedule 3.5(a) of the ETE Disclosure Schedule, there are no other outstanding equity interests of the Company.

(b) (i) At the Closing, the Acquired ETC III Interest (A) will constitute 100% of the issued and outstanding membership interests of ETC III, (B) will have been duly authorized, validly issued and fully paid (to the extent required under the ETC III LLC Agreement) and will be nonassessable (except as such nonassessability may be affected by Section 18-607 of the Delaware LLC Act) and (C) will not have been issued in violation of any preemptive rights, rights of first refusal or other similar rights of any Person.

(ii) At the Closing, the Acquired ETC II Interest (A) will constitute 100% of the issued and outstanding membership interests of ETC II, (B) will have been duly authorized, validly issued and fully paid (to the extent required under the ETC II LLC Agreement) and will be nonassessable (except as such nonassessability may be affected by Section 18-607 of the Delaware LLC Act) and (C) will not have been issued in violation of any preemptive rights, rights of first refusal or other similar rights of any Person.

(c) The ETC III MEP Interest (i) constitutes 49.9% of the issued and outstanding membership interests of the Company, (ii) has been duly authorized, validly issued and fully paid (to the extent required under the Company Agreement) and is nonassessable (except as such nonassessability may be affected by Section 18-607 of the Delaware LLC Act) and (iii) was not issued in violation of any preemptive rights, rights of first refusal or other similar rights of any Person. The ETC III MEP Interest is owned beneficially and of record by ETC III, free and clear of all Liens other than (i) any transfer restrictions imposed by federal and state securities laws and (ii) any transfer restrictions contained in the Organizational Documents of the Company.

(d) The ETC II MEP Interest (i) constitutes 0.1% of the issued and outstanding membership interests of the Company, (ii) has been duly authorized, validly issued and fully paid (to the extent required under the Company LLC Agreement) and is nonassessable (except as such nonassessability may be affected by Section 18-607 of the Delaware LLC Act) and (iii) was not issued in violation of any preemptive rights, rights of first refusal or other similar rights of any Person. The ETC II MEP Interest is owned beneficially and of record by ETC II, free and clear of all Liens other than (i) any transfer restrictions imposed by federal and state securities laws and (ii) any transfer restrictions contained in the Organizational Documents of the Company.

(e) Except for the ETC II Option, or as set forth in the Company LLC Agreement, there are no preemptive rights, rights of first refusal or other outstanding rights, options, warrants, conversion rights, stock appreciation rights, redemption rights, repurchase rights, agreements, arrangements, calls, subscription agreements, commitments or rights of any kind that obligate ETC III, ETC II or the Company to issue or sell any equity interests or any securities or obligations convertible or exchangeable into or exercisable for, or giving any Person a right to subscribe for or acquire, any equity interests in ETC III, ETC II or the Company, and no securities or obligations evidencing such rights are authorized, issued or outstanding. There are no preemptive rights, rights of first refusal or other outstanding options, warrants, conversion rights, redemption rights, repurchase rights, calls or subscription agreements pursuant to the Company LLC Agreement or any other agreement to which the Company, ETC II or ETC III is party that are or will be exercisable in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated herein.

(f) None of ETC III, ETC II or the Company has outstanding any bonds, debentures, notes or other obligations the holders of which have the right to vote (or convertible into or exercisable for securities having the right to vote) with the holders of equity interests in ETC III, ETC II or the Company on any matter.

(g) As of the Execution Date, none of ETC III, ETC II or the Company owns any equity interest in any other Person except for (i) ETC III's ownership of the ETC III MEP Interest and (ii) ETC II's ownership of the ETC II MEP Interest.

3.6 Ownership of Acquired Interests.

(a) Upon consummation of the Redemption and Exchange, ETE will have good and valid title to the ETC III Acquired Interest, free and clear of all Liens other than (i) any transfer restrictions imposed by federal and state securities laws and (ii) any transfer restrictions contained in the Organizational Documents of ETC III.

(b) (i) Upon the consummation of the transactions contemplated by this Agreement, ETE will assign, convey, transfer and deliver to Regency good and valid title to the ETC III Acquired Interest, free and clear of all Liens other than (A) any transfer restrictions imposed by federal and state securities laws, (B) any transfer restrictions contained in the Organizational Documents of ETC III and (C) any Liens on the ETC III Acquired Interest as a result of actions by the Regency Parties.

(ii) Upon the consummation of the transactions contemplated by the Option Assignment Agreement, ETE will assign, convey, transfer and deliver to Regency good and valid title to the ETC II Option, free and clear of all Liens other than (A) any transfer restrictions imposed by federal and state securities laws, (B) any transfer restrictions contained in the Organizational Documents of ETC II or the ETC II Option and (C) any Liens on the ETC II Option as a result of actions by the Regency Parties.

(c) ETE is not a party to any agreements, arrangements or commitments obligating ETE to grant, deliver or sell, or cause to be granted, delivered or sold, the Acquired Interests, by sale, lease, license or otherwise, other than (i) this Agreement and (ii) the purchase rights in favor of certain members of the Company set forth in Section 3.6(b) of the Company LLC Agreement.

(d) There are no voting trusts, proxies or other agreements or understandings to which ETE is bound with respect to the voting of the Acquired Interests.

3.7 ***Compliance with Law***. Except for Environmental Laws, Laws requiring the obtaining or maintenance of a Permit and Tax matters, which are the subject of Sections 3.12, 3.15 and 3.16, respectively, and except as to matters that would not reasonably be expected to have a Company Material Adverse Effect, (a) the Company is in compliance with all applicable Laws, (b) the Company has not received written notice of any violation of any applicable Law and (c) to the Knowledge of ETE, the Company is not under investigation by any Governmental Authority for potential non-compliance with any Law.

3.8 ***Title to Properties and Assets***. Except as to matters that would not reasonably be expected to have a Company Material Adverse Effect, the Company has title to or rights or interests in its real property and personal property, free and clear of all Liens (subject to Permitted Liens), sufficient to allow it to conduct its business as currently being conducted or as will be conducted following completion of the MEP Expansion Project.

3.9 ***Rights-of-Way***. Except as set forth on Schedule 3.9 of the ETE Disclosure Schedule, (a) the Company has such Rights-of-Way from each Person as are necessary to use, own and operate the Company's assets in the manner such assets are currently used, owned and operated by the Company or as will be used, owned and operated by the Company following completion of the MEP Expansion Project, (b) the Company has fulfilled and performed all of its obligations with respect to such Rights-of-Way and (c) no event has occurred that allows, or after the giving of notice or the passage of time, or both, would allow, revocation or termination thereof or would result in any impairment of the rights of the holder of any such Rights-of-Way.

3.10 ***Financial Statements***.

(a) Attached hereto as Schedule 3.10(a) of the ETE Disclosure Schedule are true and complete copies of the following financial statements (collectively, the "***Company Financial Statements***"): (i) an audited balance sheet of the Company as of December 31, 2009 and the related audited statements of income, changes in owners' equity and cash flows for the 12-month period then ended and (ii) an unaudited balance sheet of the Company as of March 31, 2010 and the related unaudited statements of income, changes in owners' equity and cash flows for the quarterly period then ended (the "***Interim Financial Statements***").

(b) Except as set forth on Schedule 3.10(b) of the ETE Disclosure Schedule, the Company Financial Statements have been prepared in accordance with GAAP, applied on a consistent basis throughout the periods presented thereby and fairly present in all material respects the financial position and operating results, equity and cash flows of the Company as of, and for the periods ended on, the respective dates thereof, subject, however, in the case of the Interim Financial Statements, to normal year-end audit adjustments and accruals and the absence of notes and other textual disclosures required by GAAP.

(c) The Company does not have any liability, whether accrued, contingent, absolute or otherwise, except for (i) liabilities set forth on the balance sheet of the Company dated as of March 31, 2010 or the notes thereto, (ii) liabilities that have arisen since March 31, 2010 in the ordinary course of business and (iii) liabilities that would not reasonably be expected to have a Company Material Adverse Effect.

(d) Neither ETC III nor ETC II has any assets or liabilities other than the ETC III MEP Interest and the ETC II MEP Interest, respectively.

3.11 ***Absence of Certain Changes***. Except as set forth on Schedule 3.11 of the ETE Disclosure Schedule or as expressly contemplated by this Agreement or permitted pursuant to Section 5.1 of the ETP Redemption Agreement, since December 31, 2009, the business of the Company has been conducted in the ordinary course and in a manner consistent with past practice and there has not been:

(a) any event, occurrence or development which has had, or would be reasonably expected to have, a Company Material Adverse Effect;

(b) any transaction by the Company that required Special Consent (as such term is defined in the Company LLC Agreement), other than the incurrence of indebtedness pursuant to the Company Credit Facility in accordance with its terms existing on the Execution Date;

(c) any declaration, setting aside or payment of any dividends on or distributions in respect of any equity interests or other securities of the Company;

(d) any capital expenditure in excess of $500,000 in the aggregate, except (i) in accordance with the Development Plan (as such term is defined in the Company LLC Agreement) included as Schedule 3.11(d) of the ETE Disclosure Schedule, (ii) in accordance with a Budget (as such term is defined in the Company LLC Agreement) approved in accordance with the Company LLC Agreement prior to the Execution Date and disclosed to the Regency Parties, (iii) in accordance with the draft budget of the Company included as Schedule 3.23 of the ETE Disclosure Schedule, (iv) as disclosed in the Interim Financial Statements or (v) maintenance capital expenditures required on an emergency basis or for the safety of individuals or the environment;

(e) any material change to the Company's tax methods, principles or elections; or

(f) any purchase of securities or ownership interests of, or any investment in, any Person, other than ordinary course overnight investments consistent with the cash management policies of the Company; or

(g) any agreement by the Company to do any of the foregoing.

3.12 ***Environmental Matters***. Except as to matters set forth on Schedule 3.12 of the ETE Disclosure Schedule and except as to matters that would not reasonably be expected to have a Company Material Adverse Effect:

(a) the Company is in compliance with all applicable Environmental Laws;

(b) the Company possesses all Permits required under Environmental Laws for its operations as currently conducted and is in compliance with the terms of such Permits, and such Permits are in full force and effect;

(c) the Company and its properties and operations are not subject to any pending or, to the Knowledge of ETE, threatened Proceeding arising under any Environmental Law, nor has the Company received any written and pending notice, order or complaint from any Governmental Authority alleging a violation of or liability arising under any Environmental Law;

(d) ETE has made available to the Regency Parties complete and correct copies of all material environmental site assessment reports and studies relating to the Company that are in the possession of ETE and, to ETE's Knowledge, there are no other such reports or studies in existence; and

(e) to the Knowledge of ETE, there has been no Release of Hazardous Substances on, at, under, to, or from any of the properties of the Company, or from or in connection with the Company's operations in a manner that would reasonably be expected to give rise to any liability pursuant to any Environmental Law.

3.13 ***Material Contracts***.

(a) Except as set forth on Schedule 3.13 of the ETE Disclosure Schedule, as of the Execution Date, the Company is not party to or bound by any Contract that:

(i) relates to (A) the purchase of materials, supplies, goods, services or other assets, (B) the purchase, sale, transporting, gathering, processing, or storing of natural gas, condensate or other liquid or gaseous hydrocarbons or the products therefrom, or the provision of services related thereto or (C) the construction of capital assets, in the cases of clauses (A), (B) and (C) that (1) provides for either (x) annual payments by the Company in excess of $500,000 or (y) aggregate payments by the Company in excess of $1,000,000 and (2) cannot be terminated by the Company on 90 day's or less notice without payment by the Company of any material penalty;

(ii) is a firm natural gas transportation Contract;

(iii) contains any provision or covenant, which after the Closing will apply to the business of the Company, materially restricting the Company from engaging in any lawful business activity or competing with any Person;

(iv) (A) relates to the creation, incurrence, assumption, or guarantee of any indebtedness for borrowed money by the Company or (B) creates a capitalized lease obligation;

(v) relates to any commodity or interest rate swap, cap or collar agreements or other similar hedging or derivative transactions;

(vi) is in respect of the formation of any partnership or joint venture or otherwise relates to the joint ownership or operation of the assets owned by the Company;

(vii) includes the acquisition or sale of assets with a book value in excess of $1,000,000 (whether by merger, sale of stock, sale of assets or otherwise);

(viii) any Contract or commitment that involves a sharing of profits, losses, costs or liabilities by the Company with any other Person; and

(ix) otherwise involves the payment by or to the Company of more than $250,000 in the aggregate and cannot be terminated by the Company on 90 days or less notice without payment by the Company of any material penalty.

(b) Each Contract required to be disclosed pursuant to Section 3.13(a) (collectively, the "***Company Material Contracts***") is a valid and binding obligation of the Company, and is in

full force and effect and enforceable in accordance with its terms against the Company and, to the Knowledge of ETE, the other parties thereto, except, in each case, as enforcement may be limited by Creditors' Rights. ETE has made available to the Regency Parties a true and complete copy of each Company Material Contract to which ETE has the right to provide to the Regency Parties pursuant to the Organizational Documents of the Company.

(c) None of the Company nor, to the Knowledge of ETE, any other party to any Company Material Contract is in default or breach in any material respect under the terms of any Company Material Contract and no event has occurred that with the giving of notice or the passage of time or both would constitute a breach or default in any material respect by the Company or, to the Knowledge of ETE, any other party to any Company Material Contract, or would permit termination, modification or acceleration under any Company Material Contract.

(d) As of the Execution Date, to the Knowledge of ETE, the Company has not received notice that any current supplier, shipper or customer intends to amend or discontinue a business relationship (including termination of a Company Material Contract) with the Company that could reasonably be expected to generate revenues for the Company or pursuant to which the Company could reasonably be expected to incur costs, in either case of $1,000,000 or more in the aggregate.

3.14 ***Legal Proceedings***. Other than with respect to Proceedings arising under Environmental Laws which are the subject of Section 3.12 or as is set forth on Schedule 3.14(a) of the ETE Disclosure Schedule, there are no Proceedings pending or, to the Knowledge of ETE, threatened against the Company, except such Proceedings as would not reasonably be expected to have a Company Material Adverse Effect or to prevent or materially delay the consummation of the transactions contemplated by the Transaction Documents to which ETE is, or will be, a party or to materially impair ETE's ability to perform its obligations under the Transaction Documents to which its is, or will be, a party.

3.15 ***Permits***. Other than with respect to Permits issued pursuant to or required under Environmental Laws that are the subject of Section 3.12, the Company has all Permits as are necessary to use, own and operate its assets in the manner such assets are currently used, owned and operated by the Company or that will be used, owned or operated by the Company immediately following completion of the MEP Expansion Project, except where the failure to have such Permits would not reasonably be expected to have a Company Material Adverse Effect.

3.16 ***Taxes***.

(a) All material Tax Returns required to be filed with respect to ETC III, ETC II and the Company have been filed and all such Tax Returns are complete and correct in all material respects and all material Taxes due relating to ETC III, ETC II and the Company have been paid in full. There are no material claims (other than claims being contested in good faith through appropriate proceedings and for which adequate reserves have been made in accordance with GAAP) against ETC III, ETC II or the Company for any Taxes, and no material assessment, deficiency, or adjustment has been asserted or proposed in writing with respect to any Taxes or Tax Returns of or with respect to ETC III, ETC II or the Company. ETE expects that at least

90% of the gross income of the Company will consist of "qualifying income" within the meaning of Section 7704(d) of the Code for the taxable year ending on December 31, 2010 (determined as if the Company were a publicly traded partnership).

(b) No material Tax audits or administrative or judicial proceedings are being conducted or are pending with respect to ETC III, ETC II or the Company.

(c) All material Taxes required to be withheld, collected or deposited by or with respect to ETC III, ETC II or the Company have been timely withheld, collected or deposited as the case may be, and to the extent required, have been paid to the relevant taxing authority.

(d) There are no outstanding agreements or waivers extending the applicable statutory periods of limitation for any material Taxes associated with the ownership or operation of the assets of ETC III, ETC II or the Company for any period.

(e) None of ETC III, ETC II or the Company is a party to any Tax sharing agreement.

(f) ETE is not a "foreign person" as defined in Section 1445(f)(3) of the Code, and the rules and Treasury Regulations promulgated thereunder, or an entity disregarded as separate from its owner for United States federal income tax purposes.

(g) None of ETC III, ETC II or the Company, has engaged in a transaction that would be reportable by or with respect to ETC III, ETC II or the Company pursuant to Treasury Regulation § 1.6011-4 or any predecessor thereto.

(h) For each taxable year since its formation, each of the Company, ETC III and ETC II is, or has been, properly classified as a partnership or an entity disregarded as separate from its owner for United States federal income tax purposes. None of the Company, ETC III or ETC II have made an election pursuant to Treasury Regulation Section 301.7701-3(c) to be treated as an association taxable as a corporation for United States federal income tax purposes.

3.17 ***Employee Benefits***. None of the Company, ETC III or ETC II employs or has ever employed any employees. None of the Company, ETC III or ETC II or any of their respective ERISA Affiliates sponsors, maintains, contributes to or has an obligation to contribute to, or has, or will have, at any time within the six years immediately preceding the Closing Date sponsored, maintained, contributed to or had an obligation to contribute to, any "employee benefit plans" (within the meaning of Section 3(3) of ERISA or any stock purchase, stock option, severance, employment, change-in-control, fringe benefit, collective bargaining, bonus, incentive, deferred compensation, employee loan or any other employee benefit plans, agreements, programs, policies or other arrangements, whether or not subject to ERISA. None of the Company, ETC III or ETC II has or could reasonably be expected to have any present liability, nor do any circumstances exist that could reasonably be expected to result in the Company, ETC III or ETC II having any future material liabilities with respect to any current or former employees of ETP or any of its Affiliates.

3.18 ***Brokers' Fee***. Except for the fee payable to RBS Securities, Inc. which shall be paid by ETP, no broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the

transactions contemplated by this Agreement based upon arrangements made by or on behalf of ETE.

3.19 ***Regulatory Status***. Except as set forth on Schedule 3.19 of the ETE Disclosure Schedule, there are no currently effective tariffs authorized and approved by the FERC as of the date of this Agreement applicable to the Company, or currently pending material rate filings, certificate applications, or other filings that relate to the Company made with FERC prior to the date of this Agreement. The Company (a) has all necessary approvals from FERC to provide service to customers pursuant to the Natural Gas Act and the Natural Gas Policy Act of 1978, as amended, and (b) has made all required FERC filings necessary to offer such service, except where failure to have any such approval or to have made any such filing would not reasonably be expected to have a Company Material Adverse Effect.

3.20 ***Intellectual Property***. The Company owns or has the right to use pursuant to license, sublicense, agreement or otherwise all material items of Intellectual Property required in the operation of the business as presently conducted; (b) no third party has asserted in writing delivered to the Company an unresolved claim that the Company is infringing on the Intellectual Property of such third party and (c) to the Knowledge of ETE, no third party is infringing on the Intellectual Property owned by the Company.

3.21 ***Insurance***. Schedule 3.21 of the ETE Disclosure Schedule contains, as of the Execution Date, a complete and correct list of all liability, property, fire, casualty, product liability, workers' compensation and other insurance policies, if any, that are in full force and effect as of the Execution Date that insure or relate to the assets of the Company (the "***Company Policies***"). To the Knowledge of ETE, as of the Execution Date there is no claim, suit or other matter currently pending in respect of which the Company has received any notice from the insurer under any Company Policies disclaiming coverage, reserving rights with respect to a particular claim or such Company Policy in general or canceling or materially amending any such Company Policy. To the Knowledge of ETE, all premiums due and payable for such Company Policies have been duly paid, and such Company Policies or extensions or renewals thereof in the amounts described will be outstanding and duly in full force without interruption until the Closing Date.

3.22 ***Matters Relating to Acquisition of the Acquired Units***.

(a) ETE has such knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of its investment in the Acquired Units and is capable of bearing the economic risk of such investment. ETE is an "accredited investor" as that term is defined in Rule 501 of Regulation D (without regard to Rule 501(a)(4)) promulgated under the Securities Act. ETE is acquiring the Acquired Units for investment for its own account and not with a view toward or for sale in connection with any distribution thereof, or with any present intention of distributing or selling the Acquired Units. ETE does not have any Contract or arrangement with any Person to sell, transfer or grant participations to such Person or to any third Person, with respect to the Acquired Units. ETE acknowledges and understands that (i) the acquisition of the Acquired Units has not been registered under the Securities Act in reliance on an exemption therefrom and (ii) the Acquired Units will, upon such acquisition, be characterized as "restricted securities" under state and federal securities laws. ETE agrees that

the Acquired Units may not be sold, transferred, offered for sale, pledged, hypothecated or otherwise disposed of except pursuant to an effective registration statement under the Securities Act or pursuant to an available exemption from the registration requirements of the Securities Act, and in compliance with other applicable state and federal securities laws.

(b) ETE has undertaken such investigation as it has deemed necessary to enable it to make an informed and intelligent decision with respect to the execution, delivery and performance of this Agreement and the acquisition of the Acquired Units. ETE has had an opportunity to ask questions and receive answers from Regency regarding the terms and conditions of the offering of the Acquired Units and the business, properties, prospects and financial condition of Regency. The foregoing, however, does not modify the representations and warranties of the Regency Parties in Article IV and such representations and warranties constitute the sole and exclusive representations and warranties of the Regency Parties to ETE in connection with the transactions contemplated by this Agreement.

3.23 ***Budget***. Attached as Schedule 3.23 of the ETE Disclosure Schedule is the draft budget of the Company for fiscal year 2010 as of the Execution Date.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE REGENCY PARTIES

The Regency Parties hereby jointly and severally represent and warrant to ETE as follows:

4.1 ***Organization; Qualification***. Each Regency Party is an entity duly formed, validly existing and in good standing under the laws of the State of Delaware and has all requisite organizational power and authority to own, lease and operate its properties and to carry on its business as it is now being conducted, and is duly qualified, registered or licensed to do business as a foreign entity and is in good standing in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification necessary, except where the failure to be so duly qualified, registered or licensed and in good standing would not reasonably be expected to have a Regency Material Adverse Effect or to prevent or materially delay the consummation of the transactions contemplated by the Transaction Documents to which it is, or will be, a party or to materially impair the ability of each Regency Party to perform its obligations under the Transaction Documents to which it is, or will be, a party. The Regency Parties have made available to ETE true and complete copies of the Organizational Documents of each Regency Entity, as in effect on the Execution Date.

4.2 ***Authority; Enforceability; Valid Issuance***.

(a) Each Regency Party has the requisite partnership or limited liability company power and authority to execute and deliver the Transaction Documents to which it is, or will be, a party, and to consummate the transactions contemplated thereby. The execution and delivery by each Regency Party of the Transaction Documents to which it is, or will be, a party, and the consummation by it of the transactions contemplated thereby, have been duly and validly authorized by such Regency Party, and no other limited liability company or limited partnership proceedings, as applicable, on the part of such Regency Party are necessary to authorize the

Transaction Documents to which it is, or will be, a party or to consummate the transactions contemplated by the Transaction Documents to which it is, or will be, a party.

(b) The Transaction Documents to which each Regency Party is, or will be, a party have been (or will be, when executed and delivered at the Closing) duly executed and delivered by such Regency Party, and, assuming the due authorization, execution and delivery by the other parties thereto, each Transaction Document to which such Regency Party is, or will be, a party constitutes (or will constitute, when executed and delivered at the Closing) the valid and binding agreement of such Regency Party, enforceable against such Regency Party in accordance with its terms, except as such enforceability may be limited by Creditors' Rights.

(c) The issuance of the Acquired Units pursuant to this Agreement has been duly authorized in accordance with the Organizational Documents of Regency and, when issued and delivered to ETE in accordance with the terms of this Agreement, the Acquired Units will be validly issued, fully paid (to the extent required under the Regency Partnership Agreement), nonassessable (except as such nonassessability may be affected by Sections 17-303, 17-607 and 17-804 of the Delaware LP Act) and free of any restriction upon voting or transfer thereof pursuant to the Organizational Documents of Regency or any Contract to which any of the Regency Entities is a party or by which any property or asset of any such Person is bound or affected.

4.3 ***Non-Contravention***. Except as set forth on Schedule 4.3 of the Regency Disclosure Schedule, the execution, delivery and performance of the Transaction Documents to which each Regency Party is, or will be, a party by such Regency Party and the consummation by such Regency Party of the transactions contemplated thereby does not and will not: (a) result in any breach of any provision of the Organizational Documents of any Regency Entity; (b) constitute a default (or an event that with notice or passage of time or both would give rise to a default) under, or give rise to any right of termination, cancellation, amendment or acceleration (with or without the giving of notice, or the passage of time or both) under any of the terms, conditions or provisions of any Contract to which any Regency Entity is a party or by which any property or asset of any Regency Entity is bound or affected; (c) assuming compliance with the matters referred to in Section 4.4, violate any Law to which any Regency Entity is subject or by which any of any Regency Entity's properties or assets is bound; or (d) constitute (with or without the giving of notice or the passage of time or both) an event which would result in the creation of any Lien (other than Permitted Liens) on any asset of any Regency Entity, except, in the cases of clauses (b), (c) and (d), for such defaults or rights of termination, cancellation, amendment, acceleration, violations or Liens as would not reasonably be expected to have a Regency Material Adverse Effect or to prevent or materially delay the consummation of the transactions contemplated by the Transaction Documents to which such Regency Party is, or will be, a party or to materially impair such Regency Party's ability to perform its obligations under the Transaction Documents to which it is, or will be, a party.

4.4 ***Governmental Approvals***. Except as set forth on Schedule 4.4 of the Regency Disclosure Schedule no declaration, filing or registration with, or notice to, or authorization, consent or approval of, any Governmental Authority is necessary for the consummation by either Regency Party of the transactions contemplated by the Transaction Documents to which it, or will be, a party, other than (a) filings under the HSR Act and (b) such other declarations, filings,

registrations, notices, authorizations, consents or approvals that have been obtained or made or that would in the ordinary course be made or obtained after the Closing, or which, if not obtained or made, would not reasonably be expected to have a Regency Material Adverse Effect or to prevent or materially delay the consummation of the transactions contemplated by the Transaction Documents to which such Regency Party is, or will be, a party or to materially impair such Regency Party's ability to perform its obligations under the Transaction Documents to which it is, or will be, a party.

4.5 ***Capitalization***.

(a) As of the Execution Date: (i) 93,191,602 Regency Common Units were issued and outstanding, (ii) 4,371,586 Series A Cumulative Convertible Preferred Units of Regency ("***Regency Series A Units***"), which Regency Series A Units are convertible into Regency Common Units at an initial conversion price of $18.30 per unit, subject to adjustment, were issued and outstanding and (iii) 1,155,129 Regency Common Units were available for issuance under Regency's employee benefit plans, of which 297,651 Regency Common Units were subject to issuance upon exercise of outstanding Regency options, 267,135 Regency Common Units were subject to issuance upon the vesting of outstanding phantom units and 355,609 Regency Common Units were subject to issuance upon the vesting of outstanding un-vested restricted units.

(b) All of the limited partner interests in Regency are duly authorized and validly issued in accordance with the Organizational Documents of Regency, and are fully paid (to the extent required under the Organizational Documents of Regency) and nonassessable (except as nonassessability may be affected by Sections 17-303, 17-607 and 17-804 of the Delaware LP Act) and were not issued in violation of any preemptive rights, rights of first refusal or other similar rights of any Person.

(c) Except as set forth in the Organizational Documents of Regency and except as provided in Section 4.5(a), there are no preemptive rights or other outstanding rights, options, warrants, conversion rights, stock appreciation rights, redemption rights, repurchase rights, agreements, arrangements, calls, subscription agreements, commitments or rights of any kind that obligate any of the Regency Entities to issue or sell any equity interests of Regency or any securities or obligations convertible or exchangeable into or exercisable for, or giving any Person a right to subscribe for or acquire, any equity interests in Regency, and no securities or obligations evidencing such rights are authorized, issued or outstanding.

(d) Except for the Regency Series A Units, none of the Regency Entities has outstanding any bonds, debentures, notes or other obligations the holders of which have the right to vote (or convertible into or exercisable for securities having the right to vote) with the holders of equity interests in Regency on any matter.

(e) RGPLP is the sole general partner of Regency with a 2.0% general partner interest in Regency (the "***Regency GP Interest***") and owns 100% of the Incentive Distribution Rights (collectively with the Regency GP Interest, the "***Regency GP LP Interests***"). The Regency GP LP Interests have been duly authorized and validly issued in accordance with the Regency Partnership Agreement and have not been issued in violation of any preemptive rights, rights of

first refusal or other similar rights of any Person. The Regency GP LP Interests are owned by RGPLP free and clear of all Liens, other than (i) transfer restrictions imposed by federal and state securities laws and (ii) any transfer restrictions contained in the Regency Partnership Agreement.

4.6 ***Compliance with Law***. Except for Environmental Laws, Laws requiring the obtaining or maintenance of a Permit and Tax matters, which are the subject of Sections 4.11, 4.14 and 4.15, respectively, and except as to specific matters disclosed in the Regency SEC Documents filed or furnished on or after January 1, 2010 and prior to the date hereof (excluding any disclosures included in any "risk factor" section of such Regency SEC Documents or any other disclosures in such Regency SEC Documents to the extent they are predictive or forward-looking and general in nature), or that would not reasonably be expected to have a Regency Material Adverse Effect, (a) each of the Regency Entities is in compliance with all applicable Laws, (b) none of the Regency Entities has received written notice of any violation of any applicable Law and (c) to the Knowledge of Regency, none of the Regency Entities is under investigation by any Governmental Authority for potential non-compliance with any Law.

4.7 ***Title to Properties and Assets***. Except as to matters that would not reasonably be expected to have a Regency Material Adverse Effect, each Regency Entity has title to or rights or interests in its real property and personal property, free and clear of all Liens (subject to Permitted Liens), sufficient to allow it to conduct its business as currently being conducted.

4.8 ***Rights-of-Way***. Except as to matters that would not reasonably be expected to have a Regency Material Adverse Effect, (a) each Regency Entity has such Rights-of-Way from each Person as are necessary to use, own and operate each Regency Entity's assets in the manner such assets are currently used, owned and operated by each Regency Entity, (b) each Regency Entity has fulfilled and performed all of its obligations with respect to such Rights-of-Way and (c) no event has occurred that allows, or after the giving of notice or the passage of time, or both, would allow, revocation or termination thereof or would result in any impairment of the rights of the holder of any such Rights-of-Way.

4.9 ***Regency SEC Reports; Financial Statements***.

(a) Regency has furnished or filed all reports, schedules, forms, statements and other documents (including exhibits and other information incorporated therein) required to be furnished or filed by Regency with the Securities and Exchange Commission ("***SEC***") since January 1, 2009 (such documents being collectively referred to as the "***Regency SEC Documents***").

(b) Each Regency SEC Document (i) at the time filed, complied in all material respects with the requirements of the Exchange Act and the Securities Act, as the case may be, and the rules and regulations of the SEC promulgated thereunder applicable to such Regency SEC Document and (ii) did not at the time it was filed (or if amended or superseded by a filing or amendment prior to the date of this Agreement, then at the time of such filing or amendment) 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 therein, in light of the circumstances under which they were made, not misleading.

(c) Each of the financial statements of Regency included in the Regency SEC Documents ("***Regency Financial Statements***") complied at the time it was filed as to form in all material respects with the applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, have been prepared in accordance with GAAP, applied on a consistent basis throughout the periods presented thereby and fairly present in all material respects the consolidated financial position and operating results, equity and cash flows of Regency as of, and for the periods ended on, the respective dates thereof, subject, however, in the case of unaudited financial statements, to normal year-end audit adjustments and accruals and the absence of notes and other textual disclosures as permitted by Form 10-Q of the SEC.

(d) None of the Regency Entities has any liability, whether accrued, contingent, absolute or otherwise, except for (i) liabilities set forth on the consolidated balance sheet of Regency dated as of March 31, 2010 or the notes thereto, (ii) liabilities that have arisen since March 31, 2010 in the ordinary course of business and (iii) liabilities that would not reasonably be expected to have a Regency Material Adverse Effect.

4.10 ***Absence of Certain Changes***. Except as set forth on Schedule 4.10 of the Regency Disclosure Schedule, as to specific matters disclosed in the Regency SEC Documents filed or furnished on or after January 1, 2010 and prior to the date hereof (excluding any disclosures included in any "risk factor" section of such Regency SEC Documents or any other disclosures in such Regency SEC Documents to the extent they are predictive or forward-looking and general in nature), or as expressly contemplated by this Agreement, since December 31, 2009, the business of the Regency Entities has been conducted in the ordinary course and in a manner consistent with past practice and there has not been (a) any event, occurrence or development which has had, or would be reasonably expected to have, a Regency Material Adverse Effect or (b) the occurrence of any of the transactions or matters described in Section 5.2(b).

4.11 ***Environmental Matters***. Except as to matters set forth on Schedule 4.11 of the Regency Disclosure Schedule, as to specific matters disclosed in the Regency SEC Documents filed or furnished on or after January 1, 2010 and prior to the date hereof (excluding any disclosures included in any "risk factor" section of such Regency SEC Documents or any other disclosures in such Regency SEC Documents to the extent they are predictive or forward-looking and general in nature), and for matters that would not reasonably be expected to have a Regency Material Adverse Effect:

(a) each of the Regency Entities is in compliance with all applicable Environmental Laws;

(b) each of the Regency Entities possesses all Permits required under Environmental Laws for its operations as currently conducted and is in compliance with the terms of such Permits, and such Permits are in full force and effect;

(c) none of the Regency Entities nor any of their properties or operations are subject to any pending or, to the Knowledge of the Regency Parties, threatened Proceeding arising under any Environmental Law, nor has any of the Regency Entities received any written and pending

notice, order or complaint from any Governmental Authority alleging a violation of or liability arising under any Environmental Law;

(d) Regency has made available to ETE complete and correct copies of all material environmental site assessment reports and studies relating to the Regency Entities; and

(e) to the Knowledge of Regency, there has been no Release of Hazardous Substances on, at, under, to, or from any of the properties of the Regency Entities, or from or in connection with the Regency Entities' operations in a manner that would reasonably be expected to give rise to any liability pursuant to any Environmental Law.

4.12 ***Material Contracts***.

(a) Except as set forth on Schedule 4.12 of the Regency Disclosure Schedule or filed with any Regency SEC Document (including by incorporation by reference) filed with the SEC on or after January 1, 2010 and prior to the date hereof, as of the Execution Date, none of the Regency Entities is a party to or bound by any Contract that:

(i) is of a type that would be required to be included as an exhibit to a Registration Statement on Form S-1 pursuant to Items 601(b)(2), (4), (9) or (10) of Regulation S-K of the SEC if such a registration statement was filed by Regency on the Execution Date;

(ii) contains any provision or covenant which materially restricts any Regency Entity or any Affiliate thereof from engaging in any lawful business activity or competing with any Person;

(iii) (A) relates to the creation, incurrence, assumption, or guarantee of any indebtedness for borrowed money by any Regency Entity or (B) creates a capitalized lease obligation (except, in the cases of clauses (A) and (B), any such Contract with an aggregate principal amount not exceeding $10,000,000);

(iv) is in respect of the formation of any partnership or joint venture or otherwise relates to the joint ownership or operation of the assets owned by any of the Regency Entities involving assets or obligations in excess of $75,000,000;

(v) includes the acquisition or sale of assets with a book value in excess of $50,000,000 (whether by merger, sale of stock, sale of assets or otherwise);

(vi) any Contract or commitment that involves a sharing of profits, losses, costs or liabilities by any Regency Entity with any other Person other than gas processing contracts; and

(vii) otherwise involves the annual payment by or to any of the Regency Entities of more than $10,000,000 and cannot be terminated by the Regency Entities on 90 days or less notice without payment by the Regency Entities of any material penalty (in each case other than any contract described in Section 4.12(b)).

(b) Except as provided on Schedule 4.12 of the Regency Disclosure Schedule, Regency has made available to ETE (i) each Contract described in Section 4.12(a) and (ii) each Contract to which any of the Regency Entities is bound as of the Execution Date that relates to (A) the purchase of materials, supplies, goods, services or other assets, (B) the purchase, sale, transporting, treating, gathering, processing or storing of, or gas compressing services rendered in connection with, natural gas, condensate or other liquid or gaseous hydrocarbons or the products therefrom, or the provision of services related thereto or (C) the construction of capital assets, in the cases of clauses (A), (B) and (C) that (i) provides for either (1) annual payments by or to any of the Regency Entities in excess of $10,000,000 or (2) aggregate payments by or to any of the Regency Entities in excess of $10,000,000 (all such Contracts referred to in clauses (i) and (ii) being referred to as the "***Regency Material Contracts***").

(c) Each Regency Material Contract is a valid and binding obligation of the applicable Regency Entity, and is in full force and effect and enforceable in accordance with its terms against such Regency Entity and, to the Knowledge of Regency, the other parties thereto, except, in each case, as enforcement may be limited by Creditors' Rights.

(d) None of the Regency Entities nor, to the Knowledge of Regency, any other party to any Regency Material Contract is in default or breach in any material respect under the terms of any Regency Material Contract and no event has occurred that with the giving of notice or the passage of time or both would constitute a breach or default in any material respect by such Regency Entity or, to the Knowledge of Regency, any other party to any Regency Material Contract, or would permit termination, modification or acceleration under any Regency Material Contract.

4.13 ***Legal Proceedings***. Other than with respect to Proceedings arising under Environmental Laws which are the subject of Section 4.11, as set forth on Schedule 4.13 of Regency Disclosure Schedule, or as to specific matters disclosed in the Regency SEC Documents filed or furnished on or after January 1, 2010 and prior to the date hereof (excluding any disclosures included in any "risk factor" section of such Regency SEC Documents or any other disclosures in such Regency SEC Documents to the extent they are predictive or forward-looking and general in nature), there are no Proceedings pending or, to the Knowledge of the Regency Parties, threatened against the Regency Entities, except such Proceedings as would not reasonably be expected to have a Regency Material Adverse Effect or to prevent or materially delay the consummation of the transactions contemplated by the Transaction Documents to which Regency is, or will be, a party or to materially impair Regency's ability to perform its obligations under the Transaction Documents to which its is, or will be, a party.

4.14 ***Permits***. Other than with respect to Permits issued pursuant to or required under Environmental Laws which are the subject of Section 4.11, the Regency Entities have all Permits as are necessary to use, own and operate its assets in the manner such assets are currently used, owned and operated by the Regency Entities, except where the failure to have such Permits would not reasonably be expected to have a Regency Material Adverse Effect.

4.15 ***Taxes***.

(a) All material Tax Returns required to be filed with respect to the Regency Entities have been filed and all such Tax Returns are complete and correct in all material respects and all material Taxes due relating to the Regency Entities have been paid in full. There are no claims (other than claims being contested in good faith through appropriate proceedings and for which adequate reserves have been made in accordance with GAAP) against any Regency Entity for any material Taxes, and no material assessment, deficiency, or adjustment has been asserted or proposed in writing with respect to any Taxes or Tax Returns of or with respect to any Regency Entity.

(b) Except as set forth on Schedule 4.15(b) of the Regency Disclosure Schedule, no material Tax audits or administrative or judicial proceedings are being conducted or are pending with respect to any Regency Entity.

(c) All material Taxes required to be withheld, collected or deposited by or with respect to the Regency Entities have been timely withheld, collected or deposited as the case may be, and to the extent required, have been paid to the relevant taxing authority.

(d) There are no outstanding agreements or waivers extending the applicable statutory periods of limitation for any material Taxes associated with the ownership or operation of the assets of the Regency Entities for any period.

(e) No Regency Entity is a party to any Tax sharing agreement.

(f) No Regency Entity has engaged in a transaction that would be reportable by or with respect to any Regency Entity pursuant to Treasury Regulation § 1.6011-4 or any predecessor thereto.

(g) Each of the Regency Entities that is characterized as a partnership for federal income tax purposes and has filed a federal income tax return has in effect an election pursuant to Section 754 of the Code. For each taxable year beginning with Regency's initial public offering, Regency is, or has been, properly classified as a partnership or an entity disregarded as separate from its owner for United States federal income tax purposes. For each taxable year since its formation, Regency SPV is, or has been, properly classified as a partnership or an entity disregarded as separate from its owner for United States federal income tax purposes. Neither Regency nor Regency SPV has made an election pursuant to Treasury Regulation Section 301.7701-3(c) to be treated as an association taxable as a corporation for United States federal income tax purposes.

4.16 ***Employee Benefits; Employment and Labor Matters***.

(a) Except as set forth on Schedule 4.16(a) of the Regency Disclosure Schedule or filed with any Regency SEC Document (including by incorporation by reference) filed with the SEC on or after January 1, 2010 and prior to the date hereof, no Regency Entity, nor any ERISA Affiliate of any Regency Entity, sponsors, maintains or contributes to, or has sponsored, maintained or contributed to within six years prior to the Closing Date any of the following:

(i) any "employee benefit plan," as such term is defined in Section 3(3) of ERISA (including, but not limited to, employee benefit plans, such as foreign plans, which are not subject to the provisions of ERISA, but excluding any multiemployer plan within the meaning of Section 3(37) of ERISA or multiple employer plan with the meaning of Section 4063(a) of ERISA); or

(ii) any material personnel policy, equity-based plan (including, but not limited to, stock option plans, stock purchase plans, stock appreciation rights and phantom stock plans), collective bargaining agreement, bonus plan or arrangement, incentive award plan or arrangement, vacation policy, severance pay plan or arrangements, change in control policies or agreement, deferred compensation agreement or arrangement, executive compensation or supplemental income arrangement, consulting agreement, employment agreement and each other employee benefit plan, agreement, arrangement, program, practice or understanding which is not described in Section 4.16(a)(i) (collectively, along with the plans described in Section 4.16(a)(i) above, the "***Regency Benefit Plans***").

(b) True, correct and complete copies of each of the Regency Benefit Plans, related trusts, insurance or group annuity contracts and each other funding or financing arrangement relating to any Plan, including all amendments thereto, have been made available to ETE. and there has been made available to ETE, with respect to each Regency Benefit Plan required to file such report and description, the most recent report on Form 5500 and the summary plan description. Additionally, the most recent determination letter or opinion letter from the Internal Revenue Service for each of the Regency Benefit Plans intended to be qualified under Section 401 of the Code, and any outstanding determination letter application for such plans has been made available to ETE.

(c) Except as disclosed on Schedule 4.16(c) of the Regency Disclosure Schedule and except as to matters that would not reasonably be expected to have a Regency Material Adverse Effect:

(i) each Regency Benefit Plan has been administered in compliance with its terms, the applicable provisions of ERISA, the Code and all other applicable laws and the terms of all applicable collective bargaining agreements;

(ii) there are no actions, suits or claims pending (other than routine claims for benefits) or, to the Knowledge of the Regency Entities, threatened, with respect to any Regency Benefit Plan and no Regency Benefit Plan is under audit or is subject to an investigation by the Internal Revenue Service, the Department of Labor or any other federal or state governmental agency nor, to the Knowledge of the Regency Parties, is any such audit or investigation pending;

(iii) no Regency Benefit Plan is subject to Title IV of ERISA;

(iv) all contributions and payments required to be made by any Regency Entity or an ERISA Affiliate of any Regency Entity to or under each Regency Benefit Plan have been timely made;

(v) as to any Regency Benefit Plan intended to be qualified under Section 401 of the Code, there has been no termination or partial termination of such plan within the meaning of Section 411(d)(3) of the Code; and

(vi) none of the Regency Entities or any of their ERISA Affiliates have any liability with respect to any multiemployer plan within the meaning of Section 3(37) of ERISA or multiple employer plan with the meaning of Section 4063(a) of ERISA.

(d) In connection with the consummation of the transaction contemplated by this Agreement, no payments have or will be made under the Regency Benefit Plans which, in the aggregate, would result in the loss of deduction or the imposition any excise tax under sections 280G and 4999 of the Code.

(e) No Regency Benefits Plan provides retiree medical or retiree life insurance benefits to any person and none of the Regency Entities is contractually or otherwise obligated (whether or not in writing) to provide any person with life insurance or medical benefits upon retirement or termination of employment, in any case other than as required by the provisions of Section 601 through 608 of ERISA and Section 4980B of the Code or otherwise as required by applicable law. Additionally, each Regency Benefits Plan which is an "employee welfare benefit plan," as such term is defined in Section 3(1) of ERISA, may be unilaterally amended or terminated in its entirety without liability except as to benefits accrued thereunder prior to such amendment or termination.

(f) Except as would not reasonably be expected to have a Regency Material Adverse Effect, (i) each of the Regency Entities is in compliance with all applicable labor and employment Laws including, without limitation, all Laws, rules, regulations, orders, rulings, decrees, judgments and awards relating to employment discrimination, payment of wages, overtime compensation, immigration, occupational health and safety, and wrongful discharge; (ii) no action, suit, complaint, charge, arbitration, inquiry, proceeding or investigation by or before any Governmental Authority, brought by or on behalf of any employee, prospective or former employee or labor organization or other representative of the employees or of any prospective or former employees of any of the Regency Entities is pending or, to the Knowledge of the Regency Entities, threatened against any of the Regency Entities, any present or former director or employee (including with respect to alleged sexual harassment, unfair labor practices or discrimination); and (iii) none of the Regency Entities is subject to or otherwise bound by, any material consent decree, order, or agreement with, any Governmental Authority relating to employees or former employees of any of the Regency Entities. None of the Regency Entities is a signatory party to or otherwise subject to any collective bargaining agreements, and none of the employees of the Regency Entities is represented by a labor union; and there is no labor dispute, strike, work stoppage or other labor trouble (including any organizational drive) against any of the Regency Entities pending or, to the Knowledge of the Regency Parties, threatened.

4.17 ***Brokers' Fee***. Except as set forth on Schedule 4.17 of the Regency Disclosure Schedule, no broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Regency.

4.18 ***Regulatory Status***.

(a) Except as set forth on Schedule 4.18 of the Regency Disclosure Schedule, or for specific matters disclosed in the Regency SEC Documents filed or furnished on or after January 1, 2010 and prior to the date hereof (excluding any disclosures included in any "risk factor" section of such Regency SEC Documents or any other disclosures in such Regency SEC Documents to the extent they are predictive or forward-looking and general in nature) there are no currently effective tariffs authorized and approved by the FERC as of the date of this Agreement applicable to the Regency Entities, or currently pending material rate filings, certificate applications, or other filings that relate to any of the Regency Entities made with FERC prior to the date of this Agreement. The Regency Entities (i) have all necessary approvals from FERC to provide service to customers pursuant to the Natural Gas Act and the Natural Gas Policy Act of 1978, as amended, and (ii) have made all required FERC filings necessary to offer such service, except where failure to have any such approval or to have made any such filing would not reasonably be expected to have a Regency Material Adverse Effect.

(b) Regency is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

4.19 ***Intellectual Property***. The Regency Entities own or have the right to use pursuant to license, sublicense, agreement or otherwise all material items of Intellectual Property required in the operation of the business as presently conducted; (b) no third party has asserted in writing delivered to the Regency Entities an unresolved claim that any of the Regency Entities is infringing on the Intellectual Property of such third party and (c) to the Knowledge of Regency, no third party is infringing on the Intellectual Property owned by the Regency Entities.

4.20 ***Matters Relating to Acquisition of the Acquired Interests***.

(a) Regency has such knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of its investment in the Acquired Interests and is capable of bearing the economic risk of such investment. Regency is an "accredited investor" as that term is defined in Rule 501 of Regulation D (without regard to Rule 501(a)(4)) promulgated under the Securities Act. The Regency Parties are acquiring the Acquired Interests for investment for their own account and not with a view toward or for sale in connection with any distribution thereof, or with any present intention of distributing or selling the Acquired Interests. Neither of the Regency Parties has any Contract or arrangement with any Person to sell, transfer or grant participations to such Person or to any third Person, with respect to the Acquired Interests. The Regency Parties acknowledge and understand that (i) the acquisition of the Acquired Interests has not been registered under the Securities Act in reliance on an exemption therefrom and (ii) the Acquired Interests will, upon such acquisition, be characterized as "restricted securities" under state and federal securities laws. The Regency Parties agree that the Acquired Interests may not be sold, transferred, offered for sale, pledged, hypothecated or otherwise disposed of except (A) in accordance with the requirements of the ETC III LLC Agreement, ETC II LLC Agreement and Company LLC Agreement, (B) pursuant to an effective registration statement under the Securities Act or pursuant to an available exemption from the registration requirements of the Securities Act, and in compliance with other applicable state and

federal securities laws or (C) to the extent pledged or hypothecated pursuant to the terms of the Regency Credit Facility.

(b) The Regency Parties have undertaken such investigation as they have deemed necessary to enable them to make an informed and intelligent decision with respect to the execution, delivery and performance of this Agreement and the acquisition of the Acquired Interests. The Regency Parties have had an opportunity to ask questions and receive answers from ETE regarding the terms and conditions of the offering of the Acquired Interests and the business, properties, prospects, and financial condition of the Company (to the extent ETE possessed such information). The foregoing, however, does not modify the representations and warranties of ETE in Article III and such representations and warranties constitute the sole and exclusive representations and warranties of ETE to the Regency Parties in connection with the transactions contemplated by this Agreement.

ARTICLE V
COVENANTS OF THE PARTIES

5.1 ***Conduct of the Company's Business***. From the Execution Date through the Closing, except as described in Schedule 5.1 to the Company Disclosure Schedule or consented to or approved in writing by Regency (which shall not be unreasonably withheld, conditioned or delayed), ETE shall not (a) consent to or approve of any action, or waive its rights to consent to or approve of any action, for which ETE's consent or approval is required under Section 5.1 of the ETP Redemption Agreement, (b) agree to amend the ETP Redemption Agreement in any manner that would reasonably be expected to adversely affect the Regency Parties' rights under this Agreement or (c) exercise its rights under Section 7.1(a)] of the ETP Redemption Agreement to terminate the ETP Redemption Agreement.

5.2 ***Conduct of Regency's Business***.

(a) From the Execution Date through the Closing, except as permitted or required by the other terms of this Agreement, described in Schedule 5.2 of the Regency Disclosure Schedule, or consented to or approved in writing by ETE (which shall not be unreasonably withheld, conditioned or delayed), Regency shall, and cause each of its Subsidiaries to:

(i) conduct its business and activities in the ordinary course of business consistent with past practice;

(ii) use reasonable best efforts to preserve intact their goodwill and relationships with customers, suppliers and others having business dealings with them with respect thereto;

(iii) comply in all material respects with all applicable Laws relating to them; and

(iv) use reasonable best efforts to maintain in full force without interruption its present insurance policies or comparable insurance coverage of the Regency Parties.

(b) Without limiting the generality of Section 5.2(a), and except as described in Schedule 5.2(b) of the Regency Disclosure Schedule, or consented to or approved in writing by ETE (which shall not be unreasonably withheld, conditioned or delayed), Regency shall not, and shall cause each of its Subsidiaries not to:

(i) make any material change or amendment to its Organizational Documents;

(ii) purchase any securities or ownership interests of, or make any investment in any Person, other than (A) ordinary course overnight investments consistent with the cash management policies of such Person and (B) purchases and investments in addition to those contemplated by clause (A) not in excess of $50,000,000 in the aggregate;

(iii) make any capital expenditure in excess of $50,000,000 in the aggregate, except as required on an emergency basis or for the safety of individuals or the environment;

(iv) make any material change to its tax methods, principles or elections;

(v) except as required under its Organizational Documents, declare or pay any distributions in respect of any of its equity securities or partnership units except (A) in the case of Regency, the declaration and payment of regular quarterly cash distributions of Available Cash from Operating Surplus (each as defined in the Regency Partnership Agreement), not in excess of $0.46 per Regency Common Unit per quarter, plus any corresponding distribution on the general partner interest and Incentive Distribution Rights, (B) regular quarterly distributions of Available Cash from Operating Surplus, not in excess of $0.445 per quarter, in respect of the Regency Series A Units and (C) the declaration and payment of distributions from any direct or indirect wholly owned Subsidiary of Regency;

(vi) split, combine or reclassify any of its equity securities or partnership units or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for, its equity securities or partnership units, except for any such transaction by a direct or indirect wholly owned Subsidiary of Regency that remains a direct or indirect wholly owned Subsidiary of Regency after consummation of such transaction;

(vii) repurchase, redeem or otherwise acquire any of its equity securities or partnership units or any securities convertible into or exercisable for any equity securities or partnership units other than redemptions to satisfy federal income tax withholding obligations in connection with the vesting of units under Regency's long-term incentive plan;

(viii) except for the Acquired Units, issue, deliver, sell, pledge or dispose of, or authorize the issuance, delivery, sale, pledge or disposition of, any (A) equity securities or partnership units of any class, (B) debt securities having the right to vote on any matters on which holders of capital stock or members or partners of the same issuer may vote or (C) securities convertible into or exercisable for, or any rights, warrants, calls or options to acquire, any such securities, other than issuances (1) by a direct or indirect wholly owned Subsidiary of Regency of equity securities or partnership units to such

Person's parent or any other direct or indirect wholly owned Subsidiary of Regency and (2) pursuant to awards outstanding prior to the date of this Agreement under the Regency Benefit Plans which are reflected on Schedule 4.16 of the Regency Disclosure Schedule;

(ix) purchase or sell assets, other than purchases or sales of inventory in the ordinary course, with a value exceeding $50,000,000 individually or $50,000,000 in the aggregate;

(x) create, incur, guarantee or assume any Indebtedness for borrowed money exceeding $100,000,000 in the aggregate;

(xi) enter into any joint venture or similar arrangement with a third party (other than in the ordinary course of business) involving assets or obligations in excess of $75,000,000;

(xii) (A) settle any claims, demands, lawsuits or state or federal regulatory proceedings for damages to the extent such settlements assess damages in excess of $10,000,000 in the aggregate (other than any claims, demands, lawsuits or proceedings to the extent insured (net of deductibles), reserved against in the Regency Financial Statements or covered by an indemnity obligation not subject to dispute or adjustment from a solvent indemnitor) or (B) settle any claims, demands, lawsuits or state or federal regulatory proceedings seeking an injunction or other equitable relief where such settlements would have or would reasonably be expected to have a Regency Material Adverse Effect;

(xiii) except as otherwise expressly permitted by this Section 5.2, merge with or into, or consolidate with, any other Person or acquire all or substantially all of the business or assets of any other Person;

(xiv) take any action with respect to or in contemplation of any liquidation, dissolution, recapitalization, reorganization or other winding up;

(xv) change or modify any accounting policies, except as required by applicable regulatory authorities or independent accountants;

(xvi) approve or make material modifications of the salaries, bonuses or other compensation (including incentive compensation) payable to any individual whose base salary exceeds $200,000 per annum or adopt or make any material amendment to any employee compensation, benefit or incentive plans;

(xvii) modify, make any material amendment to or voluntarily terminate, prior to the expiration date thereof, any Regency Material Contracts or waive any default by, or release, settle or compromise any claim against, any other party thereto; or

(xviii) agree or commit to take any of the actions described above.

Notwithstanding anything in this Agreement to the contrary, nothing in this Section 5.2 shall prohibit Regency from taking any action, or approving the taking by any of its Subsidiaries of

any action, if, prior to taking such action, or approving the taking of such action, Regency determines in good faith, after consultation with outside legal counsel, that failure to take such action, or to approve the taking of such action, would be reasonably likely to be inconsistent with the implied contractual covenant of good faith and fair dealing imposed on Regency or such Subsidiary in its capacity as a partner in the RIGS JV and a party to the RIGS JV Agreement under the Delaware Revised Uniform Partnership Act.

5.3 ***Notice of Certain Events***. Each Party shall promptly notify the other Parties of:

(a) any event, condition or development that has resulted in the inaccuracy or breach of any representation or warranty, covenant or agreement contained in this Agreement made by or to be complied with by such notifying Party at any time during the term hereof and that would reasonably be expected to result in any of the conditions set forth in Article VI not to be satisfied; *provided*, *however*, that no such notification shall be deemed to cure any such breach of or inaccuracy in such notifying Party's representations and warranties or covenants and agreements or in the ETE Disclosure Schedule or the Regency Disclosure Schedule for any purpose under this Agreement and no such notification shall limit or otherwise affect the remedies available to the other Parties;

(b) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by the Transaction Documents;

(c) any notice or other communication from any Governmental Authority in connection with the transactions contemplated by the Transaction Documents; and

(d) any Proceedings commenced that would be reasonably expected to prevent or materially delay the consummation of the transactions contemplated by the Transaction Documents or materially impair the notifying Party's ability to perform its obligations under the Transaction Documents.

5.4 ***Access to Information***.

(a) From the Execution Date until the Closing Date, ETE will, upon request by the Regency Parties, exercise its rights under Section 5.3 of the ETP Redemption Agreement in order to afford the Regency Parties, their counsel, financial advisors, auditors and other authorized representatives (collectively, "***Representatives***") such access and information as ETP has agreed to provide to ETE and its Representatives under Section 5.3 of the ETP Redemption Agreement. To the fullest extent permitted by Law, ETE and its Representatives and Affiliates shall (i) not be responsible or liable to the Regency Parties for personal injuries sustained by the Regency Parties' Representatives in connection with the access provided pursuant to this Section 5.4(a) and (ii) shall be indemnified and held harmless by the Regency Parties for any losses suffered by any such Persons in connection with any such personal injuries; *provided* such personal injuries are not caused by the gross negligence or willful misconduct of ETE. The Regency Parties agree that they will not, and will cause their Representatives not to, use any information obtained pursuant to this Section 5.4(a) for any purpose unrelated to the consummation of the transactions contemplated by this Agreement.

(b) From the Execution Date until the Closing Date, Regency will, and will cause each of its Subsidiaries to, (i) give ETE and its Representatives reasonable access to the offices, properties, books and records of Regency and its Subsidiaries, in each case during normal business hours and (ii) furnish to ETE and its Representatives such financial and operating data and other information relating to Regency and its Subsidiaries as such Persons may reasonably request, subject to ETE's and its Representatives' compliance with applicable Law governing the use of such information. Notwithstanding the foregoing provisions of this Section 5.4(b), Regency shall not be required to, or to cause any of its Subsidiaries to, grant access or furnish information to ETE or any of its Representatives to the extent that such information is subject to an attorney/client or attorney work product privilege or that such access or the furnishing of such information is prohibited by law or an existing contract or agreement. To the extent practicable, Regency shall make reasonable and appropriate substitute disclosure arrangements under circumstances in which the restrictions of the preceding sentence apply. Any investigation pursuant to this Section 5.4(b) shall be conducted in such manner as not to interfere with the conduct of the business of Regency or its Subsidiaries. Notwithstanding the foregoing, ETE shall not be entitled to perform any intrusive or subsurface investigation or other sampling of, on or under any of the properties of Regency or its Subsidiaries without the prior written consent of Regency. To the fullest extent permitted by Law, Regency and its Representatives and Affiliates shall (A) not be responsible or liable to ETE for personal injuries sustained by ETE's Representatives in connection with the access provided pursuant to this Section 5.4(b) and (B) shall be indemnified and held harmless by ETE for any losses suffered by any such Persons in connection with any such personal injuries; *provided* such personal injuries are not caused by the gross negligence or willful misconduct of Regency. ETE agrees that it will not, and will cause its Representatives not to, use any information obtained pursuant to this Section 5.4(b) for any purpose unrelated to the consummation of the transactions contemplated by this Agreement.

5.5 ***Governmental Approvals***.

(a) The Parties will cooperate with each other and use reasonable best efforts to obtain from any Governmental Authorities any consents, licenses, permits, waivers, approvals, authorizations or orders required to be obtained and to make any filings with or notifications or submissions to any Governmental Authority that are necessary in order to consummate the transactions contemplated by the Transaction Documents and the Regency GP Purchase Agreement and shall diligently and expeditiously prosecute, and shall cooperate fully with each other in the prosecution of, such matters.

(b) Without limiting Section 5.5(a), as soon as practicable following the Execution Date, but in no event later than ten Business Days following the Execution Date, the Parties shall make such filings as may be required by the HSR Act with respect to the transactions contemplated by the Transaction Documents (other than the Option Agreement), which filings shall include a request for early termination of any applicable waiting period. Thereafter, the Parties shall file as promptly as practicable all reports or other documents required or requested by the U.S. Federal Trade Commission or the U.S. Department of Justice pursuant to the HSR Act or otherwise including requests for additional information concerning such transactions, so that the waiting period specified in the HSR Act will expire or be terminated as soon as reasonably possible after the Execution Date. Each Party shall cause their respective counsel to furnish each other Party such necessary information and reasonable assistance as such other

Party may reasonably request in connection with the Parties' preparation of necessary filings or submissions under the provisions of the HSR Act. Each Party shall cause their counsel to supply to each other Party copies of the date stamped receipt copy of the cover letters delivering the filings or submissions required under the HSR Act to any Governmental Authority. Regency shall pay the statutory filing fee associated with filings under the HSR Act.

(c) The Parties agree to cooperate with each other and use reasonable best efforts to contest and resist, any Proceeding, and to have vacated, lifted, reversed or overturned any decree, judgment, injunction or other order (whether temporary, preliminary or permanent) of any Governmental Authority that is in effect and that restricts, prevents or prohibits the consummation of the transactions contemplated by the Transaction Documents and the Regency GP Purchase Agreement.

5.6 ***Legends***. If the Acquired Interests are certificated, the Regency Parties agree to the imprinting, so long as the restrictions described in the legend are applicable, of the following legend on any certificates evidencing all or any portion of the Acquired Interests:

THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "***SECURITIES ACT***") AND ARE SUBJECT TO THE TERMS OF THE AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT OF [___] (THE "***LLC AGREEMENT***"). ACCORDINGLY, THEY MAY NOT BE OFFERED OR SOLD EXCEPT (A) IN ACCORDANCE WITH THE TERMS OF THE LLC AGREEMENT AND (B) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH OTHER APPLICABLE FEDERAL AND STATE SECURITIES LAWS.

5.7 ***Expenses***. All costs and expenses incurred by ETE in connection with the Transaction Documents and the transactions contemplated thereby shall be paid by ETE and all costs and expenses incurred by the Regency Parties in connection with the Transaction Documents and the transactions contemplated thereby shall be paid by the Regency Parties; *provided*, *however*, that if any action at law or equity is necessary to enforce or interpret the terms of the Transaction Documents, the prevailing Party shall be entitled to reasonable attorneys' fees and expenses in addition to any other relief to which such Party may be entitled.

5.8 ***Further Assurances; Efforts to Release Guarantees***.

(a) Subject to the terms and conditions of this Agreement, each of the Parties shall use its reasonable best efforts to take, or cause to be taken, all action, and to do, or cause to be done, all things necessary, proper or advisable under applicable Law to consummate the transactions contemplated by the Transaction Documents. Without limiting the generality of the foregoing, each Party will use its reasonable best efforts to obtain timely all authorizations, consents and approvals of all third parties necessary in connection with the consummation of the transactions contemplated by this Agreement prior to the Closing. The Parties will coordinate

and cooperate with each other in exchanging such information and assistance as any of the Parties hereto may reasonably request in connection with the foregoing.

(b) The Regency Parties shall cooperate with ETE and ETP to cause the release of both ETP and ETE from any and all obligations that either ETP or ETE have to guaranty the performance of ETC III under the Company LLC Agreement following the Closing, and to substitute and replace such obligations of ETP or ETE with an absolute and unconditional guaranty by Regency of ETC III's performance under the Company LLC Agreement. Without limiting the generality of the foregoing, if at any time after the Closing Regency satisfies the Credit Standards (as defined in the Company LLC Agreement), Regency shall substitute and replace such obligations of ETP or ETE with an absolute and unconditional guaranty by Regency of ETC III's performance under the Company LLC Agreement. Until such time as Regency has caused the substitution and replacement of ETP and ETE's obligations pursuant to the preceding sentence, Regency shall not permit ETC III to commit to the making of any Capital Contribution (as defined in the Company LLC Agreement) prior to the funding of such Capital Contribution that, together with all other unfunded Capital Contributions committed to by ETC III and ETC II, exceeds $5,000,000 unless (i) such Capital Contribution has been approved in writing by ETE and ETP or (ii) prior to causing ETC III to commit to such Capital Contribution, Regency provides Acceptable Credit Support in respect thereof.

(c) The Regency Parties shall cooperate to cause the release of both ETP and ETE from any and all obligations that either ETP or ETE have to guaranty the performance of ETC II under the Company LLC Agreement following the Option Closing, and to substitute and replace such obligations of ETP or ETE with an absolute and unconditional guaranty by Regency of ETC II's performance under the Company LLC Agreement. Without limiting the generality of the foregoing, if at any time after the Option Closing Regency satisfies the Credit Standards (as defined in the Company LLC Agreement), Regency shall substitute and replace such obligations of ETP or ETE with an absolute and unconditional guaranty by Regency of ETC II's performance under the Company LLC Agreement. Until such time as Regency has caused the substitution and replacement of ETP and ETE's obligations pursuant to the preceding sentence, Regency shall not permit ETC II to commit to the making of any Capital Contribution (as defined in the Company LLC Agreement) prior to the funding of such Capital Contribution that, together with all other unfunded Capital Contributions committed to by ETC II and ETC III, exceeds $5,000,000 unless (i) such Capital Contribution has been approved in writing by ETE and ETP or (ii) prior to causing ETC II to commit to such Capital Contribution, Regency provides Acceptable Credit Support in respect thereof.

(d) The Regency Parties shall cooperate with ETE and ETP to reduce, as of the Closing, ETP's (and if applicable, ETE's) Stated Percentage (as defined in the ETP Guaranty Agreement) from 49.9% to 0.1%. In furtherance of this obligation, if at any time after the Closing Regency becomes a Qualified Additional Guarantor (as defined in the MEP Credit Agreement), Regency shall promptly enter into a Credit Guaranty Agreement with a Stated Percentage thereunder of 49.9%, in form, scope and substance reasonably satisfactory to the Administrative Agent and Regency.

(e) The Regency Parties shall cooperate to reduce, as of the Option Closing, ETP's (and if applicable, ETE's) Stated Percentage (as defined in the ETP Guaranty Agreement) to 0%.

In furtherance of this obligation, if at any time after the Option Closing Regency becomes a Qualified Additional Guarantor (as defined in the MEP Credit Agreement), Regency shall promptly enter into a Credit Guaranty Agreement with a Stated Percentage thereunder of 49.9%, in form, scope and substance reasonably satisfactory to the Administrative Agent and Regency.

5.9 ***Public Statements***. The Parties shall consult with each other prior to issuing any public announcement, statement or other disclosure with respect to the Transaction Documents or the transactions contemplated thereby and none of ETE and its Affiliates on one hand nor the Regency Parties and their respective Affiliates on the other shall issue any such public announcement, statement or other disclosure without having first notified ETE on one hand or the Regency Parties on the other; *provided*, *however*, that any of ETE and its Affiliates, on one hand, and any of the Regency Parties and their respective Affiliates, on the other, may make any public disclosure without first so consulting with or notifying the other Party or Parties if such disclosing party believes that it is required to do so by Law or by any stock exchange listing requirement or trading agreement concerning the publicly traded securities of ETE or any of its Affiliates, on one hand, or the Regency Parties or any of their respective Affiliates, on the other.

5.10 ***Common Units***. ETE agrees to the imprinting, so long as the restrictions described in the legend are applicable, of the following legend on any certificates evidencing all or any portion of the Acquired Units:

THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "***SECURITIES ACT***") AND ARE SUBJECT TO THE TERMS OF THE AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT OF REGENCY ENERGY PARTNERS LP. THE HOLDER OF THIS SECURITY ACKNOWLEDGES FOR THE BENEFIT OF REGENCY ENERGY PARTNERS LP THAT THIS SECURITY MAY NOT BE SOLD, OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED IF SUCH TRANSFER WOULD (A) VIOLATE THE THEN APPLICABLE FEDERAL OR STATE SECURITIES LAWS OR RULES AND REGULATIONS OF THE SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION OR ANY OTHER GOVERNMENTAL AUTHORITY WITH JURISDICTION OVER SUCH TRANSFER, (B) TERMINATE THE EXISTENCE OR QUALIFICATION OF REGENCY ENERGY PARTNERS LP UNDER THE LAWS OF THE STATE OF DELAWARE, OR (C) CAUSE REGENCY ENERGY PARTNERS LP TO BE TREATED AS AN ASSOCIATION TAXABLE AS A CORPORATION OR OTHERWISE TO BE TAXED AS AN ENTITY FOR FEDERAL INCOME TAX PURPOSES (TO THE EXTENT NOT ALREADY SO TREATED OR TAXED). REGENCY GP LP, THE GENERAL PARTNER OF REGENCY ENERGY PARTNERS LP, MAY IMPOSE ADDITIONAL RESTRICTIONS ON THE TRANSFER OF THIS SECURITY IF IT RECEIVES AN OPINION OF COUNSEL THAT SUCH RESTRICTIONS ARE NECESSARY TO AVOID A SIGNIFICANT RISK OF REGENCY ENERGY PARTNERS LP BECOMING TAXABLE AS A CORPORATION OR OTHERWISE BECOMING TAXABLE AS AN ENTITY FOR FEDERAL INCOME TAX PURPOSES. THE RESTRICTIONS SET FORTH ABOVE SHALL NOT PRECLUDE THE SETTLEMENT OF ANY TRANSACTIONS INVOLVING THIS SECURITY ENTERED INTO THROUGH THE FACILITIES OF ANY

NATIONAL SECURITIES EXCHANGE ON WHICH THIS SECURITY IS LISTED OR ADMITTED TO TRADING.

5.11 ***Tax Matters***.

(a) Filing Tax Returns. (i) ETE will file or cause to be filed all Tax Returns of the Company, ETC III and ETC II that are required to be filed (after taking into account extensions) on or prior to the Closing Date and will prepare or cause to be prepared such Tax Returns in a manner consistent with past practice unless otherwise required by Law.

(ii) Regency shall file or cause to be filed all Tax Returns of the Company and ETC III for all (A) taxable years ending on or prior to the Closing Date which are filed after the Closing Date, (B) taxable years beginning prior to the Closing Date and ending after the Closing Date, (C) taxable years beginning after the Closing Date. With respect to Tax Returns described in clauses (A) and (B) of the preceding sentence, Regency shall cause such Tax Returns to be prepared in a manner consistent with past practice unless otherwise required by Law.`

(b) Cooperation. Each of the Parties shall cooperate fully, as and to the extent reasonably requested by the other Party, in connection with the filing of Tax Returns and any audit, litigation or other proceeding with respect to Taxes. Such cooperation shall include the retention and (upon the other Party's request) the provision of records and information relevant to any such 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.

(c) Transfer Taxes. All transfer and other such Taxes and fees (including any penalties and interest) incurred in connection with the contribution of the Acquired Interests pursuant to this Agreement shall be paid equally by ETE (on the one hand) and Regency (on the other hand) when due.

5.12 ***Books and Records; Financial Statements.***

(a) Regency shall provide ETE access to Regency's books and records relating to the Regency Entities to the extent reasonably necessary to enable ETE to prepare financial statements of the Regency Entities and such other financial statements of ETE and its Affiliates in such forms and covering such periods as may be required by any applicable securities laws to be filed with the SEC by ETE as a result of the transactions contemplated by this Agreement. Regency shall use reasonable best efforts to cause the Audit Firm to provide any consent necessary to the filing of such financial statements with the SEC and to provide such customary representation letters as are necessary in connection therewith.

(b) Regency hereby consents to the inclusion or incorporation by reference of the financial statements of the Regency Entities in any registration statement, report or other filing of ETE or any of its Affiliates as to which ETE or any of its Affiliates reasonably determines that such financial statements are required to be included or incorporated by reference to satisfy any rule or regulation of the SEC or to satisfy relevant disclosure obligations under the Securities Act or the Exchange Act. Regency shall use reasonable best efforts to cause the Audit Firm to

consent to the inclusion or incorporation by reference of its audit opinion with respect to any of the financial statements of the Regency Parties in any such registration statement, report or other filing of ETE or any of its Affiliates, and Regency shall cause representation letters, in form and substance reasonably satisfactory to the Audit Firm, to be executed and delivered to the Audit Firm in connection with obtaining any such consent from the Audit Firm.

(c) Regency shall cooperate with ETE in connection with the preparation of any pro forma financial statements of ETE or any of its Affiliates that are derived in part from the financial statements of Regency that ETE or its Affiliates reasonably determines are required to be included or incorporated by reference in any registration statement, report or other filing of ETE or any of its Affiliates to satisfy any rule or regulation of the SEC or to satisfy relevant disclosure obligations under the Securities Act or the Exchange Act.

(d) Regency shall provide access to its books and records as may be reasonably necessary for ETE or any of its Affiliates, or any of their respective advisors or representatives, to conduct customary due diligence with respect to the financial statements of Regency in connection with any offering of securities by ETE or any of its Affiliates, or to enable an accounting firm to prepare and deliver a customary comfort letter with respect to financial information relating to Regency.

ARTICLE VI
CONDITIONS TO CLOSING

6.1 ***Conditions to Obligations of Each Party***. The respective obligation of each Party to consummate the Closing is subject to the satisfaction, on or prior to the Closing Date, of each 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 (in such Party's sole discretion):

(a) Approvals. All authorizations, consents, orders or approvals of, or declarations or filings with, or expiration of waiting periods imposed under the HSR Act or set forth on Schedule 6.1(a) shall have been obtained or made.

(b) Governmental Restraints. No order, decree or injunction of any Governmental Authority shall be in effect, and no Law shall have been enacted or adopted that enjoins, prohibits or makes illegal the consummation of the transactions contemplated by the Transaction Documents and no Proceeding by any Governmental Authority with respect to the transactions contemplated by the Transaction Documents shall be pending that seeks to restrain, enjoin, prohibit or delay the transactions contemplated by the Transaction Documents.

(c) Required Consents. The consents, approvals and waivers set forth on Schedule 6.1(c) shall have been obtained.

(d) ETP Redemption Agreement Transactions. The Redemption and Exchange shall have been consummated pursuant to the terms of the ETP Redemption Agreement.

(e) Credit Agreement. The Regency Credit Facility shall have been amended as set forth on Schedule 6.1(e) of the ETE Disclosure Schedule.

6.2 ***Conditions to Obligations of Regency Parties***. The obligation of the Regency Parties to consummate the Closing is subject to the satisfaction, on or prior to the Closing Date, of each of the following conditions, any one or more of which may be waived in writing, in whole or in part, by the Regency Parties (in the Regency Parties' sole discretion):

(a) Representations and Warranties of ETE. The representations and warranties of ETE (i) in Article III (other than those contained in Sections 3.5 and 3.6) shall be true and correct in all respects as of the Closing Date as if remade on the Closing Date (except for representations and warranties made as of a specific date, which shall be true and correct in all respects as of such specific date), with only such failures to be so true and correct as had not had, and would not reasonably be expected to have, a Company Material Adverse Effect and (ii) in Sections 3.5 and 3.6 shall be true and correct in all material respects as of the Closing Date as if remade on the Closing Date (except for representations and warranties contained therein made as of a specific date, which shall be true and correct in all material respects as of such specific date).

(b) Performance. ETE shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by ETE on or prior to the Closing Date.

(c) Conflicts Policy. The Board of Directors of LEGPLLC shall have adopted the Conflicts Policy.

(d) Master Services Agreement. Regency shall have received a counterpart of the Master Services Agreement, duly executed by ETE and Services Co. (as defined in the Master Services Agreement).

(e) Closing Certificate. The Regency Parties shall have received a certificate, dated as of the Closing Date, signed by a Responsible Officer of ETE certifying that, to the best of such Responsible Officer's knowledge, the conditions set forth in Sections 6.2(a) and 6.2(b) have been satisfied

(f) Closing Deliverables. ETE shall have delivered or caused to be delivered all of the closing deliveries set forth in Section 2.4(b) and in the other Transaction Documents.

6.3 ***Conditions to Obligations of ETE***. The obligation of ETE to consummate the Closing is subject to the satisfaction, on or prior to the Closing Date, of each of the following conditions, any one or more of which may be waived in writing, in whole or in part, by ETE (in ETE's sole discretion):

(a) Representations and Warranties of Regency Parties. The representations and warranties of the Regency Parties (i) in Article IV (other than those contained in Section 4.5) shall be true and correct in all respects as of the Closing Date as if remade on the Closing Date (except for representations and warranties made as of a specific date, which shall be true and correct in all respects as of such specific date), with only such failures to be so true and correct as had not had, and would not reasonably be expected to have, a Regency Material Adverse Effect and (ii) in Sections 4.5 shall be true and correct in all material respects as of the Closing Date as if remade on the Closing Date (except for representations and warranties contained therein made

as of a specific date, which shall be true and correct in all material respects as of such specific date).

(b) Performance. The Regency Parties shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by the Regency Parties on or prior to the Closing Date.

(c) Regency GP Purchase Agreement. The Regency GP Purchase shall have been consummated pursuant to the terms of the Regency GP Purchase Agreement.

(d) ETE Loan Documents Waiver. ETE shall have received waivers and/or amendments of the ETE Loan Documents related to the transactions contemplated hereby reasonably acceptable to ETE.

(e) ETP Loan Documents Waiver. ETP shall have received waivers and/or amendments of the ETP Loan Documents related to the transactions contemplated hereby reasonably acceptable to ETE.

(f) Master Services Agreement. ETE shall have received a counterpart of the Master Services Agreement, duly executed by Regency.

(g) Closing Certificate. ETE shall have received a certificate, dated as of the Closing Date, signed by a Responsible Officer of Regency certifying that, to the best of such Responsible Officer's knowledge, the conditions set forth in Sections 6.3(a) and 6.3(b) have been satisfied.

(h) Closing Deliverables. The Regency Parties shall have delivered or caused to be delivered all of the closing deliveries set forth in Section 2.4(a) and in the other Transaction Documents.

ARTICLE VII
TERMINATION RIGHTS

7.1 ***Termination Rights***. This Agreement may be terminated at any time prior to the Closing as follows:

(a) By mutual written consent of the Parties;

(b) By either ETE or the Regency Parties if any Governmental Authority of competent jurisdiction shall have issued a final and non-appealable order, decree or judgment prohibiting the consummation of the transactions contemplated by this Agreement;

(c) By either ETE or the Regency Parties in the event that the Closing has not occurred on or prior to June 9, 2010 (the "***Termination Date***"); *provided*, *however*, that (i) ETE may not terminate this Agreement pursuant to this Section 7.1(c) if such failure of the Closing to occur is due to the failure of ETE to perform and comply in all material respects with the covenants and agreements to be performed or complied with by ETE and (ii) the Regency Parties may not terminate this Agreement pursuant to this Section 7.1(c) if such failure of the Closing to

occur is due to the failure of either Regency Party to perform and comply in all material respects with the covenants and agreements to be performed or complied with by such Regency Party;

(d) By the Regency Parties if there shall have been a breach or inaccuracy of ETE's representations and warranties in this Agreement or a failure by ETE to perform its covenants and agreements in this Agreement, in any such case in a manner that would result in, if occurring and continuing on the Closing Date, the failure of the conditions to the Closing set forth in Section 6.2(a) or Section 6.2(b), unless such failure is reasonably capable of being cured, and ETE is using all reasonable best efforts to cure such failure by the Termination Date; *provided*, *however*, that the Regency Parties may not terminate this Agreement pursuant to this Section 7.1(d) if (i) any of the Regency Parties' representations and warranties shall have become and continue to be untrue in a manner that would cause the condition set forth in Section 6.3(a) not to be satisfied or (ii) there has been, and continues to be, a failure by either Regency Party to perform its covenants and agreements in such a manner as would cause the condition set forth in Section 6.3(b) not to be satisfied;

(e) By ETE if there shall have been a breach or inaccuracy of the Regency Parties' representations and warranties in this Agreement or a failure by either Regency Party to perform its covenants and agreements in this Agreement, in any such case in a manner that would result in, if occurring and continuing on the Closing Date, the failure of the conditions to the Closing set forth in Section 6.3(a) or Section 6.3(b), unless such failure is reasonably capable of being cured, and such Regency Party is using all reasonable best efforts to cure such failure by the Termination Date; *provided*, *however*, that ETE may not terminate this Agreement pursuant to this Section 7.1(e) if (i) any of ETE's representations and warranties shall have become and continue to be untrue in a manner that would cause the condition set forth in Section 6.2(a) not to be satisfied or (ii) there has been, and continues to be, a failure by ETE to perform its covenants and agreements in such a manner as would cause the condition set forth in Section 6.2(b) not to be satisfied;

(f) By the ETE or Regency Parties if the ETP Redemption Agreement has been terminated pursuant to its terms; or

(g) By ETE if the Regency GP Purchase Agreement has been terminated pursuant to its terms.

7.2 ***Effect of Termination***. In the event of the termination of this Agreement pursuant to Section 7.1, all rights and obligations of the Parties under this Agreement shall terminate, except for the provisions of this Section 7.2, Article IX and Sections 5.7, 5.9, 10.1, 10.3, 10.7 and 10.8, the last sentence of Section 5.4(a) and the last sentence of Section 5.4(b); *provided*, *however*, that no termination of this Agreement shall relieve any Party from any liability for any willful and intentional breach of this Agreement by such Party or for Fraud by such Party and all rights and remedies of a non-breaching Party under this Agreement in the case of any such willful and intentional breach or Fraud, at law and in equity, shall be preserved, including the right to recover reasonable attorneys' fees and expenses. Except to the extent otherwise provided in the immediately preceding sentence, the Parties agree that, if this Agreement is terminated, the Parties shall have no liability to each other under or relating to this Agreement.

ARTICLE VIII
INDEMNIFICATION

8.1 ***Indemnification by ETE***. Subject to the terms of this Article VIII, from and after the Closing, ETE shall indemnify and hold harmless the Regency Parties and their respective partners, members, managers, directors, officers, employees, consultants and permitted assigns (collectively, the "***Regency Indemnitees***"), to the fullest extent permitted by Law, from and against any losses, claims, damages, liabilities and costs and expenses (including reasonable attorneys' fees and expenses) (collectively, "***Losses***") incurred, arising out of or relating to:

(a) any breach of any of the representations or warranties (in each case, when made) of ETE contained in Article III or of the certification of a Responsible Officer of ETE delivered to the Regency Parties pursuant to Section 6.2(e);

(b) any breach of any of the covenants or agreements of ETE contained in this Agreement;

(c) any Taxes of the Company attributable to a Tax period or portion thereof that ends on or before the Closing Date (excluding Taxes that ETE is obligated to pay as set forth in Section 5.12(c)); and

(d) the Excluded Items.

Notwithstanding the foregoing, for purposes of Section 8.1(a), the determination of whether there has been a breach of any representation or warranty of ETE related to ETC II contained in Section 3.16 shall be made as if such representation or warranty had been made as of the date of this Agreement and as of the Option Closing Date (and not as of the Closing Date).

8.2 ***Indemnification by the Regency Parties***. Subject to the terms of this Article VIII, from and after the Closing, the Regency Parties shall jointly and severally indemnify and hold harmless (x) ETE and its directors, officers, employees, consultants and permitted assigns and (y) (solely with respect to the matters described in Section 8.2(c) and (d)) ETP and its directors, officers, employees, consultants and permitted assigns (collectively, the "***Energy Transfer Indemnitees***" and, together with the Regency Indemnitees, the "***Indemnitees***") to the fullest extent permitted by Law, from and against Losses incurred, arising out of or relating to:

(a) any breach of any of the representations or warranties (in each case, when made) of the Regency Parties contained in this Agreement or of the certification of a Responsible Officer of Regency delivered to ETE pursuant to Section 6.3(g);

(b) any breach of any of the covenants or agreements of the Regency Parties contained in this Agreement;

(c) (i) the failure of ETC III or any successor or survivor of ETC III or any transferee of all or any portion of the ETC III MEP Interest to perform any and all of its existing and future obligations, direct or indirect, absolute or contingent, liquidated or unliquidated, voluntary or involuntary under the Company LLC Agreement following the Closing and (ii) the failure of ETC II or any successor or survivor of ETC II or any transferee of all or any portion of the ETC

II MEP Interest to perform any and all of its existing and future obligations, direct or indirect, absolute or contingent, liquidated or unliquidated, voluntary or involuntary under the Company LLC Agreement following the Option Closing;

(d) any obligations of ETE or ETP to guaranty the payment of any indebtedness of the Company or the performance by the Company of any Contract relating to such indebtedness; and

(e) any Taxes of the Regency Parties attributable to a Tax period or portion thereof that ends on or before the Closing Date (excluding Taxes that Regency is obligated to pay as set forth in Section 5.12(c)).

8.3 ***Limitations and Other Indemnity Claim Matters***. Notwithstanding anything to the contrary in this Article VIII or elsewhere in this Agreement, the following terms shall apply to any claim for monetary damages arising out of this Agreement or related to the transactions contemplated hereby:

(a) De Minimis. No indemnifying party (an "***Indemnifying Party***") will have any liability under this Article VIII in respect of any individual claim involving Losses arising under Section 8.1(a) or Section 8.2(a) to any single Regency Indemnitee or Energy Transfer Indemnitee, as applicable, of less than $125,000 (each, a "***De Minimis Claim***"). Notwithstanding the forgoing, this Section 8.3(a) shall not apply to Losses arising from any breach or inaccuracy of the representations or warranties set forth in Section 3.16 or Section 4.15.

(b) Deductible.

(i) ETE will not have any liability under Section 8.1(a) unless and until the Regency Indemnitees have suffered Losses in excess of $6,000,000 in the aggregate (the "***Deductible***") arising from Claims under Section 8.1(a) that are not De Minimis Claims and then recoverable Losses claimed under Section 8.1(a) shall be limited to those that exceed the Deductible.

(ii) The Regency Parties will not have any liability under Section 8.2(a) unless and until the Energy Transfer Indemnitees have suffered Losses in excess of the Deductible arising from Claims under Section 8.2(a) that are not De Minimis Claims and then recoverable Losses claimed under Section 8.2(a) shall be limited to those that exceed the Deductible.

(c) Cap.

(i) ETE's aggregate liability under this Agreement and from the transactions contemplated hereby shall not exceed $90,000,000 (the "***Cap***"); *provided* that the limitation set forth in this Section 8.3(c)(i) shall not apply to Losses arising out of or relating to: (A) any breach or inaccuracy of the representations and warranties set forth in Sections 3.1, 3.2, 3.3, 3.5, 3.6, 3.16 or 3.18, (B) any breach of any covenants or agreements of ETE set forth in this Agreement or (C) the matters described in Section 8.1(c) and Section 8.1(d); *provided further* that, notwithstanding anything in this Section

8.1(c) to the contrary, ETE's aggregate liability under this Agreement and from the transactions contemplated hereby shall not exceed $598,800,000 (the "***Aggregate Cap***").

(ii) The Regency Parties' aggregate liability under this Agreement and from the transactions contemplated hereby shall not exceed the Cap; *provided* that the limitation set forth in this Section 8.3(c)(ii) shall not apply to Losses arising out of or relating to: (A) any breach or inaccuracy of the representations and warranties set forth in Sections 4.1, 4.2, 4.3, 4.5, 4.14 or 4.16, (B) any breach of any covenants or agreements of the Regency Parties set forth in this Agreement that by their terms are to be performed after the Closing Date or (C) the matters described in Section 8.2(c), Section 8.2(d) and Section 8.2(e); *provided further* that, notwithstanding anything in this Section 8.1(c) to the contrary, the Regency Parties' aggregate liability under this Agreement and from the transactions contemplated hereby shall not exceed the Aggregate Cap.

(d) Survival; Claims Period.

(i) The representations, warranties, covenants and agreements of the Parties under this Agreement shall survive the execution and delivery of this Agreement and shall continue in full force and effect until the one-year anniversary of the Closing Date (the "***Expiration Date***"); *provided* that (A) the representations and warranties set forth in Sections 3.1 (*Organization; Qualification*), 3.2 (*Authority; Enforceability*), 3.3 (*Non-Contravention*), 3.4 (*Governmental Approvals*), 3.5 (*Capitalization*), 3.6 (*Ownership of Acquired Interests*), 3.18 (*Brokers' Fee*), 3.22 (*Matters Relating to Acquisition of the Acquired Units*), 4.1 (*Organization; Qualification*), 4.2 (*Authority; Enforceability; Valid Issuance*), 4.3 (*Non-Contravention*), 4.4 (*Governmental Approvals*), 4.5 (*Capitalization*), 4.17 (*Brokers' Fee*) and 4.20 (*Matters Relating to Acquisition of Acquired Interests*) shall survive indefinitely, (B) the representations and warranties set forth in Sections 3.10(d) (*Financial Statements***)**, and 3.17 (*Employee Benefits*) to the extent such representations and warranties relate to ETC II or the ETC II MEP Interest shall continue in full force and effect until the one-year anniversary of the Option Closing Date (which shall be deemed to be the Expiration Date with respect to such representations and warranties), (C) the representations and warranties set forth in Section 3.16 (*Taxes*) and Section 4.15 (*Taxes*) shall survive the execution and delivery of this Agreement and shall continue in full force and effect until ninety (90) days after the expiration of the applicable statute of limitations (which shall be deemed to be the Expiration Date with respect to such representations and warranties) and (D) any covenants or agreements contained in this Agreement that by their terms are to be performed after the Closing Date shall survive until fully discharged.

(ii) No action for a breach of any representation or warranty contained herein (other than representations or warranties that survive indefinitely pursuant to Section 8.3(d)(i)) shall be brought after the Expiration Date, except for claims of which a Party has received a Claim Notice setting forth in reasonable detail the claimed misrepresentation or breach of warranty with reasonable detail, prior to the Expiration Date.

(e) ***Calculation of Losses***. In calculating amounts payable to any Energy Transfer Indemnitee or Regency Indemnitee (each such person, an "***Indemnified Party***") for a claim for indemnification hereunder, the amount of any indemnified Losses shall be determined without duplication of any other Loss for which an indemnification claim has been made or could be made under any other representation, warranty, covenant or agreement and shall be computed net of (i) payments actually recovered by the Indemnified Party under any insurance policy with respect to such Losses and (ii) any prior or subsequent actual recovery by the Indemnified Party from any Person with respect to such Losses.

(f) ***Waiver of Certain Damages***. Notwithstanding any other provision of this Agreement, in no event shall any Party be liable for punitive, special, indirect, consequential, remote, speculative or lost profits damages of any kind or nature, regardless of the form of action through which such damages are sought, except (i) for any such damages recovered by any third party against an Indemnified Party in respect of which such Indemnified Party would otherwise be entitled to indemnification pursuant to the terms hereof and (ii) in the case of consequential damages, (A) to the extent an Indemnified Party is required to pay consequential damages to an unrelated third party and (B) to the extent of consequential damages to an Indemnified Party arising from fraud or willful misconduct.

(g) ***Sole and Exclusive Remedy***. Except for the assertion of any claim based on fraud or willful misconduct, the remedies provided in this Article VIII shall be the sole and exclusive legal remedies of the Parties, from and after the Closing, with respect to this Agreement and the transactions contemplated hereby.

8.4 ***Indemnification Procedures***.

(a) Each Indemnitee agrees that promptly after it becomes aware of facts giving rise to a claim by it for indemnification pursuant to this Article VIII, such Indemnitee must assert its claim for indemnification under this Article VIII (each, a "***Claim***") by providing a written notice (a "***Claim Notice***") to the Indemnifying Party allegedly required to provide indemnification protection under this Article VIII specifying, in reasonable detail, the nature and basis for such Claim (*e.g.*, the underlying representation, warranty, covenant or agreement alleged to have been breached). Notwithstanding the foregoing, an Indemnitee's failure to send or delay in sending a third party Claim Notice will not relieve the Indemnifying Party from liability hereunder with respect to such Claim except to the extent the Indemnifying Party is prejudiced by such failure or delay and except as is otherwise provided herein, including in Section 8.3(e).

(b) In the event of the assertion of any third party Claim for which, by the terms hereof, an Indemnifying Party is obligated to indemnify an Indemnitee, the Indemnifying Party will have the right, at such Indemnifying Party's expense, to assume the defense of same including the appointment and selection of counsel on behalf of the Indemnitee so long as such counsel is reasonably acceptable to the Indemnitee. If the Indemnifying Party elects to assume the defense of any such third party Claim, it shall within 30 days of its receipt of the Claim Notice notify the Indemnitee in writing of its intent to do so. The Indemnifying Party will have the right to settle or compromise or take any corrective or remediation action with respect to any such Claim by all appropriate proceedings, which proceedings will be diligently prosecuted by the Indemnifying Party to a final conclusion or settled at the discretion of the Indemnifying

Party. The Indemnitee will be entitled, at its own cost, to participate with the Indemnifying Party in the defense of any such Claim. If the Indemnifying Party assumes the defense of any such third-party Claim but fails to diligently prosecute such Claim, or if the Indemnifying Party does not assume the defense of any such Claim, the Indemnitee may assume control of such defense and in the event it is determined pursuant to the procedures set forth in Article IX that the Claim was a matter for which the Indemnifying Party is required to provide indemnification under the terms of this Article VIII, the Indemnifying Party will bear the reasonable costs and expenses of such defense (including reasonable attorneys' fees and expenses). Notwithstanding the foregoing, the Indemnifying Party may not assume the defense of the third-party Claim (but will be entitled at its own cost to participate with the Indemnified Party in the defense of any such Claim) if the potential Losses under the third-party Claim could reasonably and in good faith be expected to exceed, in the aggregate when combined with all claims previously made by the Indemnified Party to the Indemnifying Party under this Article VIII, the maximum amount for which the Indemnifying Party may be liable pursuant to Section 8.3(c); provided, however, that to the extent the Parties are not in agreement with respect to the calculation of potential Losses, the Indemnifying Party shall have the right to assume the defense of the third-party Claim in accordance herewith until the Parties have agreed or a final non-appealable judgment has been entered into, with respect to the determination of the potential Losses.

(c) Notwithstanding anything to the contrary in this Agreement, the Indemnifying Party will not be permitted to settle, compromise, take any corrective or remedial action or enter into an agreed judgment or consent decree, in each case, that subjects the Indemnitee to any criminal liability, requires an admission of guilt, wrongdoing or fault on the part of the Indemnitee or imposes any continuing obligation on or requires any payment from the Indemnitee without the Indemnitee's prior written consent.

8.5 ***No Reliance***.

(a) THE REPRESENTATIONS AND WARRANTIES OF ETE CONTAINED IN ARTICLE III CONSTITUTE THE SOLE AND EXCLUSIVE REPRESENTATIONS AND WARRANTIES OF ETE TO THE REGENCY PARTIES IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. THE REPRESENTATIONS OF THE REGENCY PARTIES CONTAINED IN ARTICLE IV CONSTITUTE THE SOLE AND EXCLUSIVE REPRESENTATIONS AND WARRANTIES OF THE REGENCY PARTIES TO ETE IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EXCEPT FOR SUCH REPRESENTATIONS AND WARRANTIES, NO PARTY OR ANY OTHER PERSON MAKES ANY OTHER EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY WITH RESPECT TO SUCH PARTY OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, AND EACH PARTY DISCLAIMS ANY OTHER REPRESENTATIONS OR WARRANTIES, WHETHER MADE BY SUCH PARTY OR ANY OF ITS AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR REPRESENTATIVES (INCLUDING WITH RESPECT TO THE DISTRIBUTION OF, OR ANY PERSON'S RELIANCE ON, ANY INFORMATION, DISCLOSURE OR OTHER DOCUMENT OR OTHER MATERIAL MADE AVAILABLE TO ANY PARTY IN ANY DATA ROOM, ELECTRONIC DATA ROOM, MANAGEMENT PRESENTATION OR IN ANY OTHER FORM IN EXPECTATION OF, OR IN CONNECTION WITH, THE TRANSACTIONS CONTEMPLATED BY THIS

AGREEMENT). EXCEPT FOR SUCH REPRESENTATIONS AND WARRANTIES, EACH PARTY DISCLAIMS ALL LIABILITY AND RESPONSIBILITY FOR ANY REPRESENTATION, WARRANTY, PROJECTION, FORECAST, STATEMENT, OR INFORMATION MADE, COMMUNICATED OR FURNISHED (ORALLY OR IN WRITING) TO ANY OTHER PARTY OR ITS AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR REPRESENTATIVES (INCLUDING OPINION, INFORMATION, PROJECTION, OR ADVICE THAT MAY HAVE BEEN OR MAY BE PROVIDED TO ANY PARTY OR ANY OFFICER, DIRECTOR, EMPLOYEE, AGENT OR REPRESENTATIVE OF SUCH PARTY OR ANY OF ITS AFFILIATES).

(b) Except as provided in Sections 7.2, 8.1 and 8.2, no Party nor any Affiliate of a Party shall assert or threaten, and each Party hereby waives and shall cause such Affiliates to waive, any claim or other method of recovery, in contract, in tort or under applicable Law, against any Person that is not a Party (or a successor to a Party) relating to the transactions contemplated by this Agreement.

ARTICLE IX
GOVERNING LAW AND CONSENT TO JURISDICTION

9.1 ***Governing Law***. This Agreement shall be governed by and construed and interpreted in accordance with the Laws of the State of Delaware, without giving effect to the conflicts of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of Delaware.

9.2 ***Consent to Jurisdiction***. The Parties irrevocably submit to the exclusive jurisdiction of (a) the Delaware Court of Chancery, and (b) any state appellate court therefrom within the State of Delaware (or, only if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware), for the purposes of any Proceeding arising out of this Agreement or the transactions contemplated hereby (and each agrees that no such Proceeding relating to this Agreement or the transactions contemplated hereby shall be brought by it except in such courts). The Parties irrevocably and unconditionally waive (and agree not to plead or claim) any objection to the laying of venue of any Proceeding arising out of this Agreement or the transactions contemplated hereby in (i) the Delaware Court of Chancery, or (ii) any state appellate court therefrom within the State of Delaware (or, only if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware) or that any such Proceeding brought in any such court has been brought in an inconvenient forum. Each of the Parties hereto also agrees that any final and non-appealable judgment against a Party hereto in connection with any Proceeding shall be conclusive and binding on such Party and that such award or judgment may be enforced in any court of competent jurisdiction, either within or outside of the United States. A certified or exemplified copy of such award or judgment shall be conclusive evidence of the fact and amount of such award or judgment.

9.3 ***Waiver of Jury Trial***. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY ACTION OR PROCEEDING TO ENFORCE OR TO DEFEND ANY RIGHTS UNDER THIS AGREEMENT SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

ARTICLE X
GENERAL PROVISIONS

10.1 ***Amendment and Modification***. This Agreement may be amended, modified or supplemented only by written agreement of the Parties hereto.

10.2 ***Waiver of Compliance; Consents***. Except as otherwise provided in this Agreement, any failure of any of the Parties to comply with any obligation, covenant, agreement or condition in this Agreement may be waived by the Party or Parties entitled to the benefits thereof only by a written instrument signed by the Party or Parties granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

10.3 ***Notices***. Any notice, demand or communication required or permitted under this Agreement shall be in writing and delivered personally, by reputable overnight delivery service or other courier or by certified mail, postage prepaid, return receipt requested, and shall be deemed to have been duly given (a) as of the date of delivery if delivered personally or by overnight delivery service or other courier or (b) on the date receipt is acknowledged if delivered by certified mail, addressed as follows; *provided* that a notice of a change of address shall be effective only upon receipt thereof:

If to ETE to:

Energy Transfer Equity, L.P.
3738 Oak Lawn
Dallas, TX 75219
Attention: General Counsel

If to the Regency Parties to:

Regency GP LLC
2001 Bryan Street, Suite 3700
Dallas, TX 75201
Attention: Chief Legal Officer

10.4 ***Assignment***. This Agreement shall be binding upon and inure to the benefit of the Parties and their successors and permitted assigns. No Party may assign or transfer this Agreement or any of its rights, interests or obligations under this Agreement without the prior written consent of the other Parties. Any attempted assignment or transfer in violation of this Agreement shall be null, void and ineffective.

10.5 ***Third Party Beneficiaries***. This Agreement shall be binding upon and inure solely to the benefit of the Parties hereto and their respective successors and assigns. Except as provided in Sections 5.8(b), 5.8(c), 5.8(d), 5.8(e), 8.1 and 8.2, none of the provisions of this Agreement shall be for the benefit of or enforceable by any third party, including any creditor of any Party or any of their Affiliates. No such third party shall obtain any right under any

provision of this Agreement or shall by reasons of any such provision make any claim in respect of any liability (or otherwise) against any other Party.

10.6 ***Entire Agreement***. Except for the Confidentiality Agreement, which shall survive the execution of this Agreement, this Agreement and the other Transaction Documents constitute the entire agreement and understanding of the Parties with respect to the subject matter hereof and supersede all prior agreements and understandings, both oral and written, among the Parties or between any of them with respect to such subject matter.

10.7 ***Severability***. Whenever possible, each provision or portion of any provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable Law but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or portion of any provision in such jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision or portion of any provision had never been contained herein.

10.8 ***Representation by Counsel***. Each of the Parties agrees that it has been represented by independent counsel of its choice during the negotiation and execution of this Agreement and the documents referred to herein, and that it has executed the same upon the advice of such independent counsel. Each Party and its counsel cooperated in the drafting and preparation of this Agreement and the documents referred to herein, and any and all drafts relating thereto shall be deemed the work product of the Parties and may not be construed against any Party by reason of its preparation. Therefore, the Parties waive the application of any Law providing that ambiguities in an agreement or other document will be construed against the Party drafting such agreement or document.

10.9 ***Disclosure Schedules***. The inclusion of any information (including dollar amounts) in any section of the ETE Disclosure Schedule or the Regency Disclosure Schedule shall not be deemed to be an admission or acknowledgment by a Party that such information is required to be listed on such section of the ETE Disclosure Schedule or the Regency Disclosure Schedule or is material to or outside the ordinary course of the business of such Party or the Person to which such disclosure relates. The information contained in this Agreement, the Exhibits and the Schedules is disclosed solely for purposes of this Agreement, and no information contained in this Agreement, the Exhibits or the Schedules shall be deemed to be an admission by any Party to any third Person of any matter whatsoever (including any violation of a legal requirement or breach of contract). The disclosure contained in one disclosure schedule contained in the ETE Disclosure Schedule or Regency Disclosure Schedule may be incorporated by reference into any other disclosure schedule contained therein, and shall be deemed to have been so incorporated into any other disclosure schedule so long as it is readily apparent that the disclosure is applicable to such other disclosure schedule.

10.10 ***Facsimiles; Counterparts***. This Agreement may be executed by facsimile signatures by any Party and such signature shall be deemed binding for all purposes hereof, without delivery of an original signature being thereafter required. This Agreement may be

executed in one or more counterparts, each of which, when executed, shall be deemed to be an original and all of which together shall constitute one and the same document.

[*Signature page follows*]

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed by its respective duly authorized officers as of the date first above written.

ENERGY TRANSFER EQUITY, L.P.

By: LE GP, LLC,
its general partner

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

REGENCY ENERGY PARTNERS LP

By: Regency GP LP, its general partner

By: Regency GP LLC, its general partner

By: /s/ Byron R. Kelley
Byron R. Kelley,
Chairman, President and Chief Executive Officer

REGENCY MIDCONTINENT EXPRESS LLC

By: Regency Gas Services LP, its sole member

By: Regency OLP GP LLC, its general partner

By: /s/ Byron R. Kelley
Byron R. Kelley,
Chairman, President and Chief Executive Officer

EXHIBIT A

DEFINITIONS

"***Acceptable Credit Support***" with respect to any Capital Contribution (as defined in the Company LLC Agreement) committed to by ETC III or ETC II in accordance with Section 5.8(b) or (c), shall mean any of the following, in each case upon terms and conditions, and pursuant to documentation in form and substance reasonably satisfactory to ETE: (a) cash or Cash Equivalents in an amount equal to ETC III's or ETC II's obligations in respect of such Capital Contribution, to be held in a segregated deposit account and/or securities account with an Acceptable Bank, which accounts are subject to a first priority perfected security interest in favor of, at the election of ETE, ETE or ETP; (b) an Acceptable Letter of Credit, in a face amount equal to ETC III's or ETC II's obligations in respect of such Capital Contribution on the date Acceptable Credit Support is to be provided pursuant to Sections 5.8(b) or (c); or (c) guaranty of the Regency Parties' obligations under Section 8.2(c) with respect to ETC III's or ETC II's obligations in respect of such Capital Contribution provided by an Affiliate of Regency that has a senior unsecured long-term debt rating of BBB- or better from S&P and Baa3 or better from Moody's.

"***Acceptable Bank***" shall mean a commercial bank organized under the laws of the United States or any state thereof having capital surplus and undivided profits aggregating at least $250,000,000 and having a senior unsecured long-term debt rating of A- or better from S&P or A3 or better from Moody's.

"***Acceptable Letter of Credit***" means an irrevocable standby letter of credit reasonably acceptable to ETE and ETP, issued by an Acceptable Bank and drawable in New York, New York or Dallas, Texas.

"***Accounting Firm***" is defined in Section 2.5(c).

"***Actual Preceding Quarter Distribution Amount***" is defined in Section 2.6(d).

"***Acquired Interests***" is defined in the recitals to this Agreement.

"***Acquired ETC II Interest***" is defined in the recitals to this Agreement.

"***Acquired ETC III Interest***" is defined in the recitals to this Agreement.

"***Acquired Units***" is defined in Section 2.2.

"***Actual Preceding Quarter Distribution Amount***" is defined in Section 2.6(e).

"***Actual Pro Rata Closing Quarter Distribution Amount***" is defined in Section 2.6(f).

"***Administrative Agent***" is defined in the MEP Credit Agreement.

"***Affiliate***" means a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, a specified Person. A Person

shall be deemed to control another Person if such first Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise.

"***Aggregate Cap***" is defined in Section 8.3(c)(i).

"***Agreement***" is defined in the preamble to this Agreement.

"***Assignment of Interest***" is defined in Section 2.4(a)(iv).

"***Audit Firm***" means the independent accounting firm regularly engaged by Regency to review its quarterly financial statements and provide an audit report with respect to their annual financial statements.

"***Board Member***" has the meaning assigned to such term in the Company LLC Agreement.

"***Budget***" has the meaning assigned to such term in the Company LLC Agreement.

"***Business Day***" means any day that is not a Saturday, Sunday or other day on which commercial banks in the State of Texas are authorized or obligated to be closed by applicable Laws.

"***Cap***" is defined in Section 8.3(c).

"***Claim***" is defined in Section 8.4(a).

"***Claim Notice***" is defined in Section 8.4(a).

"***Closing***" is defined in Section 2.3.

"***Closing Date***" is defined in Section 2.3.

"***Closing Date Long-Term Debt***" is defined in Section 2.5(a)(iii).

"***Closing Date Net Working Capital***" is defined in Section 2.5(a)(i).

"***Closing Quarter***" is defined in Section 2.6(a).

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

"***Company***" is defined in the recitals to this Agreement.

"***Company Credit Agreement***" means that certain Credit Agreement, dated as of February 28, 2008, among the Company, the Royal Bank of Scotland plc, as Administrative Agent, and the lenders party thereto.

"***Company Credit Facility***" means the $1,400,000,000 credit facility of the Company established pursuant to the Company Credit Agreement.

"***Company Financial Statements***" are defined in Section 3.10(a).

"***Company Guarantee Agreement***" is defined in Section 2.4(a)(ii).

"***Company LLC Agreement***" is defined in the recitals to this Agreement.

"***Company Material Adverse Effect***" means any Material Adverse Effect in respect of the Company.

"***Company Material Contract***" is defined in Section 3.13(b).

"***Company Policies***" is defined in Section 3.21.

"***Confidentiality Agreement***" means that certain Confidentiality Agreement, dated March 10, 2010, among ETE, ETP and Regency.

"***Conflicts Policy***" means the Statement of Policies Relating to Potential Conflicts between Energy Transfer Partners, L.P., Energy Transfer Equity, L.P. and Regency Energy Partners, in substantially the form attached hereto as Exhibit G.

"***Contract***" means any written agreement, lease, license, note, evidence of indebtedness, mortgage, security agreement, understanding, instrument or other legally binding arrangement.

"***Contribution Value***" is defined in Section 2.2.

"***Control***" means, where used with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of Voting Interests, by contract or otherwise, and the terms "***Controlling***" and "***Controlled***" have correlative meanings.

"***Credit Guarantee Agreement***" is defined in Section 2.4(a)(iii).

"***Creditors' Rights***" is defined in Section 3.2(b).

"***Creditworthy Affiliate***" has the meaning assigned to such term in the Company LLC Agreement.

"***Deductible***" is defined in Section 8.3(b)(i).

"***Delaware LLC Act***" means the Delaware Limited Liability Company Act, as amended from time to time.

"***Delaware LP Act***" means the Delaware Revised Uniform Limited Partnership Act, as amended from time to time.

"***De Minimis Claim***" is defined in Section 8.3(a).

"***Disclosure Schedule***" means (i) with respect to ETE, the ETE Disclosure Schedule, and (ii) with respect to the Regency Parties, the Regency Disclosure Schedule.

"***Energy Transfer Indemnitees***" is defined in Section 8.2.

"***Environmental Laws***" means any and all Laws pertaining to the prevention of pollution, the protection of human health (including worker health and safety) and the environment (including ambient air, surface water, ground water, land, surface or subsurface strata and natural resources) and the investigation, removal and remediation of contamination.

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

"***ERISA Affiliate***" means, with respect to any entity, trade or business, any other entity, trade or business that is a member of a group described in Section 414(b),(c), (m) or (o) of the Code or Section 4001(b)(l) of ERISA that includes the first entity, trade or business, or that is a member of the same "controlled group" as the first entity, trade or business pursuant to section 4001(a)(14) of ERISA.

"***Estimated Adjustment Statement***" is defined in Section 2.5(b).

"***Estimated Closing Date Balance Sheet***" is defined in Section 2.5(b).

"***Estimated Closing Date Long-Term Debt***" is defined in Section 2.5(b).

"***Estimated Unit Contribution Consideration***" is defined in Section 2.5(b).

"***Estimated Contribution Value***" is defined in Section 2.5(b).

"***Estimated Net Working Capital***" is defined in Section 2.5(b).

"***Estimated Preceding Quarter Distribution Amount***" is defined in Section 2.6(a).

"***Estimated Pro Rata Closing Quarter Distribution Amount***" is defined in Section 2.6(a)

"***Estimated Pre-Closing Capex Amount***" is defined in Section 2.5(b).

"***ETC***" is defined in the preamble to this Agreement.

"***ETC II***" is defined in the recitals to this Agreement.

"***ETC II LLC Agreement***" means the limited liability company agreement of ETC II, dated April 12, 2010.

"***ETC II MEP Interest***" is defined in the recitals to this Agreement.

"***ETC III***" is defined in the recitals to this Agreement.

"***ETC III LLC Agreement***" means the limited liability company agreement of ETC III, dated April 12, 2010.

"***ETC III MEP Interest***" is defined in the recitals to this Agreement.

"***ETC Consideration Interests***" is defined in the recitals to this Agreement.

"***ETE***" is defined in the preamble to this Agreement.

"***ETE Adjustment Payment***" is defined in Section 2.5(d).

"***ETE Credit Agreement***" means the Amended and Restated Credit Agreement dated as of July 13, 2006, by and among ETE, Wachovia, Bank National Association, as Administrative Agent and the lenders party thereto.

"***ETE Disclosure Schedule***" means the disclosure schedule to this Agreement prepared by ETE and delivered to the Regency Parties on the Execution Date.

"***ETE Loan Documents***" means the "Loan Documents" as defined in the ETE Credit Agreement.

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

"***ETP Guaranty Agreement***" means that certain Guaranty Agreement, dated as of February 29, 2008, between ETP and The Royal Bank of Scotland plc, as the administrative agent, as amended by that certain First Amendment to Guaranty Agreement, dated as of November 6, 2009, between ETP and The Royal Bank of Scotland plc, as the administrative agent.

"***ETP Redemption Agreement***" is defined in the recitals to this Agreement.

"***Exchange Act***" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"***Execution Date***" is defined in the preamble to this Agreement.

"***Excluded Items***" means the matters described on Exhibit F attached hereto.

"***Expiration Date***" is defined in Section 8.3(e)(i).

"***FERC***" means the Federal Energy Regulatory Commission of the United States of America.

"***Final Adjustment Statement***" is defined in Section 2.5(c).

"***Final Closing Date Balance Sheet***" is defined in Section 2.5(c).

"***Final Pre-Closing Capex Amount***" is defined in Section 2.5(c).

"***Final Purchase Price Adjustment Amount***" is defined in Section 2.5(c).

"***Fraud***" means actual fraud involving a knowing and intentional misrepresentation of a material fact.

"***GAAP***" means generally accepted accounting principles in the United States of America.

"***GE Investor***" is defined in the preamble to this Agreement.

"***Governmental Authority***" means any executive, legislative, judicial, regulatory or administrative agency, body, commission, department, board, court, tribunal, arbitrating body or authority of the United States or any foreign country, or any state, local or other governmental subdivision thereof.

"***Hazardous Substances***" means each substance, waste or material regulated, defined, designated or classified as a hazardous waste, hazardous substance, hazardous material, pollutant, contaminant or toxic substance under any Environmental Law; *provided* that the term Hazardous Substances shall be deemed not to include petroleum, petroleum products, natural gas or natural gas liquids while they are secured in containers or vessels that are in good condition and compliant with applicable Environmental Laws.

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

"***Incentive Distribution Rights***" has the meaning ascribed to such term in the Regency Partnership Agreement.

"***Indemnified Party***" is defined in Section 8.3(f).

"***Indemnifying Party***" is defined in Section 8.3(a).

"***Indemnitees***" is defined in Section 8.2.

"***Intellectual Property***" means patents, trademarks, copyrights, and trade secrets.

"***Interim Financial Statements***" is defined in Section 3.10(a).

"***Knowledge***" means (a) with respect to ETE, the actual knowledge of John McReynolds Sonia Aube, Kelcy Warren, Martin Salinas and Tom Mason and (b) with respect to the Regency Parties, the actual knowledge of Christopher Rozzell and Stephen Arata.

"***Law***" means any law, statute, code, ordinance, order, rule, rule of common law, regulation, judgment, decree, injunction, franchise, permit, certificate, license or authorization of any Governmental Authority.

"***LEGPLLC***" means LE, G.P., LLC, a Delaware limited liability company and the sole general partner of ETE.

"***Lien***" means, with respect to any property or asset, (i) any mortgage, pledge, security interest, lien or other similar property interest or encumbrance in respect of such property or asset, and (ii) any easements, rights-of-way, restrictions, restrictive covenants, rights, leases and other encumbrances on title to real or personal property (whether or not of record).

"***Long-Term Debt***" mean all long-term debt, determined in accordance with GAAP as applied consistent with the Company's past practices (including its preparation of the Financial Statements).

"***Long-Term Debt Threshold***" is defined in Section 2.5(a)(iii).

"***Losses***" is defined in Section 8.1.

"***Master Services Agreement***" means the Master Services Agreement in substantially the form attached hereto as Exhibit H.

"***Material Adverse Effect***" means, with respect to any Person, any change, event or development that is materially adverse to the business, financial condition, or operations of such Person and its Subsidiaries, taken as a whole; *provided*, *however*, that, a Material Adverse Effect shall not be deemed to have occurred as a result of any of the following changes, events or developments (either alone or in combination): (a) any change in general economic, political or business conditions (including any effects on the economy arising as a result of acts of terrorism); (b) any change in oil or natural gas commodity prices; (c) any change affecting the natural gas transportation industry generally but which does not have a materially disproportionate impact on the business of such Person and its Subsidiaries; (d) any change in accounting requirements or principles imposed by GAAP or any change in Law after the Execution Date but which does not, in each case, have a materially disproportionate impact on the business of such Person and its Subsidiaries; or (e) any change resulting from the execution of this Agreement or the announcement of the transactions contemplated hereby.

"***MEP Credit Agreement***" means the Credit Agreement dated as of February 29, 2008, by and among the Company, The Royal Bank of Scotland plc, as Administrative Agent and the lenders party thereto, as amended.

"***MEP Expansion Project***" is defined as capital projects to increase Zone 1 capacity from 1,432,500 Dth/d to 1,832,500 Dth/d and Zone 2 from 1,000,000 Dth/d to 1,200,000 Dth/d.

"***MEP Interest***" is defined in the recitals to this Agreement.

"***Moody's***" means Moody's Investors Service, Inc. or any successor by merger or consolidation to its business.

"***Net Working Capital***" means (a) total current assets minus (b) total current liabilities, all as determined in accordance with GAAP as applied consistently with the Company's past practices (including its preparation of the Company Financial Statements).

"***Net Working Capital Threshold***" is defined in Section 2.5(a)(i).

"***Objection Notice***" is defined in Section 2.5(c).

"***Operating Subsidiaries***" means Regency Gas Services LP, a Delaware limited partnership and all other Subsidiaries of Regency.

"***Option Assignment Agreement***" is defined in Section 2.4(a)(v).

"***Option Closing***" means the closing of the transactions contemplated by the Option Agreement.

"***Option Closing Date***" is defined in the recitals to this Agreement.

"***Organizational Documents***" means, with respect to any Person, the articles of incorporation, certificate of incorporation, certificate of formation, certificate of limited partnership, bylaws, limited liability company agreement, operating agreement, partnership agreement, stockholders' agreement and all other similar documents, instruments or certificates executed, adopted or filed in connection with the creation, formation or organization of such Person, including any amendments thereto (including, in the case of the Company, the Company LLC Agreement).

"***Party***" and "***Parties***" are defined in the preamble of this Agreement.

"***Permits***" means all permits, approvals, consents, licenses, franchises, exemptions and other authorizations, consents and approvals of or from Governmental Authorities.

"***Permitted Liens***" means, with respect to any Person, (a) statutory Liens for current Taxes applicable to the assets of such Person or assessments not yet delinquent or the amount or validity of which is being contested in good faith and for which adequate reserves have been established in accordance with GAAP; (b) mechanics', carriers', workers', repairmens', landlords' and other similar liens arising or incurred in the ordinary course of business of such Person relating to obligations as to which there is no default on the part of such Person, (c) Liens as may have arisen in the ordinary course of business of such Person, none of which are material to the ownership, use or operation of the assets of such Person; (d) any state of facts that an accurate on the ground survey of any real property of such Person would show, and any easements, rights-of-way, restrictions, restrictive covenants, rights, leases, and other encumbrances on title to real or personal property filed of record, in each case that do not materially detract from the value of or materially interfere with the use and operation of any of the assets of such Person; (e) statutory Liens for obligations that are not delinquent, (f) Liens encumbering the fee interest of those tracts of real property encumbered by Rights-of-Way, (g) legal highways, zoning and building laws, ordinances and regulations, that do not materially detract from the value of or materially interfere with the use of the assets of such Person in the ordinary course of business and (h) any Liens with respect to assets of such Person, which, together with all other Liens, do not materially detract from the value of such Person or materially interfere with the present use of the assets owned by such Person or the conduct of the business of such Person.

"***Person***" means any natural person, corporation, limited partnership, general partnership, limited liability company, joint stock company, joint venture, association, company, estate, trust, bank trust company, land trust, business trust, or other organization, whether or not a legal entity, custodian, trustee-executor, administrator, nominee or entity in a representative capacity and any Governmental Authority.

"***Preceding Quarter*** is defined in Section 2.6(a).

"***Pre-Closing Capex Amount***" means the aggregate amount of capital expenditures, as defined in accordance with GAAP (whether funded through capital contributions, debt incurrence, cash on hand or otherwise), made by the Company from and after January 1, 2010 through the Closing.

"***Proceeding***" means any civil, criminal or administrative actions, suits, investigations or other proceedings.

"***Purchase Price Adjustment Amount***" is defined in Section 2.5(a).

"***Record Date***" means the close of business on the date specified by Regency as the record date for any quarterly distribution of cash in respect of the Regency Common Units.

"***Redemption and Exchange***" is defined in the recitals to this Agreement.

"***Regency***" is defined in the preamble to this Agreement.

"***Regency Adjustment Payment***" is defined in Section 2.5(d).

"***Regency Benefit Plans***" is defined in Section 4.15(a)(ii).

"***Regency Common Unit***" means a common unit representing a limited partner interest in Regency.

"***Regency Credit Facility***" means the Fifth Amended and Restated Credit Agreement dated as of March 4, 2010, by and among Regency, Wachovia Bank, National Association as Administrative Agent and the lenders party thereto, as amended from time.

"***Regency Disclosure Schedule***" means the disclosure schedule to this Agreement prepared by the Regency Parties and delivered to ETE on the Execution Date.

"***Regency Entities***" means Regency, RGPLP, RGPLLC and the Operating Subsidiaries, collectively.

"***Regency Financial Statements***" is defined in Section 4.9(c).

"***Regency GP Interest***" is defined in Section 4.5(e).

"***Regency GP LP Interests***" is defined in Section 4.5(e).

"***Regency GP Purchase***" is defined in the recitals to this Agreement.

"***Regency GP Purchase Agreement***" is defined in the recitals to this Agreement.

"***Regency Indemnitees***" is defined in Section 8.1.

"***Regency Material Adverse Effect***" means any Material Adverse Effect in respect of Regency.

"***Regency Material Contracts***" is defined in Section 4.12(b).

"***Regency Parties***" is defined in the preamble to this Agreement.

"***Regency Partnership Agreement***" means that certain Amended and Restated Agreement of Limited Partnership of Regency Energy Partners LP, dated as of February 3, 2006, between RGPLP, as the General Partner, and Seller, as the Organizational Limited Partner, together with any other Persons who become Partners in the Partnership or parties thereto as provided therein, as amended.

"***Regency SEC Documents***" is defined in Section 4.9(a).

"***Regency Series A Units***" is defined in Section 4.5(a).

"***Regency SPV***" is defined in the preamble to this Agreement.

"***Registration Rights Agreement***" is defined in Section 2.4(a)(v).

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

"***Representatives***" is defined in Section 5.4(a).

"***Responsible Officer***" means, with respect to any Person, any vice-president or more senior officer of such Person.

"***Review Period***" is defined in Section 2.5(c).

"***RGPLLC***" is defined in the recitals to this Agreement.

"***RGPLP***" is defined in the recitals to this Agreement.

"***Rights-of-Way***" means easements, rights-of-way and similar real estate interests.

"***RIGS JV***" means RIGS Haynesville Partnership Co., a Delaware general partnership.

"***RIGS JV Agreement***" means the Second Amended and Restated General Partnership Agreement of RIGS JV, dated as of December 18, 2009, as amended.

"***SEC***" is defined in Section 4.9(a).

"***Securities Act***" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"***S&P***" means Standard & Poor's Ratings Services or any successor by merger or consolidation to its business.

"***Subsidiary***" means, with respect to any Person, any corporation, limited liability company, partnership, association or other business entity of which a majority of the Voting Interests are at the time owned or Controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof; *provided* that for purposes of this Agreement, RIGS JV and any of its Subsidiaries shall be deemed to be Subsidiaries of Regency.

"***Tax***" means any tax, charge, fee, levy, penalty or other assessment imposed by any United States federal, state, local or foreign taxing authority or any other taxing authority, including any excise, real and personal property (tangible and intangible), income, sales, transfer, margin, franchise, payroll, withholding, social security or other tax, including any interest, penalties or additions attributable thereto.

"***Tax Return***" means any return, report, information return, declaration, claim for refund or other document (including any related or supporting information or schedules) supplied or required to be supplied to any taxing authority or any Person with respect to Taxes and including any supplement or amendment thereof.

"***Termination Date***" is defined in Section 7.1(c).

"***Transaction Documents***" means this Agreement, the Company Guarantee Agreement, the Credit Guarantee Agreement, the Assignment of Interest and the Option Agreement.

"***Treasury Regulations***" means the regulations (including temporary 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 provision or provisions of succeeding, similar or substitute, temporary or final Treasury Regulations.

"***Unit Contribution Consideration***" is defined in Section 2.2.

"***Voting Interests***" of any Person as of any date means the equity interests of such Person pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers, general partners or trustees of such Person (regardless of whether, at the time, equity interests of any other class or classes shall have, or might have, voting power by reason of the occurrence of any contingency) or, with respect to a partnership (whether general or limited), any general partner interest in such partnership.