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

FORM 8-K
CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of report : October 10, 2003
(Date of earliest event reported): August 21, 2003

GulfTerra Energy Partners, L.P.
(Exact Name of Registrant as Specified in Charter)

Delaware	1-11680	76-0396023
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

4 Greenway Plaza
Houston, Texas 77046
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (832) 676-4853

ITEM 5. OTHER EVENTS AND REGULATION FD DISCLOSURE.

On August 21, 2003, we amended our partnership agreement. On September 26, 2003, we amended our revolving credit facility to, among other things, increase the amount committed to $700 million and extend its maturity. In addition, on October 3, 2003, we announced that we had achieved one of our major corporate governance and independence goals as a result of the sale of a 9.9 percent interest in our general partner to Goldman, Sachs & Co. by El Paso Corporation, the owner of the remaining 90.1 percent interest in our general partner. In conjunction with this transaction, Goldman Sachs also purchased 3,000,000 common units from us.

This Current Report on Form 8-K is being filed for the purpose of filing (a) the amendment to our partnership agreement, (b) our amended credit agreement, (c) material agreements relating to Goldman Sachs' investment in us and our general partner and (d) a consent from independent petroleum engineers.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits.

Each exhibit identified below is filed as part of this report. Exhibits included in this filing are designated by an asterisk.

Exhibit No.	Description
3.B	Our Second Amended and Restated Agreement of Limited Partnership (filed as Exhibit 3.B to our Current Report on Form 8-K dated March 6, 2001); First Amendment dated November 27, 2002 (Exhibit 3.B.1 to our Current Report on Form 8-K dated December 11, 2002); Second Amendment dated May 5, 2003 (Exhibit 3.B.2 to our Current Report on Form 8-K dated May 13, 2003); Third Amendment dated May 16, 2003 (Exhibit 3.B.3 to our Current Report on Form 8-K dated May 16, 2003); Fourth Amendment effective July 23, 2003 (Exhibit 3.B.1 to our Second Quarter 2003 10-Q);
3.B.1*	Fifth Amendment to our Second Amended and Restated Agreement of Limited Partnership dated August 21, 2003.
3.B.2*	Our Second Amended and Restated Agreement of Limited Partnership, restated (for purposes of this filing) to reflect all amendments through the date hereof.
10.B*	Seventh Amended and Restated Credit Agreement dated as of March 23, 1995, as amended and restated through September 26, 2003 by and among GulfTerra Energy Partners, L.P., GulfTerra Energy Finance Corporation, Fortis Capital Corp., as Syndication Agent, Credit Lyonnais New York Branch, BNP Paribas and Wachovia Bank, National Association, as Co-Documentation Agents, JPMorgan Chase Bank, as Administrative Agent, and the several banks and other financial institutions signatories thereto.

10.T*	Purchase and Sale Agreement by and between GulfTerra Energy Partners, L.P. and Goldman Sachs & Co. dated as of October 2, 2003.
10.U*	Exchange and Registration Rights Agreement by and among GulfTerra Energy Company, L.L.C., GulfTerra Energy Partners, L.P. and Goldman Sachs & Co. dated as of October 2, 2003.
10.V*	Incentive Distribution Reduction Agreement by and between GulfTerra Energy Company, L.L.C. and GulfTerra Energy Partners, L.P. dated as of October 1, 2003.
10.W*	Redemption and Resolution Agreement by and among El Paso Corporation, GulfTerra Energy Partners, L.P. and El Paso New Chaco Holding, L.P. dated as of October 2, 2003.
23.A*	Consent of Netherland, Sewell & Associates, Inc.

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.

GULFTERRA ENERGY PARTNERS, L.P.,

Date: October 10, 2003

By: /s/ KEITH B. FORMAN

Keith B. Forman
Vice President and
Chief Financial Officer

EXHIBIT INDEX

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EXHIBIT 3.B.1

FIFTH AMENDMENT
TO THE
SECOND AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP
OF
GULFTERRA ENERGY PARTNERS, L.P.

This Fifth Amendment (this "AMENDMENT") dated August 22, 2003 (the "AMENDMENT DATE"), to the Second Amended and Restated Agreement of Limited Partnership of GulfTerra Energy Partners, L.P. (the "PARTNERSHIP"), amended and restated effective as of July 23, 2003 (as amended, the "PARTNERSHIP AGREEMENT"), is entered into by and among GulfTerra Energy Company, L.L.C., a Delaware limited liability company, as the General Partner (the "GENERAL PARTNER"), and the Limited Partners.

INTRODUCTION

The Partnership desires to amend certain terms of the Series F Convertible Units as set forth in the Statement of Rights, Privileges and Limitations of Series F Convertible Units (the "STATEMENT") of the Partnership attached as Annex A to the Third Amendment to the Partnership Agreement.

AGREEMENT

In consideration of the covenants, conditions and agreements contained herein, pursuant to Section 15.1 of the Partnership Agreement, the Partnership Agreement is hereby amended as set forth herein.

1. UNDEFINED TERMS. Undefined terms used herein are defined in the Partnership Agreement.

2. AMENDMENTS. The Partnership Agreement is hereby amended by amending the Statement as follows:

A. The following (1) Sections 1.13, 1.14 and 1.15 shall be inserted into the Statement following Section 1.12 and existing Section 1.54 of the Statement, (2) Section 1.24 shall be inserted into the Statement following Section 1.20 (which has been renumbered as Section 1.23 pursuant to this Section 2.A) and (3) Section 1.59 shall be inserted into the Statement following Section 1.54 (which has been renumbered as Section 1.58 pursuant to this Section 2.A), and (X) the existing Sections 1.13 through 1.20 of the Statement shall be renumbered 1.16 through 1.23, respectively, (Y) the existing Sections 1.21 through 1.54 of the Statement shall be renumbered 1.25 through 1.58, respectively, and (Z) the existing Sections 1.55 through 1.61 of the Statement shall be renumbered 1.60 through 1.66, respectively:

"1.13 CASHLESS CONVERSION is defined in Section 2.2(b)."

"1.14 CASHLESS CONVERSION TRIGGER PRICE means $26.00, subject to adjustment pursuant to Section 3."

"1.15 CASHLESS SETTLEMENT is defined in Section 2.2(a)."

"1.24 DEEMED CONVERSION means any conversion of Series F Convertible Units pursuant to which the Partnership does not receive any cash or Partnership Bonds, specifically any conversion (i) in connection with a Cashless Settlement or a Cashless Conversion, (ii) under Section 2.5(d), (iii) pursuant to which the Holder actually receives Acquisition Consideration in the form of cash net of the relevant Conversion Consideration, or (iv) under Sections 3.3(c), 3.3(d) and 3.3(f)."

"1.58 SETTLEMENT UNITS is defined in Section 2.2(a)."

B. The definition of "Conversion Consideration" set forth in Section 1.16 of the Statement (which has been renumbered as Section 1.19 pursuant to Section 2.A hereof) is hereby amended by adding the following sentence at the end thereof:

"For a Deemed Conversion, the Conversion Consideration shall be such amount designated in the relevant Conversion Notice, notwithstanding that no payment is made, or required to be made, to the Partnership in connection with such conversion."

C. The definition of "Minimum Conversion Price" set forth in Section 1.28 of the Statement (which has been renumbered as Section 1.31 pursuant to Section 2.A hereof) is hereby amended by adding "or Settlement Units" after "Cash Settlement Amount."

D. The definition of "Series F2 Vesting Amount" set forth in Section 1.54 of the Statement (which has been renumbered as Section 1.57 pursuant to Section 2.A hereof) is hereby amended by (1) adding "or Settlement Units" at the end of clause (ii) thereof and by (2) inserting the following as clause (iv) and renumbering the existing clause (iv) as clause (v):

"(iv) designated in any Conversion Notice delivered in connection with a Cashless Conversion, and"

E. The proviso in Section 2.1(a) of the Statement is hereby amended in its entirety to read as follows:

"; provided that the aggregate Conversion Consideration that the Partnership receives (or is deemed to have received in connection with Deemed Conversions) pursuant to conversions of any Series F1 Convertible Unit (the "SERIES F1 CONVERSION CONSIDERATION"), shall not exceed $1,000,000."

F. The proviso in Section 2.1(b) of the Statement is hereby amended in its entirety to read as follows:

"; provided that the aggregate Conversion Consideration that the Partnership receives (or is deemed to have received in connection with Deemed Conversions) pursuant to conversions of any Series F2 Convertible Unit (the "SERIES F1 CONVERSION CONSIDERATION"), shall not exceed $500,000."

G. Section 2.2 of the Statement is hereby amended in its entirety to read as follows:

"2.2 CASHLESS SETTLEMENT; CASHLESS CONVERSION.

(a) CASHLESS SETTLEMENT. If the Conversion Unit Price with respect to any Conversion Notice is below the Minimum Conversion Price, then the Partnership shall, in lieu of issuing Series A Common Units upon conversion of Series F Convertible Units covered by such Conversion Notice, take one of the following actions (provided, that the election between clauses (i) and (ii) below shall be in the Partnership's sole discretion):

(i) pay an amount in cash to such Holder equal to the difference of (x) the product of (A) the number of Series A Common Units issuable on the relevant Conversion Closing Date and (B) the Daily Market Unit Price as of the Business Day immediately preceding the Conversion Notice Date and (y) the Conversion Consideration designated in the relevant Conversion Notice (the "CASH SETTLEMENT AMOUNT"), or

(ii) issue to such Holder a number of Series A Common Units equal to the Cash Settlement Amount divided by the Prevailing Unit Price (the "SETTLEMENT UNITS");

provided, that the Holder shall not be required to tender the Conversion Consideration designated in the relevant Conversion Notice (a "CASHLESS SETTLEMENT"). At any time and from time to time with twenty (20) Business Days notice to the Holder, the Partnership shall be entitled to establish a new Minimum Conversion Price.

(b) CASHLESS CONVERSION ELECTION. If the Prevailing Unit Price is below the Cashless Conversion Trigger Price, a converting Holder may elect in the Conversion Notice to receive Settlement Units, in lieu of the number of Series A Common Units otherwise issuable upon conversion of the Series F Convertible Units covered by such Conversion Notice, provided, that the Holder shall not be required to tender the Conversion Consideration designated in the relevant Conversion Notice (a "CASHLESS CONVERSION"). Notwithstanding the Holder's election to receive Settlement Units in a Cashless Conversion, the Partnership shall have the sole right to elect no later than the Business Day immediately after

the date such Conversion Notice is delivered to the Partnership to consummate such Cashless Conversion with the payment of the Cash Settlement Amount in lieu of the issuance of Settlement Units. In addition, if the Prevailing Unit Price is below the Cashless Conversion Trigger Price and the converting Holder does not elect Cashless Conversion in a Conversion Notice, then the Partnership may, no later than the one Business Day immediately after the date such Conversion Notice is delivered to the Partnership, elect Cashless Conversion (and whether the settlement shall be in the form of the Cash Settlement Amount or the Settlement Units).

(c) CLOSING OF CASHLESS SETTLEMENT OR CASHLESS CONVERSION. The Partnership shall close a Cashless Settlement or a Cashless Conversion on the relevant Conversion Closing Date. The Partnership shall (i) pay the Cash Settlement Amount, if applicable, in immediately available funds by 5:00 p.m., New York City time, on the relevant Conversion Closing Date, to the account specified in the Holder's Conversion Notice, or (ii) issue and deliver the Settlement Units, if applicable, pursuant to Section 2.8(a) on the relevant Conversion Closing Date. Upon receipt of the Cash Settlement Amount or the Settlement Units in connection with any Cashless Settlement or Cashless Conversion, that number of Series F Convertible Units with aggregate Series F1 Conversion Consideration and Series F2 Conversion Consideration equal to the Conversion Consideration designated in the Conversion Notice shall be deemed converted. If the Conversion Consideration deemed to have been tendered pursuant to Section 2.2(a) or 2.2(b) is less than the remaining, unconverted portion of Series F Convertible Units represented by the certificate(s) tendered to the Partnership on the Conversion Closing Date, the Partnership shall issue a replacement certificate(s) as provided in Section 2.8(b).

(d) CASHLESS CONVERSIONS INITIATED BY HOLDER. In computing the Cash Settlement Amount or the Settlement Units on a Cashless Conversion initiated by a Holder, in no event shall such computation be based on a number of Series A Common Units in excess of the Maximum Number. Further, in determining whether the Maximum Number has been reached, computation shall be made based on the number of Series A Common Units, if any, actually issued in the case of a Cashless Settlement or a Cashless Conversion, provided, that if a Cashless Conversion is initiated by a Holder, then such computation shall be based on the number of Series A Common Units that would have been issued on the relevant Conversion Closing Date without giving effect to such Cashless Conversion and without regard to whether such Cashless Conversion was settled with Settlement Units, all subject to adjustment by Section 3. Notwithstanding the foregoing, nothing in this Section 2.2(d) shall be construed to change the meaning or the intent of the Statement as originally filed as Annex A to the Partnership Agreement with respect to any provision other than as such may relate to Cashless Conversion or, in the case of Cashless Settlement, as specifically provided in this Section 2.2(d).

(e) The Partnership shall, within two (2) Business Days of a Conversion Closing Date pursuant to this Section 2.2, give the Holder written notice if the Partnership is unable to tender the Cash Settlement Amount on such Conversion Closing Date. Within one (1) Business Day after receipt of such notice, Holder shall give the Partnership written notice, at its sole election, of its election to (x) withdraw the Conversion Notice or (y) receive Series A Common Units as determined pursuant to Section 3.1 in lieu of the Cash Settlement Amount, which Conversion Closing Date shall occur within three (3) Business Days of the Partnership's receipt of such Holder's election pursuant to this Section 2.2(e)."

H. Section 2.6 of the Statement is hereby amended by adding "(or deemed to have been received in connection with Deemed Conversions)" after "Conversion Consideration."

I. The introductory language of Section 2.7 of the Statement is hereby amended by adding ", except with respect to Deemed Conversions," immediately preceding "shall deliver payment."

J. The second sentence of Section 2.7 of the Statement is hereby amended by adding "or, in the case of Deemed Conversions, upon delivery of the certificate(s) representing the Series F Convertible Unit(s)" after "Upon the Partnership's receipt of the Conversion Consideration."

K. Section 2.8(b) of the Statement is hereby amended by replacing "Sections 2.2, 2.5(d), 3.3(d) and 3.3(f)" with Deemed Conversions in both places in which such reference appears in Section 2.8(b) of the Statement.

L. Section 3.1 of the Statement is hereby amended by adding the following sentence at the end thereof:

"Notwithstanding the foregoing, upon a Cashless Settlement or a Cashless Conversion, the number of Series A Common Units which a Holder shall be entitled to receive upon conversion of Series F Convertible Units shall be as set forth in Section 2.2(a) or 2.2(b), respectively, subject to the adjustments, terms and conditions in this Statement."

M. Section 3.2 of the Statement is hereby amended by adding ", the Cashless Conversion Trigger Price" after "the Prevailing Unit Price."

N. Section 3.3(d) of the Statement is hereby amended by adding ", Cashless Conversion Trigger Price" after "the Prevailing Unit Price."

O. Section 3.3(e) of the Statement is hereby amended by adding ", Cashless Conversion Trigger Price" after "the Prevailing Unit Price."

P. The first paragraph of Exhibit B to this Statement is hereby amended in its entirety to read as follows:

"Pursuant to the terms and conditions contained in the Statement, [HOLDER] hereby elects to convert $[_____](1) of Series F(2) Convertible Units into [ ] Series A Common Units, which would be purchased at a Conversion Unit Price of $[____] [, AND SHALL DELIVER ON THE CONVERSION CLOSING DATE SUCH AMOUNT VIA WIRE TRANSFER OF IMMEDIATELY AVAILABLE FUNDS AS PAYMENT FOR SUCH SERIES A COMMON UNITS] [, AND SHALL DELIVER ON THE CONVERSION CLOSING DATE THAT NUMBER OF PARTNERSHIP BONDS WITH AN AGGREGATE PRINCIPAL AMOUNT PLUS ACCRUED INTEREST EQUAL TO SUCH DOLLAR AMOUNT AS PAYMENT FOR SUCH SERIES A COMMON UNITS] [PURSUANT TO A [CASHLESS SETTLEMENT][CASHLESS CONVERSION]] in accordance with the terms of the Statement. All undefined capitalized terms used in this Conversion Notice shall have the meaning set forth in the Statement."

N. Except as expressly set forth herein, the Partnership Agreement and Statement shall remain in full force and effect.

3. MISCELLANEOUS.

A. CONSTRUCTION. Sections 10 and 11 of the Statement shall govern this Amendment.

B. FURTHER ACTION. The parties hereto shall execute and deliver all documents, provide all information and take or refrain from taking action as may be necessary or appropriate to achieve the purposes of this Amendment.

C. BINDING EFFECT. This Amendment shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, legal representatives and permitted assigns.

D. INTEGRATION. This Amendment constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements and understandings pertaining thereto.

E. CREDITORS. None of the provisions of this Amendment shall be for the benefit of, or shall be enforceable by, any creditor of the Partnership.

F. WAIVER. No failure by any party to insist upon the strict performance of any covenant duty, agreement or condition of this Amendment or to

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(1) Insert the dollar amount of Series F Convertible Units being converted. In the case of partial conversion, a new certificate representing the Series F Convertible Unit shall be issued and delivered, representing the unconverted portion of the Series F Convertible Unit.

(2) Indicate whether Series F1 or Series F2 is being tendered.

exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or any other covenant duty, agreement or condition.

G. COUNTERPARTS. This Amendment may be executed in counterparts, all of which together shall constitute an agreement binding on all of the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart. Each party shall become bound by this Amendment immediately upon affixing its signature hereto, or, in the case of a Person acquiring a Unit, upon executing and delivering a Transfer Application as described in the Partnership Agreement, independently of the signature of any other party.

H. APPLICABLE LAW. This Amendment shall be construed in accordance with and governed by the laws of the State of Delaware, without regard to the principles of conflicts of law.

I. INVALIDITY OF PROVISIONS. If any provision of this Amendment is or becomes invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the Amendment Date.

GENERAL PARTNER

GULFTERRA ENERGY COMPANY, L.L.C.

By: /s/ Keith Forman

Name: Keith Forman
Title: Vice President and Chief Financial Officer

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 or, and granted and delivered to, the General Partner.

By: GulfTerra Energy Company, L.L.C., General Partner, as attorney-in-fact for all Limited Partners pursuant to Powers of Attorney granted pursuant to Section 1.4.

By: /s/ Keith Forman

Name: Keith Forman
Title: Vice President and Chief Financial Officer

EXHIBIT 3.B.2

SECOND AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF EL PASO ENERGY PARTNERS, L.P.

DATED AS OF FEBRUARY 19, 1993,
AS AMENDED AND RESTATED THROUGH
AUGUST 31, 2000
(INCLUDING, FOR THE PURPOSES OF THIS FILING,
AMENDMENTS DATED NOVEMBER 27, 2002,
MAY 5, 2003, MAY 16, 2003,
JULY 23, 2003 AND AUGUST 21, 2003)

TABLE OF CONTENTS

SECOND AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP
OF
EL PASO ENERGY PARTNERS, L.P.

This Second Amended and Restated Agreement of Limited Partnership of El Paso Energy Partners, L.P., amended and restated effective as of August 31, 2000 (including, for the purposes of this filing, amendments dated November 27, 2002, May 5, 2003, May 16, 2003, July 23, 2003 and August 21, 2003), is entered into by and among El Paso Energy Partners Company, a Delaware corporation, as the General Partner, and the Limited Partners, together with any other Persons who become Partners in the Partnership as provided herein. In consideration of the covenants, conditions and agreements contained herein, the parties hereto hereby agree as follows:

ARTICLE I
ORGANIZATIONAL MATTERS

1.1 Formation. The General Partner and the Organizational Limited Partner have previously formed this Partnership as a limited partnership pursuant to the provisions of the Delaware Act. The General Partner and the Organizational Limited Partner amended and restated the original Agreement of Limited Partnership of El Paso Energy Partners, L.P. (formerly known as Leviathan Gas Pipeline Partners, L.P.) in its entirety by entering into the Amended and Restated Agreement of Limited Partnership dated as of February 19, 1993 (the "February 1993 Partnership Agreement"). The February 1993 Partnership Agreement was amended by: Amendment No. 1 dated December 31, 1996, which effected a split of the then outstanding Units; Amendment No. 2 dated June 1, 1999, which lowered the percentage of outstanding Units necessary to remove the General Partner in connection with the Partnership's acquisition from El Paso Energy Corporation an additional interest in Viosca Knoll Gathering Company; and Amendment No. 3 dated November 30, 1999, which dealt with the change in the Partnership's and the General Partner's names. The General Partner and the Limited Partners hereby amend and restate, and replace in its entirety, the February 1993 Partnership Agreement, as amended prior to the Second Restatement Date, with this Second Amended and Restated Agreement of Limited Partnership of El Paso Energy Partners, L.P. The changes effected by this second amendment and restatement include: (i) incorporating the changes made by Amendments No. 1-3 to the February 1993 Partnership Agreement; (ii) authorizing and issuing the Series B Preference Units in connection with the Partnership's acquisition of the Crystal storage facilities; and (iii) making certain corrections and clarifications. Subject to the provisions of this Agreement, the General Partner and the Limited Partners hereby continue the Partnership as a limited partnership pursuant to the provisions of the Delaware Act. Except as expressly provided to the contrary in this Agreement, the rights and obligations of the Partners and the administration, dissolution and termination of the Partnership shall be governed by the Delaware Act. The Partnership Interest of each Partner shall be personal property for all purposes.

1.2 Name. The name of the Partnership shall be "El Paso Energy Partners, L.P." (formerly known as Leviathan Gas Pipeline Partners, L.P.). The Partnership's business may be conducted under any other name or names deemed necessary or appropriate by the General Partner, including, without limitation, the name of the General Partner or any Affiliate thereof. The words "Limited Partnership," "L.P.," "Ltd." or similar words or letters shall be included in

the Partnership's name where necessary for the purposes of complying with the laws of any jurisdiction that so requires. The General Partner in its sole discretion may change the name of the Partnership at any time and from time to time and shall notify the Limited Partners of such change in the next regular communication to Limited Partners.

1.3 Registered Office; Principal Office. Unless and until changed by the General Partner, the registered office of the Partnership in the State of Delaware shall be located at Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801, and the registered agent for service of process on the Partnership in the State of Delaware at such registered office shall be The Corporation Trust. The principal office of the Partnership and the address of the General Partner shall be the El Paso Building, 1001 Louisiana Street, Houston, Texas 77002, or such other place as the General Partner may from time to time designate by notice to the Limited Partners. The Partnership may maintain offices at such other place or places within or outside the State of Delaware as the General Partner deems advisable.

1.4 Power of Attorney.

(a) Each Limited Partner and each Assignee hereby constitutes and appoints each of the General Partner and, if a Liquidator shall have been selected pursuant to Section 14.3, the Liquidator severally (and any successor to either thereof by merger, transfer, assignment, election or otherwise) and each of their respective authorized officers and attorneys-in-fact with full power of substitution, as his true and lawful agent and attorney-in-fact with full power and authority in his name, place and stead to:

(i) execute, swear to, acknowledge, deliver, file and record in the appropriate public offices (A) all certificates, documents and other instruments (including, without limitation, this Agreement and the Certificate of Limited Partnership and all amendments or restatements thereof) that the General Partner or the Liquidator deems necessary or appropriate to form, qualify or continue the existence or qualification of the Partnership as a limited partnership (or a partnership in which the limited partners have limited liability) in the State of Delaware and in all other jurisdictions in which the Partnership may conduct business or own property, (B) all certificates, documents and other instruments that the General Partner or the Liquidator deems necessary or appropriate to reflect, in accordance with its terms, any amendment, change, modification or restatement of this Agreement, (C) all certificates, documents and other instruments (including, without limitation, conveyances and a certificate of cancellation) that the General Partner or the Liquidator deems necessary or appropriate to reflect the dissolution and liquidation of the Partnership pursuant to the terms of this Agreement, (D) all certificates, documents and other instruments relating to the admission, withdrawal, removal or substitution of any Partner pursuant to, or other events described in, Article XI, Article XII, Article XIII or Article XIV or the Capital Contribution of any Partner, (E) all certificates, documents and other instruments relating to the determination of the rights, preferences and privileges of any class or series of Units or other securities issued pursuant to Section 4.4 and (F) all certificates documents and other instruments (including, without limitation, agreements and a certificate of merger) relating to a merger or consolidation of the Partnership pursuant to Article XVI;

(ii) execute, swear to, acknowledge, deliver, file and record all ballots, consents, approval waivers, certificates and other instruments necessary or appropriate, in the sole discretion of the General Partner or the Liquidator, to make, evidence, give, confirm or ratify any vote, consent, approval, agreement or other action that is made or given by the Partners hereunder or is consistent with the terms of this Agreement or is necessary or appropriate, in the sole discretion of the General Partner or the Liquidator, to effectuate the terms or intent of this Agreement, provided, that when required by Section 15.3 or any other provision of this Agreement that establishes a percentage of the Limited Partners or of the Limited Partners of any class or series required to take any action, the General Partner or the Liquidator may exercise the power of attorney made in this Section 1.4(a)(ii) only after the necessary vote, consent or approval of the Limited Partners or of the Limited Partners of such class or series;

(iii) sign, execute and file with the Department of Interior (including any bureau, office or other unit thereof, whether in Washington, D.C., or in the field, or any officer or employee thereof), as well as with any other federal or state agencies, departments, bureaus, offices or authorities, any documents or instruments related to the Partnership or its business which the General Partner in its sole discretion determines should be filed, including, without limitation, (A) any and all offers to lease and leases of or with respect to (including amendments, modifications, supplements, renewals and exchanges thereof) any lands under the jurisdiction of the United States or any state (including, without limitation, lands within the public domain, acquired lands and Indian lands) under any act or regulation which provides for the leasing thereof; (B) all statements of interest and holdings on behalf of the Partnership or the Partners; (C) any other statements, notices or communications now or hereafter required or permitted to be filed under any law, rule or regulation of the United States or any state, including, without limitation, the Minerals Land Leasing Act of 1920, as amended, 30 U.S.C. Section 181 et seq., the Mineral Leasing Act for Acquired Lands of 1947, as amended, 30 U.S.C. Section 351 et seq., the Right-of-Way Leasing Act of 1930, 30 U.S.C. Section 301 et seq., and the Outer Continental Shelf Lands Act of 1953, 43 U.S.C. Section 1331 et seq., relating to the leasing of lands for oil and gas exploration or development; and (D) any request for approval of assignments or transfers of oil and gas leases, any utilization or pooling agreements and any other documents relating to lands under the jurisdiction of the United States or any state;

Nothing contained in this Section 1.4(a) shall be construed as authorizing the General Partner to amend this Agreement except in accordance with Article XV, or as may be otherwise expressly provided for in this Agreement.

(b) The foregoing power of attorney is hereby declared to be irrevocable and a power coupled with an interest and it shall survive and not be affected by the subsequent death, incompetency, disability, incapacity, dissolution, bankruptcy or termination of any Limited Partner or Assignee and the transfer of all or any portion of such Limited Partner's or Assignee's Partnership Interest and shall extend to such Limited Partners or Assignee's heirs, successors, assigns and personal representatives. Each such Limited Partner or Assignee hereby agrees to be bound by any representation made by the General Partner or the Liquidator acting in good faith pursuant to such power of attorney; and each such Limited Partner or Assignee hereby waives

any and all defenses that may be available to contest, negate or disaffirm the action of the General Partner or the Liquidator taken in good faith under such power of attorney. Each Limited Partner or Assignee shall execute and deliver to the General Partner or the Liquidator, within 15 days after receipt of the General Partner's or the Liquidator's request therefor, such further designations, powers of attorney and other instruments as the General Partner or the Liquidator deems necessary to effectuate this Agreement and the purposes of the Partnership.

1.5 Term. The Partnership commenced upon the filing of the Certificate of Limited Partnership in accordance with the Delaware Act and shall continue in existence until the termination of the Partnership in accordance with the provisions of Article XIV.

1.6 Possible Restrictions on Transfer. Notwithstanding anything to the contrary contained in this Agreement, in the event of (i) the enactment (or imminent enactment) of any legislation, (ii) the publication of any temporary or final regulation by the Treasury Department ("Treasury Regulation"), (iii) any ruling by the Internal Revenue Service or (iv) any judicial decision that in any such case, in the Opinion of Counsel, would result in the taxation of the Partnership for federal income tax purposes as a corporation or would otherwise subject the Partnership to being taxed as an entity for federal income tax purposes, then, either (a) the General Partner may impose such restrictions on the transfer of Units or Partnership Interests as may be required in the Opinion of Counsel to prevent the Partnership from being taxed as a corporation or otherwise being taxed as an entity for federal income tax purposes, including, without limitation, making any amendments to this Agreement as the General Partner in its sole discretion may determine to be necessary or appropriate to impose such restrictions, provided, that any such amendment to this Agreement that would result in the delisting or suspension of trading of any class or series of Units or other Partnership Securities on any National Securities Exchange or national securities market on which such class or series of Units or other Partnership Securities are then traded must be approved by the holders of at least 66?% of the Outstanding securities of such class or series or (b) upon the recommendation of the General Partner and the approval of the holders of at least 66?% of all Outstanding Voting Units, the Partnership may be converted into and reconstituted as a trust or any other type of legal entity (the "New Entity") in the manner and on other terms so recommended and approved. In such event, the business of the Partnership shall be continued by the New Entity and the Outstanding Units and other Partnership Securities shall be converted into equity interests of the New Entity in the manner and on the terms so recommended and approved. Notwithstanding the foregoing, no such reconstitution shall take place unless the Partnership shall have received an Opinion of Counsel to the effect that the liability of the Limited Partners for the debts and obligations of the New Entity shall not, unless such Limited Partners take part in the control of the business of the New Entity, exceed that which otherwise had been applicable to such Limited Partners as limited partners of the Partnership under the Delaware Act.

1.7 Series A Common Unit Terminology. For the avoidance of confusion, the Units referred to herein as "Series A Common Units" are the Units referred to in the February 1993 Partnership Agreement as "Common Units." The Units referred to herein as "Series A Common Units" shall be referred to publicly, and shall be reflected on the relevant Unit certificate, as "Common Units" until such time (which time may or may not occur) as the Partnership authorizes and issues a second class or series of Common Units. As used herein, except where the context would otherwise require (including where the rights and preferences of the holders of

Series C Units are different, as described in Section 4.4(g)), references to "Series A Common Units" shall be deemed to include the Series C Units as defined in Section 4.4(g).

ARTICLE II
DEFINITIONS

The following definitions shall, for all purposes, unless otherwise clearly indicated to the contrary, be applied to the terms used in this Agreement:

"1996 Split Date" means December 31, 1996.

"Additional Limited Partner" means a Person admitted to the Partnership as a Limited Partner pursuant to Section 12.4 and who is shown as such on the books and records of the Partnership.

"Adjusted Capital Account" means the Capital Account maintained for each Partner as of the end of each taxable year of the Partnership, (a) increased by any amounts that such Partner is obligated to restore under the standards set by Treasury Regulation Section 1.704-1(b)(2)(ii)(c) (or is deemed obligated to restore under Treasury Regulation Sections 1.704-2(g)(1) and 1.704-2(i)(5)), and (b) decreased by (i) the amount of all losses and deductions that as of the end of such taxable year, are reasonably expected to be allocated to such Partner in subsequent years under Sections 704(e)(2) and 706(d) of the Code and Treasury Regulation Section 1.751-1(b)(2)(ii), and (ii) the amount of all distributions that as of the end of such taxable year, are reasonably expected to be made to such Partner in subsequent years in accordance with the terms of this Agreement or otherwise to the extent they exceed offsetting increases to such Partner's Capital Account that are reasonably expected to occur during (or prior to) the year in which such distributions are reasonably expected to be made (other than increases as a result of a minimum gain chargeback pursuant to Section 5.1(e)(i) or 5.1(e)(ii)). The foregoing definition of Adjusted Capital Account is intended to comply with the provisions of Treasury Regulation Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith. The Adjusted Capital Account in respect of a Unit or any other Partnership Security shall be the amount which such Adjusted Capital Account would be if such Unit or other Partnership Security was the only interest in the Partnership held by a Limited Partner.

"Adjusted Property" means any property the Carrying Value of which has been adjusted pursuant to Section 4.6(d)(i) or 4.6(d)(ii). Once an Adjusted Property is deemed distributed by, and recontributed to, the Partnership for federal income tax purposes upon a termination thereof pursuant to Section 708 of the Code, such property shall thereafter constitute a Contributed Property until the Carrying Value of such property is further adjusted pursuant to Section 4.6(d)(i) or 4.6(d)(ii) hereof.

"Affiliate" means, with respect to any Person, any other Person that directly or indirectly Controls, is Controlled by or is under common Control with, the Person in question.

"Agreed Allocation" means any allocation made pursuant to Section 5.1(a), (b), (d) or (e).

"Agreed Value" of any Contributed Property means the fair market value of such property or other consideration at the time of contribution as determined by the General Partner

using such reasonable method of valuation as it may adopt. The General Partner shall, in its sole discretion, use such method as it deems reasonable and appropriate to allocate the aggregate Agreed Value of Contributed Properties contributed to the Partnership in a single or integrated transaction among such properties on a basis proportional to their fair market value.

"Agreement" means this Second Amended and Restated Agreement of Limited Partnership of El Paso Energy Partners, L.P., (including any exhibits, schedules or other attachments) as it may be further amended, supplemented, restated or otherwise modified from time to time.

"Argo" means Argo, L.L.C., a Delaware limited liability company.

"Argo I" means Argo I, L.L.C., a Delaware limited liability company.

"Argo II" means Argo II, L.L.C., a Delaware limited liability company.

"Assignee" means (a) a Person to whom one or more Units have been transferred in a manner permitted under this Agreement and who has executed and delivered a Transfer Application as required by this Agreement but who has not become a Substituted Limited Partner or (b) a Non-citizen Assignee.

"Available Cash" has the meaning assigned to such term in Section 5.8(a).

"Book-Tax Disparity" means with respect to any item of Contributed Property or Adjusted Property, as of the date of any determination, the difference between the Carrying Value of such Contributed Property or Adjusted Property and the adjusted basis thereof for federal income tax purposes as of such date. A Partner's share of the Partnership's Book-Tax Disparities in all of its Contributed Property and Adjusted Property will be reflected by the difference between such Partner's Capital Account balance as maintained pursuant to Section 4.6 and the hypothetical balance of such Partner's Capital Account computed as if it had been maintained strictly in accordance with federal income tax accounting principles.

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

"Capital Account" means the capital account maintained for any Partner pursuant to Section 4.6.

"Capital Contribution" means any cash, cash equivalents or the Net Agreed Value of Contributed Property that a Partner contributes (or is deemed to contribute) to the Partnership pursuant to Section 4.1, 4.3, 4.4, 4.6(c) or 13.3(c).

"Carrying Value" means (a) with respect to a Contributed Property, the Agreed Value of such property reduced (but not below zero) by all depreciation, amortization and cost recovery deductions charged to the Partners' Capital Accounts, and (b) with respect to any other Partnership property, the adjusted basis of such property for federal income tax purposes, all as of the time of determination. The Carrying Value of any property shall be adjusted from time to

time in accordance with Sections 4.6(d)(i) and 4.6(d)(ii) and to reflect changes, additions or other adjustments to the Carrying Value for dispositions and acquisitions of Partnership properties, as deemed appropriate by the General Partner.

"Cash from Interim Capital Transactions" has the meaning assigned to such term in Section 5.8(b).

"Cash from Operations" has the meaning assigned to such term in Section 5.8(c).

"Cause" means a court of competent jurisdiction has entered a final non-appealable judgment finding the General Partner liable for actual fraud, gross negligence or willful or wanton misconduct in its capacity as general partner of the Partnership.

"Certificate" means a certificate, substantially in the form of Exhibit A-1, A-2 or A-3 to this Agreement or in such other forms as may be adopted by the General Partner in its sole discretion, issued by the Partnership evidencing ownership of one or more Series A Preference Units, Series A Common Units, or Series B Preference Units, respectively, or a certificate, in such form as may be adopted by the General Partner in its sole discretion, issued by the Partnership evidencing ownership of one or more other Partnership Securities.

"Certificate of Limited Partnership" means the certificate of limited partnership filed with the Secretary of State of the State of Delaware as referenced in Section 6.2, as such Certificate has been amended through the Second Restatement Date and may be amended or restated from time to time.

"Charter Documents" means the certificate of formation, certificate of incorporation, certificate of limited partnership, bylaws, limited liability company agreement and/or limited partnership agreement, as applicable, of each relevant Person, as they may be amended, supplemented, restated or otherwise modified from time to time.

"Citizenship Certification" means a properly completed certificate in such form as may be specified by the General Partner by which an Assignee or a Limited Partner certifies that he (and if he is a nominee holding for the account of another Person, that to the best of his knowledge such other Person) is an Eligible Citizen.

"Closing Date" has the meaning assigned to such term in the Underwriting Agreement, being February 19, 1993.

"Closing Price" has the meaning assigned to such term in Section 17.2.

"Code" means the Internal Revenue Code of 1986, as amended and in effect from time to time, as interpreted by the applicable regulations thereunder. Any reference herein to a specific section or sections of the Code shall be deemed to include a reference to any corresponding provision of future law.

"Combined Interest" has the meaning assigned to such term in Section 13.3(a).

"Common Unit" means a Unit having the rights and obligations specified with respect to Series A Common Units, or any other class or series of Common Units hereafter existing, in this Agreement.

"Company" means El Paso Energy Partners Company (formerly known as Leviathan Gas Pipeline Company), a Delaware corporation.

"Contributed Property" means each property or other asset in such form as may be permitted by the Delaware Act, including intangible property generally but excluding cash, contributed to the Partnership (or deemed contributed to the Partnership on termination and reconstitution thereof pursuant to Section 708 of the Code or otherwise). Once the Carrying Value of a Contributed Property is adjusted pursuant to Section 4.6(d), such property shall no longer constitute Contributed Property for purposes of Section 5.1, but shall be deemed Adjusted Property for such purposes.

"Contributing Partner" means each Partner contributing (or deemed to have contributed on termination and reconstitution of the Partnership pursuant to Section 708 of the Code or otherwise) a Contributed Property.

"Control" (including its derivatives) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person whether through ownership of voting securities, by contract or otherwise.

"Conveyance Agreement" means the Contribution, Conveyance and Assumption Agreement dated as of February 19, 1993, among the Company, the Partnership and the Operating Companies, as in existence on that date.

"Crystal Merger Agreement" means the Agreement and Plan of Merger dated as of August 28, 2000, among the Partnership, El Paso Partners Acquisition, L.L.C., Crystal Holding, Inc., and Crystal Gas Storage, Inc., providing for the issuance of Series B Preference Units, among other things.

"Current Market Price" has the meaning assigned to such term in Section 17.2.

"Deepwater Holdings" means Deepwater Holdings, L.L.C., a Delaware limited liability company.

"Delaware Act" means the Delaware Revised Uniform Limited Partnership Act, 6 Del. C. Sections 17-101, et seq., as amended, supplemented or restated from time to time, and any successor to such statute.

"Delos" means Delos Offshore Company, L.L.C., a Delaware limited liability company.

"Demand Registrations" has the meaning assigned to such term in Section 6.14(a).

"Departing Partner" means a former General Partner, from and after the effective date of any withdrawal or removal of such former General Partner pursuant to Section 13.1 or 13.2.

"Discretionary Allocation" means any allocation of an item of income, gain, deduction, or loss pursuant to the provisions of Section 5.1(e)(iii).

"East Breaks" means East Breaks Gathering Company, L.L.C., a Delaware limited liability company.

"Economic Risk of Loss" has the meaning set forth in Treasury Regulation Section 1.752-2(a).

"Eligible Citizen" means a Person qualified to own interests in real property in jurisdictions in which the Partnership or an Operating Company does business or proposes to do business from time to time, and whose status as a Limited Partner or Assignee does not or would not subject the Partnership or an Operating Company to a substantial risk of cancellation or forfeiture of any of its properties or any interest therein. As of the Closing Date, "Eligible Citizen" means (a) a citizen of the United States, (b) an association (including a partnership, joint tenancy and tenancy in common) organized or existing under the laws of the United States or any state or territory thereof, all of the members of which are citizens of the United States or (c) a corporation organized under the laws of the United States or of any state or territory thereof, of which corporation, to the best of its knowledge, not more than five percent of the voting stock, or of all the stock, is owned or controlled by citizens of countries that deny to United States citizens privileges to own stock in corporations holding oil and gas leases similar to the privileges of non-United States citizens to own stock in corporations holding an interest in oil and gas leases on federal lands.

"EP Acquisition" means El Paso Partners Acquisition, L.L.C., a Delaware limited liability company.

"EP Deepwater" means El Paso Energy Partners Deepwater, L.L.C., a Delaware limited liability company.

"EP Finance" means El Paso Energy Partners Finance Corporation, a Delaware corporation.

"EP Operating" means El Paso Energy Partners Operating Company, L.L.C., a Delaware limited liability company.

"EP Transport" means El Paso Energy Partners Oil Transport, L.L.C., a Delaware limited liability company.

"Event of Withdrawal" has the meaning assigned to such term in Section 13.1(a).

"Ewing Bank" means Ewing Bank Gathering Company, L.L.C., a Delaware limited liability company.

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

"February 1993 Partnership Agreement" has the meaning assigned to such term in Section 1.1.

"First Target Distribution" has the meaning assigned to such term in Section 5.8(d).

"Flextrend" means Flextrend Development Company, L.L.C., a Delaware limited liability company.

"General Partner" means the Company, and its successors as general partner of the Partnership.

"Green Canyon" means Green Canyon Pipe Line Company, L.P., a Delaware limited partnership (formerly a Delaware limited liability company).

"HIOS" means High Island Offshore System, L.L.C., a Delaware limited liability company.

"HIOS" means High Island Offshore System, a Delaware general partnership.

"Incentive Distribution" means any amount of cash distributed to the General Partner, in its capacity as general partner of the Partnership, pursuant to paragraphs (e), (f) and (g) of Section 5.4 and paragraphs (a)(v)-(vii), and (b)(v)-(vii) of Section 5.5 which exceeds an amount equal to 1.0% of the aggregate amount of cash then being distributed pursuant to each such provision.

"Indemnitee" means the General Partner, any Departing Partner, any Person who is or was an Affiliate of the General Partner or any Departing Partner, any Person who is or was an officer, director, employee, partner, agent or trustee of the General Partner or any Departing Partner or any such Affiliate, or any Person who is or was serving at the request of the General Partner or any Departing Partner or any such Affiliate as a director, officer, employee, partner, agent or trustee of another Person.

"Initial Limited Partners" means the Organizational Limited Partner and the Underwriters, unless the context shall otherwise require.

"Initial Unit Price" means with respect to Series A Preference Units and Series A Common Units, the initial price per Series A Preference Unit at which the Underwriters offered the Series A Preference Units to the public for sale as set forth on the cover page of the prospectus first issued at or after the time the Registration Statement filed in connection with the sale of Series A Preference Units contemplated by the Underwriting Agreement first became effective and, with respect to any other class or series of Units, the price per Unit at which such class or series of Units is initially sold by the Partnership, as determined by the General Partner in its sole discretion. The Initial Unit Price for the Series A Preference Units is (a) prior to the 1996 Split Date, $20.50 per Unit and (b) on and after the 1996 Split Date, $10.25 per Unit, in each such case subject to adjustment as provided in this Agreement. The Initial Unit Price with respect to the Series B Preference Units is the Series B Preference Unit Face Value.

"Interim Capital Transaction" has the meaning assigned to such term in Section 5.8(e).

"Issue Price" means the price at which a Unit is purchased from the Partnership, less any sales commission or underwriting discount charged to the Partnership. The Issue Price for the Series A Preference Units is (a) prior to the 1996 Split Date, $19.065 per Unit and (b) on and after the 1996 Split Date, $9.5325 per Unit, in each such case subject to adjustment as provided in this Agreement.

"Joint Venture" means any Person other than an Operating Company in which the Partnership owns (directly or indirectly, of record or beneficially) stock, membership interest or other equity interests, the holder of which is generally entitled to vote for the election of the board of directors or other governing body of such Person, that has the power to elect more than 20% but less than a majority of the board of directors or other governing body, including (as of the Second Restatement Date) POPCO, Nemo, Deepwater Holdings, West Cam, Stingray, UTOS, Western Gulf, HIOS, East Breaks, Neptune, Ocean Breeze, Manta Ray Offshore and Nautilus.

"Limited Partner" means each Initial Limited Partner, each Substituted Limited Partner, each Additional Limited Partner and any Departing Partner upon the change of its status from General Partner to Limited Partner pursuant to Section 13.3 and solely for purposes of Article IV, Article V and Article VI and Sections 14.3 and 14.4, shall include an Assignee.

"Liquidator" means the General Partner or other Person approved pursuant to Section 14.3 who performs the functions described therein.

"Liquidity Condition" means the requirement that, at the end of the 90-day period following the Series A Preference Unit Conversion Date (or, if applicable, the first or second anniversary thereof), after giving effect to the conversion of all Series A Preference Units as to which a Series A Preference Unit Conversion Election Notice has been timely received by the General Partner, there would be at least 2,000 holders of 100 or more Series A Common Units.

"Manta Ray Gathering" means Manta Ray Gathering Company, L.L.C., a Delaware limited liability company.

"Manta Ray Offshore" means Manta Ray Offshore Gathering Company, L.L.C., a Delaware limited liability company.

"Merger Agreement" has the meaning assigned to such term in Section 16.1.

"Minimum Gain Attributable to Partner Nonrecourse Debt" means that amount determined in accordance with the principles of Treasury Regulation Section 1.704-2(i)(3).

"Minimum Quarterly Distribution" has the meaning assigned to such term in Section 5.8(f).

"Moray" means Moray Pipeline Company, L.L.C., a Delaware limited liability company.

"National Securities Exchange" means an exchange registered with the Securities and Exchange Commission under Section 6(a) of the Exchange Act.

"Nautilus" means Nautilus Pipeline Company, L.L.C., a Delaware limited liability company.

"Nemo" means Nemo Gathering Company, LLC, a Delaware limited liability company.

"Neptune" means Neptune Pipeline Company, L.L.C., a Delaware limited liability company

"Net Agreed Value" means (a) in the case of any Contributed Property, the Agreed Value of such property reduced by any liabilities either assumed by the Partnership upon such contribution or to which such property is subject when contributed, and (b) in the case of any property distributed to a Partner or Assignee by the Partnership, the Partnership's Carrying Value of such property at the time such property is distributed reduced by any indebtedness either assumed by such Partner or Assignee upon such distribution or to which such property is subject at the time of distribution as determined under Section 752 of the Code.

"Net Income" has the meaning assigned to such term in Section 5.8(g).

"Net Loss" has the meaning assigned to such term in Section 5.8(h).

"Net Termination Gain" has the meaning assigned to such term in Section 5.8(i).

"Net Termination Loss" has the meaning assigned to such term in Section 5.8(j).

"New Entity" has the meaning assigned to such term in Section 1.6.

"Non-citizen Assignee" means a Person who the General Partner has determined in its sole discretion does not constitute an Eligible Citizen and as to whose Partnership Interest the General Partner has become the Substituted Limited Partner, pursuant to Section 11.5.

"Nonrecourse Built-in Gain" meant with respect to any Contributed Properties or Adjusted Properties that are subject to a mortgage or negative pledge securing a Nonrecourse Liability, the amount of any taxable gain that would be allocated to the Partners pursuant to Section 5.2(b)(i)(A), 5.2(b)(ii)(A) or 5.2(b)(iii) if such properties were disposed of in a taxable transaction in full satisfaction of such liabilities and for no other consideration.

"Nonrecourse Deductions" means any and all items of loss, deduction or expenditure (described in Section 705(a)(2)(B) of the Code) that in accordance with the principles of Treasury Regulation Section 1.704-2(b)(1), are attributable to a Nonrecourse Liability.

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

"Notice of Election to Purchase" has the meaning assigned to such term in Section 17.3(b).

"Notice of Election to Redeem" has the meaning assigned to such term in Section 17.3(a).

"Ocean Breeze" means Ocean Breeze Pipeline Company, L.L.C., a Delaware limited liability company

"Operating Company" means any Affiliate that the Partnership both (i) Controls and (ii) owns (beneficially or of record), directly or indirectly, stock, membership interest or other equity interests, the holder of which is generally entitled to vote for the election of the board of directors or other governing body of such Affiliate, that has the power to elect at least a majority of the board of directors or other governing body of such Person, including (as of the Second Restatement Date) Argo, Argo I, Argo II, Delos, EP Deepwater, EP Finance, EP Operating, EP Transport, EP Acquisition, Ewing Bank, Flextrend, Green Canyon, Manta Ray Gathering, Moray, Poseidon, Sailfish, Tarpon, VK, VK Deepwater and VK Main Pass.

"Opinion of Counsel" means a written opinion of counsel (who may be regular counsel to the Partnership or the General Partner) acceptable to the General Partner.

"Organizational Limited Partner" means Donald V. Weir in his capacity as the organizational limited partner of the Partnership pursuant to this Agreement in its form on February 19, 1993.

"Outstanding" means, with respect to the Units or other Partnership Securities, as the case may be, all Units or other Partnership Securities of such class or series, as the case may be, that are issued by the Partnership and reflected as outstanding on the Partnership's books and records as of the date of determination.

"Partner" means a General Partner or a Limited Partner and Assignees thereof, if applicable.

"Partner Nonrecourse Debt" has the meaning set forth in Treasury Regulation Section 1.704-2(b)(4).

"Partner Nonrecourse Deductions" means any and all items of loss, deduction or expenditure (including any expenditure described in Section 705(a)(2)(B) of the Code) that in accordance with the principles of Treasury Regulation Section 1.704-2(i)(2), are attributable to a Partner Nonrecourse Debt.

"Partnership" means El Paso Energy Partners, L.P. (formerly known as Leviathan Gas Pipeline Partners, L.P.), a Delaware limited partnership governed by this Agreement, and any successor thereto.

"Partnership Assets" means, initially, all of the assets and rights of the Company transferred to an Operating Company as set forth in the Conveyance Agreement and, thereafter, all assets of the Partnership whether tangible or intangible and whether real, personal or mixed.

"Partnership Inception" means the Closing Date.

"Partnership Interest" means the interest of a Partner in the Partnership, which, in the case of a Limited Partner or an Assignee, shall be expressed in terms of Units or other Partnership Securities, or a combination thereof, as the case may be.

"Partnership Interest Adjusting Event" means any subdivision or combination of the issued Units or other Partnership Securities, whether by reason of any dividend, split, recapitalization, reorganization, merger, consolidation, spinoff, combination or other similar change.

"Partnership Minimum Gain" means the amount determined pursuant to the provisions of Treasury Regulation Section 1.704-2(d).

"Partnership Securities" has the meaning assigned to such term in Section 4.4(a).

"Partnership Year" means the fiscal year of the Partnership, which shall be the calendar year.

"Person" means an individual or an entity, including, without limitation, a corporation, partnership, limited liability company, trust, unincorporated organization, governmental entity, association or other entity.

"POPCO" means Poseidon Oil Pipeline Company, L.L.C. a Delaware limited liability company.

"Poseidon" means Poseidon Pipeline Company, L.L.C., a Delaware limited liability company.

"Preference Unit" means any Series A Preference Unit, Series B Preference Unit or other Unit of any class or series of Preference Units hereafter existing.

"Preference Unit Combined Capital Amount" means, with respect to any date of determination, the sum of (i) the quotient of (x) the Series A Preference Unit Capital Amount divided by (y) the number of Series A Preference Units Outstanding on such date and (ii) the Series B Preference Unit Liquidation Value on such date.

"Preference Unit Sharing Ratios" means the Series A Preference Unit Sharing Ratio and the Series B Preference Unit Sharing Ratio.

"Purchase Date" means the date determined by the General Partner, an Affiliate of the General Partner or the Partnership, as the case may be, as the date for purchase of all Outstanding Units (other than Units owned by the General Partner and its Affiliates) pursuant to Article XVII.

"Rate" has the meaning assigned to such term in Section 9.6.

"Recaptured Income" means any gain recognized by the Partnership (computed without regard to any adjustment required by Section 734 or 743 of the Code) upon the disposition of any property or asset of the Partnership, which gain is characterized as ordinary income because it represents the recapture of deductions previously taken with respect to such property or asset.

"Record Date" means the date established by the General Partner for determining (a) the identity of Limited Partners (or Assignees if applicable) 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 action of Limited Partners or (b) the identity of Record Holders entitled to receive any report or distribution.

"Record Holder" means (i) with respect to the Series A Preference Units and the Series A Common Units, the Person in whose name such Unit is registered on the books of the Transfer Agent as of the opening of business on a particular Business Day and (ii) with respect to any other Partnership Security, the Person in whose name such security is registered on the books of the transfer agent for such security or the Partnership, as applicable.

"Redeemable Units" means any Units for which a redemption notice has been given, and has not been withdrawn, under Section 11.6.

"Redemption Date" has the meaning assigned to such term in Section 17.3(a).

"Registration Statement" means the Registration Statement on Form S-1 (Registration No. 33-55642), as it has been and as it may be amended or supplemented from time to time, filed by the Partnership with the Securities and Exchange Commission under the Securities Act to register the offering and sale of Preference Units in the Series A Preference Unit Initial Offering.

"Required Allocations" means any allocation (or limitation imposed on any allocation) of an item of income, gain, deduction or loss pursuant to (a) the proviso-clauses of Sections 5.1(c)(i)(B), 5.1(c)(i)(C), 5.1(c)(i)(D), and Sections 5.1(c)(ii)(B), 5.1(c)(ii)(C) and 5.1(c)(ii)(D) or (b) Section 5.1(e), such allocations (or limitations thereon) being directly or indirectly required by the Treasury Regulations promulgated under Section 704(b) of the Code.

"Reserve Amount" means a reserve, to be funded and maintained by the Partnership, consisting of the aggregate cash on hand in the Partnership and the Operating Companies at the Partnership Inception, on a combined basis, increased by net cash proceeds to the Partnership from the exercise by the Underwriters of the over-allotment option which shall be deemed to occur for purposes of distribution of the Reserve Amount at the Partnership Inception. The General Partner, in its sole discretion, may increase or decrease the Reserve Amount, from time to time, after the Partnership Inception.

"Residual Gain" or "Residual Loss" means any item of gain or loss, as the case may be, of the Partnership recognized for federal income tax purposes resulting from a sale, exchange or other disposition of a Contributed Property or Adjusted Property, to the extent such item of gain or loss is not allocated pursuant to Section 5.2(b)(i)(A) or 5.2(b)(ii)(A), to eliminate Book-Tax Disparities.

"Revolving Credit Facility" means a revolving credit facility for a maximum amount of $50 million which the Partnership has entered into with a syndicate of commercial banks.

"Sailfish" means Sailfish Pipeline Company, L.L.C., a Delaware limited liability company.

"Second Restatement Date" means August 31, 2000.

"Second Target Distribution" has the meaning assigned to such term in Section 5.8(k).

"Securities Act" means the Securities Act of 1933, as amended, supplemented, restated or otherwise modified from time to time, and any successor to such statute.

"Series A Common Unit" means a Unit having the rights and obligations specified with respect to Series A Common Units in this Agreement (previously referred to only as a Common Unit).

"Series A Preference Unit" means a Unit having the rights and obligations specified with respect to Series A Preference Units in this Agreement (previously referred to only as a Preference Unit).

"Series A Preference Unit Capital Amount" means, with respect to any date of determination, the aggregate Capital Account balance for all holders of Series A Preference Units.

"Series A Preference Unit Conversion Election Notice" has the meaning assigned to such term in Section 5.6(b).

"Series A Preference Unit Conversion Opportunity Notice" has the meaning assigned to such term in Section 5.6(b).

"Series A Preference Unit Conversion Date" means the first date that is at the end of a calendar quarter on or after March 31, 1998 upon which (i) there shall be no Series A Preference Unit Cumulative Deficiency, (ii) the Partnership shall have distributed Available Cash constituting Cash from Operations of not less than $2.40 per Unit (adjusted, since the Closing Date, for any distributions of Available Cash from Interim Capital Transactions and in accordance with Sections 5.9 and 9.6), excluding amounts paid to holders of Series A Preference Units in respect of Series A Preference Unit Deficiencies, in respect of the Series A Preference Units during each of the three immediately preceding consecutive non-overlapping twelve-month periods, and (iii) the sum of all amounts distributed in respect of Series A Common Units during each of the same three consecutive non-overlapping twelve-month periods is not less than $2.40 (adjusted for any distributions of Available Cash from Interim Capital Transactions and in accordance with Sections 5.9 and 9.6) per Series A Common Unit.

"Series A Preference Unit Cumulative Deficiency" has the meaning assigned to such term in Section 5.8(l).

"Series A Preference Unit Deficiency" has the meaning assigned to such term in Section 5.8(m).

"Series A Preference Unit Initial Offering" means the initial offering of Series A Preference Units to the public, as described in the Registration Statement.

"Series A Preference Unit Preference Period" means the period commencing upon the Closing Date and ending on the date determined under Sections 5.6(c) and 5.6(d).

"Series A Preference Unit Sharing Ratio" means, with respect to any date of determination, the quotient derived by dividing the Series A Preference Unit Capital Amount on such date by the Preference Unit Combined Capital Amount on such date.

"Series B Preference Unit" means a Unit having the rights and obligations specified with respect to Series B Preference Units in this Agreement.

"Series B Preference Unit Accretion Amount" means, for each Outstanding Series B Preference Unit on each relevant Series B Preference Unit Accretion Date, an amount equal to the product of (i) the average Series B Preference Unit Liquidation Value during the period beginning on the later of the Series B Preference Unit Issuance Date or the day immediately following the most recent Series B Preference Unit Accretion Date and ending on (and including) the relevant Series B Preference Unit Accretion Date and (ii) (A) prior to the Series B Preference Unit Preference Date, 0.05 and (B) on and after the Series B Preference Unit Preference Date, 0.06.

"Series B Preference Unit Accretion Date" means, as applicable, each June 30 and December 31 of each calendar year occurring after the Series B Preference Unit Issuance Date, and, with respect to any Series B Preference Unit that is redeemed, the date upon which such Series B Preference Unit is redeemed ..

"Series B Preference Unit Deficiency" means, for any Series B Preference Unit, with respect to any date of determination, the positive difference (if any) between (i) the sum of all Series B Preference Unit Accretion Amounts for such Unit from the Series B Preference Unit Issuance Date through the relevant date of determination less (ii) the sum of all distributions paid in respect of such Unit from the Series B Preference Unit Issuance Date through the relevant date of determination.

"Series B Preference Unit Discretionary Distribution Amount" has the meaning assigned to such term in Section 5.3.

"Series B Preference Unit Face Value" means $1,000 per Series B Preference Unit, as adjusted for Partnership Interest Adjusting Events and distributions of Cash from Interim Capital Transactions pursuant to Section 5.7 or distributions in connection with the dissolution or liquidation of the Partnership theretofore made in respect of such Unit.

"Series B Preference Unit Issuance Date" means August 30, 2000.

"Series B Preference Unit Liquidation Value" means, for any Outstanding Series B Preference Unit, with respect to any date of determination, an amount equal to the sum of (i) the Series B Preference Unit Face Value and (ii) the Series B Preference Unit Deficiency on such date.

"Series B Preference Unit Preference Date" means the first day of the calendar quarter immediately following the calendar quarter that includes August 29, 2010.

"Series B Preference Unit Sharing Ratio" means, with respect to any date of determination, the quotient derived by dividing the aggregate Series B Preference Unit

Liquidation Value for all Series B Preference Units on such date by the Preference Unit Combined Capital Amount on such date.

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

"Stingray" means Stingray Pipeline Company, L.L.C., a Delaware limited liability company (formerly a Delaware general partnership).

"Stingray Holding" means Stingray Holding, L.L.C., a Delaware limited liability company.

"Substituted Limited Partner" means a Person who is admitted as a Limited Partner to the Partnership pursuant to Section 12.2 in place of and with all the rights of a Limited Partner and who is shown as a Limited Partner on the books and records of the Partnership.

"Surviving Business Entity" has the meaning assigned to such term in Section 16.2(b).

"Tarpon" means Tarpon Transmission Company, a Texas corporation.

"Termination Capital Transaction" has the meaning assigned to such term in Section 5.8(n).

"Third Target Distribution" has the meaning assigned to such term in Section 5.8(o).

"Trading Day" has the meaning assigned to such term in Section 17.2.

"Transfer Agent" means ChaseMellon Shareholder Services LLC or such bank, trust company or other Person (including, without limitation, the General Partner or one of its Affiliates) as shall be appointed from time to time by the Partnership to act as registrar and transfer agent for the Units or any applicable Partnership Securities.

"Transfer Application" means an application and agreement for transfer of Units in the form set forth on the back of a Unit Certificate or in a form substantially to the same effect in a separate instrument.

"Treasury Regulation" has the meaning assigned to such term in Section 1.6.

"Underwriter" means each Person named as an underwriter in the Underwriting Agreement who purchased Units pursuant thereto.

"Underwriting Agreement" means the Underwriting Agreement dated February 11, 1993, among the Underwriters, the Partnership, the Operating Companies and the General Partner providing for the purchase of Series A Preference Units by such Underwriter.

"Unit" means a Partnership Interest of a Limited Partner or Assignee in the Partnership representing a fractional part of the Partnership Interests of all Limited Partners and Assignees.

"Unit Certificate" means a certificate or certificates in such form as may be hereafter adopted by the General Partner in its sole discretion issued by the Partnership evidencing ownership of one or more Units.

"Unitholder" means a Person who is the holder of a Unit on the records of the Partnership.

"Unrealized Gain" attributable to any item of Partnership property means, as of any date of determination, the excess, if any, of (a) the fair market value of such property as of such date over (b) the Carrying Value of such property as of such date (prior to any adjustment to be made pursuant to Section 4.6(d) as of such date). In determining such Unrealized Gain, the aggregate cash amount and fair market value of all Partnership Assets shall be determined by the General Partner using such reasonable method of valuation as it may adopt. The General Partner shall allocate such aggregate value among the assets of the Partnership (in such manner as it determines in its sole discretion to be reasonable) to arrive at a fair market value- for individual properties.

"Unrealized Loss" attributable to any item of Partnership property means, as of any date of determination, the excess, if any, of (a) the Carrying Value of such property as of such date (prior to any adjustment to be made pursuant to Section 4.6(d) as of such date) over (b) the fair market value of such property as of such date. In determining such Unrealized Loss, the aggregate cash amount and fair market value of all Partnership Assets shall be determined by the General Partner using such reasonable method of valuation as it may adopt. The General Partner shall allocate such aggregate value among the assets of the Partnership (in such manner as it determines in its sole discretion to be reasonable) to arrive at a fair market value for individual properties.

"Unrecovered Capital" means, with respect to any date of determination, the Initial Unit Price, less the sum of all distributions made up to (and including) such date in respect of a Unit that was sold in the initial offering of such Units constituting, and which for purposes of determining the priority of such distribution is treated as constituting, Cash from Interim Capital Transactions and of any distributions of cash (or the Net Agreed Value of any distributions in kind) in connection with the dissolution and liquidation of the Partnership theretofore made in respect of a Unit that was sold in the initial offering of such Units.

"UTOS" means UT Offshore System, L.L.C., a Delaware limited liability company (formerly a Delaware general partnership).

"VK" means Viosca Knoll Gathering Company, a Delaware general partnership.

"VK Deepwater" means VK Deepwater Gathering Company, L.L.C., a Delaware limited liability company.

"VK Main Pass" means VK-Main Pass Gathering Company, L.L.C., a Delaware limited liability company.

"Voting Units" means, depending on the context in which it is used, (i) with respect to matters on which Units are expressly granted the right to vote in this Agreement, any Series A

Preference Units, Series A Common Units and any other Units issued after the Second Restatement Date with voting rights similar to those of Series A Common Units, and excluding any Units or other Partnership Securities not expressly granted such voting rights in this Agreement (such as Series B Preference Units), or (ii) with respect to a particular matter that is subject to the vote of security holders, any Units or other Partnership Securities which this Agreement or the Delaware Act expressly grant the right to vote on such matter.

"West Cam" means West Cameron Dehydration Company, L.L.C., a Delaware limited liability company.

"Western Gulf" means Western Gulf Holdings, L.L.C., a Delaware limited liability company.

"Withdrawal Opinion of Counsel" has the meaning assigned to such term in Section 13.1(b).

ARTICLE III
PURPOSE

3.1 Purpose and Business. The purpose and nature of the business to be conducted by the Partnership shall be (i) to serve as the managing member of each of the initial Operating Companies and, in connection therewith, to exercise all of the rights and powers conferred upon the Partnership as the managing member of the Operating Companies pursuant to their Charter Documents or otherwise, (ii) to engage directly in, or to enter into any partnership, joint venture or similar arrangement to engage in, any business activity that lawfully may be conducted by a limited partnership organized pursuant to the Delaware Act and, in connection therewith, to exercise all of the rights and powers conferred upon the Partnership pursuant to the agreements relating to such business activity, (iii) to do anything necessary or appropriate to the foregoing (including, without limitation, the making of capital contributions or loans to the Operating Companies or in connection with its involvement in the activities referred to in clause (ii) of this sentence), and (iv) to engage in any other business activity as permitted under Delaware law. The General Partner has no obligation or duty to the Partnership, the Limited Partners or the Assignees to propose or approve, and in its sole discretion may decline to propose or approve, the conduct by the Partnership of any business.

3.2 Powers. The Partnership shall be empowered to do any and all acts and things necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and accomplishment of the purposes and business described in Section 3.1 and for the protection and benefit of the Partnership.

ARTICLE IV
CAPITAL CONTRIBUTIONS

4.1 Initial Contributions. To form the Partnership under the Delaware Act the General Partner has made an initial Capital Contribution to the Partnership in the amount of $10 for an interest in the Partnership and has been admitted as the General Partner of the Partnership, and the Organizational Limited Partner has made a Capital Contribution to the Partnership in the

amount of $990 for an interest in the Partnership and has been admitted as the Organizational Limited Partner of the Partnership.

4.2 Return of Initial Contributions. As of the Closing Date, after giving effect to (i) the transactions contemplated by Section 4.3 and (ii) the admission to the Partnership of the Initial Limited Partners in accordance with this Agreement, the interest in the Partnership of the Organizational Limited Partner shall be terminated, the $10 Capital Contribution by the General Partner and the $990 Capital Contribution by the Organizational Limited Partner as initial Capital Contributions shall be refunded and the interest of the Organizational Limited Partner as a Limited Partner of the Partnership shall be terminated and withdrawn. Ninety-nine percent (99%) of any interest or other profit that may have resulted from the investment or other use of such initial Capital Contributions shall be allocated and distributed to the Organizational Limited Partner, and the balance thereof shall be allocated and distributed to the General Partner.

4.3 Contribution by the General Partner and the Initial Limited Partner.

(a) On the Closing Date, the General Partner shall, as set forth in the Conveyance Agreement, contribute, transfer, convey, assign and deliver to the Partnership or the Operating Companies, as a Capital Contribution, those assets subject to such obligations as are described in the Conveyance Agreement in consideration for the continuation of its 1.0% general partner interest in the Partnership and 3,570,000 Series A Common Units.

(b) Subject to completion of the Capital Contributions referred to in Section 4.3(a), on the Closing Date, each Underwriter shall contribute and deliver to the Partnership, as a Capital Contribution, cash in an amount equal to the Issue Price per Unit multiplied by the number of Series A Preference Units specified in the Underwriting Agreement to be purchased by such Underwriter on the Closing Date. In exchange for such Capital Contribution, the Partnership shall issue Series A Preference Units to each Underwriter on whose behalf such Capital Contribution is made in an amount equal to the quotient obtained by dividing (x) the cash contribution to the Partnership by or on behalf of such Underwriter by (y) the Issue Price per Unit. Upon receipt of such Capital Contribution and a completed Transfer Application, each Underwriter shall be admitted to the Partnership as an Initial Limited Partner in respect of the Series A Preference Units so issued to it.

(c) To the extent that the Underwriters' over-allotment option is exercised, each Underwriter exercising such option shall contribute and deliver to the Partnership cash in an amount equal to the Issue Price per Unit multiplied by the number of Series A Preference Units to be purchased by such Underwriter from the Partnership pursuant to the over-allotment option at the "Option Closing Date," as such term is used in the Underwriting Agreement. In exchange for such Capital Contribution, the Partnership shall issue Series A Preference Units to each Underwriter on whose behalf such Capital Contribution is made in an amount equal to the quotient obtained by dividing (x) the cash contribution to the Partnership by or on behalf of such Underwriter by (y) the Issue Price per Unit. The Partnership is expressly authorized to purchase up to 393,750 Series A Common Units from the General Partner at the Issue Price per Unit in connection with the exercise of the over-allotment option by the Underwriters.

4.4 Issuance of Additional Units and Other Securities.

(a) Subject to Section 4.4(c), the General Partner is hereby authorized to cause the Partnership to issue, in addition to the Series A Preference Units and Series A Common Units issued pursuant to Section 4.3, such additional Series A Preference Units or other Units (including, specifically, Series A Common Units issuable upon conversion of Series A Preference Units as contemplated by Section 5.6), or classes or series thereof, or options, rights, warrants or appreciation rights relating thereto, or any other type of equity security that the Partnership may lawfully issue, any unsecured or secured debt obligations of the Partnership or debt obligations of the Partnership convertible into any class or series of equity securities of the Partnership (collectively, "Partnership Securities"), for any Partnership purpose, at any time or from time to time, to the Partners or to other Persons for such consideration and on such terms and conditions as shall be established by the General Partner in its sole discretion, all without the approval of any Limited Partners. The General Partner shall have sole discretion, subject to the guidelines set forth in this Section 4.4 and the requirements of the Delaware Act, in determining the consideration and terms and conditions with respect to any future issuance of Partnership Securities. The additional Series A Preference Units to be issued pursuant to this Section 4.4 are in addition to the Series A Preference Units issuable upon exercise of the Underwriters' over-allotment option, in accordance with the Underwriting Agreement.

(b) Notwithstanding any provision of this Agreement to the contrary, additional Partnership Securities to be issued by the Partnership pursuant to this Section 4.4 shall be issuable from time to time in one or more classes, or one or more series of any of such classes, with such designations, preferences and relative, participating, optional or other special rights, powers and duties, including, without limitation, rights, powers and duties senior to existing classes and series of Partnership Securities (except as provided in Section 4.4(c)), all as shall be fixed by the General Partner in the exercise of its sole and complete discretion, subject to Delaware law and Section 4.4(c), including, without limitation (i) the allocations of items of Partnership income, gain, loss, deduction and credit to each such class or series of Partnership Securities; (ii) the right of each such class or series of Partnership Securities to share in Partnership distributions; (iii) the rights of each such class or series of Partnership Securities upon dissolution and liquidation of the Partnership; (iv) whether such class or series of additional Partnership Securities is redeemable by the Partnership and, if so, the price at which, and the terms and conditions upon which such class or series of additional Partnership Securities may be redeemed by the Partnership; (v) whether such class or series of additional Partnership Securities is issued with the privilege of conversion and, if so, the rate at which, and the terms and conditions upon which, such class or series of Partnership Securities may be converted into any other class or series of Partnership Securities; (vi) the terms and conditions upon which each such class or series of Partnership Securities will be issued, evidenced by Certificates (as applicable) and assigned or transferred; and (vii) the right, if any, of each such class or series of Partnership Securities to vote on Partnership matters, including, without limitation, matters relating to the relative rights, preferences and privileges of each such class or series.

(c) Notwithstanding the terms of Sections 4.4(a) and 4.4(b), so long as any Series A Preference Units or Series B Preference Units are Outstanding, the issuance by the Partnership of any Partnership Interests shall be subject to the following restrictions and limitations:

(i) During the Series A Preference Unit Preference Period, the Partnership shall not (A) issue an aggregate of more than 5,000,000 (10,000,000 on and after the

1996 Split Date) additional Series A Preference Units or other Partnership Interests which are pari passu with Series A Preference Units (in addition to those issued, if any, pursuant to the exercise of the Underwriters' over allotment option) or (B) issue any other Partnership Interests having rights to distributions or in liquidation ranking prior to the Series A Preference Units, in each case without the prior approval of holders of at least 66?% of the Outstanding Series A Preference Units;

(ii) After the Series A Preference Unit Preference Period, the Partnership may not issue securities with rights as to distributions and allocations or liquidation ranking prior to (as distinguished from pari passu with) the Series A Preference Units without the approval of holders of at least 66?% of the Outstanding Series A Preference Units and the approval of holders of at least 66?% of the Outstanding Series B Preference Units (including those held by the General Partner and its Affiliates);

(iii) Upon the issuance of any Units or other Partnership Securities by the Partnership pursuant to this Section 4.4, the General Partner shall be required to make additional Capital Contributions to the Partnership or convert a number of Partnership Securities owned by the General Partner into General Partner interests such that the General Partner shall at all times have a balance in its Capital Account equal to 1.0% of the total positive Capital Account balances of all Partners; and

(iv) After the Series B Preference Unit Issuance Date, the Partnership may not issue securities with rights as to distributions and allocations or liquidation ranking prior to (as distinguished from pari passu with) the Series B Preference Units without the approval of holders of at least 66?% of the Outstanding Series B Preference Units (including those held by the General Partner and its Affiliates).

(d) The General Partner is hereby authorized and directed to take all actions that it deem necessary or appropriate in connection with each issuance of Units or other Partnership Securities pursuant to Section 4.4(a) to amend this Agreement in any manner that it deem necessary or appropriate to provide for each such issuance, to admit Additional Limited Partners in connection therewith and to specify the relative rights, powers and duties of the holders of the Units or other Partnership Securities being so issued.

(e) Subject to the terms of Sections 4.4(c) and 6.4(c), the General Partner is authorized to cause the issuance of Partnership Securities pursuant to any employee benefit plan for the benefit of employees responsible for the operations of the Partnership or the Operating Companies maintained or sponsored by the General Partner, the Partnership, the Operating Companies or any Affiliate of any of them.

(f) The General Partner shall do all things necessary to comply with the Delaware Act and is authorized and directed to do all things it deems to be necessary or advisable in connection with any future issuance of Partnership Securities, including, without limitation, compliance with any statute, rule, regulation or guideline of any federal state or other governmental agency or any National Securities Exchange on which the Units or other Partnership Securities are listed for ruling.

(g) Series C Units. A new series of Units, designated "Series C Units," has been established by the Partnership with the following characteristics:

(i) Voting. Except to the extent expressly provided in this Agreement (including Section 15.3(c)) or as expressly required by the Delaware Act, Limited Partners holding Series C Units do not have the right to vote in respect of such Units, either with other holders of Units or as a class or series, with respect to any matter.

(ii) Allocations and Distributions. The Series C Units will receive allocations of income, gains, losses and deductions, and distributions of cash (including liquidating distributions), pari passu with the Series A Common Units (except for and after giving effect to the special allocations set forth in Sections 5.1(e) and 5.1(e), except as follows:

(A) After April 30, 2003, holder(s) of a majority of the then-Outstanding Series C Units will have the right to demand (a "Conversion Demand") that the General Partner submit to a vote of the holders of Outstanding Series A Common Units the conversion (the "Conversion") of each Series C Unit into one Series A Common Unit, which must be approved by the minimum number of Series A Common Units as is required by the New York Stock Exchange at the time of the vote ("Conversion Approval"). If Conversion Approval has occurred, the General Partner shall effect the Conversion as promptly as practicable thereafter.

(B) If the Conversion Approval has not occurred within 120 days after the Conversion demand is delivered to the General Partner (for any reason, including failure to schedule or conduct the vote of the holders of Series A Common Units, failure to obtain the requisite Conversion Approval from the holders of Series A Common Units or otherwise), then, for each subsequent distribution of Available Cash to the Limited Partners holding Series A Common Units and the Limited Partners holding Series C Units, the distributed amount shall be allocated among such Limited Partner as follows:

(1) until and through April 29, 2004, allocate between the Series C Units and Series A Common Units such that the Limited Partners holding Series C Units receive a distribution in respect of each Series C Unit that is 105% of the distribution received by the Limited Partners holding Series A Common Units in respect of each Series A Common Unit;

(2) from April 30, 2004 until and through April 29, 2005, allocated between the Series C Units and Series A Common Units such that the Limited Partners holding Series C Units receive a distribution in respect of each Series C Unit that is 110% of the distribution received by the Limited Partners holding Series A Common Units in respect of each Series A Common Unit; and

(3) from April 30, 2005, allocated between the Series C Units and Series A Common Units such that the Limited Partners holding Series C Units receive a distribution in respect of each Series C Unit that is 115% of the distribution received by the Limited Partners holding Series A Common Units in respect of each Series A Common Unit.

(C) Any adjustment to the allocation of distributed amounts pursuant to Section 4.4(g)(ii)(B) shall be matched by corresponding adjustments to the allocation of income, gains, losses and deductions among the Limited Partners holding Series A Common Units and the Limited Partners holding Series C Units.

(iii) Except to the extent set forth to the contrary in this Section 4.4(g), the holders of the Series C Units shall have the same rights and preferences as the holders of the Series A Common Units.

4.5 Limited Preemptive Rights. Except as provided in Section 4.4(c)(iii), no Person shall have any preemptive, preferential or other similar right with respect to (a) additional Capital Contributions; (b) issuance or sale of any class or series of Units or other Partnership Securities, whether unissued, held in the treasury or hereafter created; (c) issuance of any obligations, evidences of indebtedness or other securities of the Partnership convertible into or exchangeable for, or carrying or accompanied by any rights to receive, purchase or subscribe to, any such Units or other Partnership Securities; (d) issuance of any right of subscription to or right to receive, or any warrant or option for the purchase of, any such Units or other Partnership Securities; or (e) issuance or sale of any other securities that may be issued or sold by the Partnership. The General Partner shall have the right, which it may from time to time assign in whole or in part to any of its Affiliates, to purchase Units or other Partnership Securities from the Partnership whenever, and on the same terms that, the Partnership issues Units or other Partnership Securities to Persons other than the General Partner and its Affiliates, to the extent necessary to maintain the percentage interests of the General Partner and its Affiliates of the applicable class or series of Partnership Interest equal to that which existed immediately prior to the issuance of such Units or other Partnership Securities.

4.6 Capital Accounts.

(a) The Partnership shall maintain for each Partner (or a beneficial owner of Units 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 in its sole discretion) a separate Capital Account in accordance with the rules of Treasury Regulation Section 1.704-1(b)(2)(iv). Such Capital Account shall be increased by (i) the amount of all Capital Contributions made by such Partner to the Partnership 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 4.6(b) and allocated to such Partner pursuant to Sections 4.2 and 5.1 and decreased by (x) the amount of cash or Net Agreed Value of all distributions of cash or property made to such Partner pursuant to this Agreement and (y) all items of Partnership deduction and loss computed in accordance with Section 4.6(b) and allocated to such Partner pursuant to Section 5.1.

(b) For purposes of computing the amount of any item of income, gain, loss or deduction to be reflected in the Partners' Capital Accounts, the determination, recognition and classification of any such item shall be the same as its determination, recognition and classification for federal income tax purposes (including, without limitation, any method of depreciation, cost recovery or amortization used for that purpose), provided, that:

(i) Solely for purposes of this Section 4.6, the Partnership shall be treated as owning directly its proportionate share (as determined by the General Partner based upon the provisions of the Charter Documents) of (x) all property owned by the non-corporate Operating Companies and Joint Ventures and (y) the fair market value of the stock of the corporate Operating Companies and Joint Ventures.

(ii) All fees and other expenses incurred by the Partnership to promote the sale of (or to sell) a Partnership Interest that can neither be deducted nor amortized under Section 709 of the Code, if any, shall, for purposes of Capital Account maintenance, be treated as an item of deduction at the time such fees and other expenses are incurred and shall be allocated among the Partners pursuant to Section 5.1.

(iii) Except as otherwise provided in Treasury Regulation Section 1.704-1(b)(2)(iv)(m), the computation of all items of income, gain, loss and deduction shall be made without regard to any election under Section 754 of the Code which may be made by the Partnership and, as to those items described in Section 705(a)(1)(B) or 705(a)(2)(B) of the Code, without regard to the fact that such items are not includable in gross income or are neither currently deductible nor capitalized for federal income tax purposes.

(iv) Any income, gain or loss attributable to the taxable disposition of any Partnership property shall be determined as if the adjusted basis of such property as of such date of disposition were equal in amount to the Partnership's Carrying Value with respect to such property as of such date.

(v) In accordance with the requirements of Section 704(b) of the Code, any deductions for depreciation, cost recovery or amortization attributable to any Contributed Property shall be determined as if the adjusted basis of such property on the date it was acquired by the Partnership were equal to the Agreed Value of such property. Upon an adjustment pursuant to Section 4.6(d) to the Carrying Value of any Partnership property subject to depreciation, cost recovery or amortization, any further deductions for such depreciation, cost recovery or amortization attributable to such property shall be determined (A) as if the adjusted basis of such property were equal to the Carrying Value of such property immediately following such adjustment and (B) using a rate of depreciation cost recovery or amortization derived from the same method and useful life (or, if applicable, the remaining useful life) as is applied for federal income tax purposes; provided, however, that if the asset has a zero adjusted basis for federal income tax purposes, depreciation, cost recovery or amortization deductions shall be determined using any reasonable method that the General Partner may adopt.

(vi) If the Partnership's adjusted basis in depreciable or cost recovery property is reduced for federal income tax purposes pursuant to Section 48(q)(1) or 48(q)(3) of the Code, the amount of such reduction shall, solely for purposes hereof, be deemed to be an additional depreciation or cost recovery deduction in the year such property is placed in service and shall be allocated among the Partners pursuant to Section 5.1. Any restoration of such basis pursuant to Section 48(q)(2) of the Code shall, to the extent possible, be allocated in the year of such restoration as an item of income pursuant to Section 5.1.

(c) A transferee of a Partnership Interest shall succeed to a pro rata portion of the Capital Account of the transferor relating to the Partnership Interest so transferred; provided, however, that if the transfer causes a termination of the Partnership under Section 708(b)(1)(B) of the Code, the Partnership's properties shall be deemed to have been distributed in liquidation of the Partnership to the Partners (including any transferee of a Partnership Interest that is a party to the transfer causing such termination) pursuant to Sections 14.3 and 14.4 and recontributed by such Partners in reconstitution of the Partnership. Any such deemed distribution shall be treated as an actual distribution for purposes of this Section 4.6. In such event the Carrying Values of the Partnership properties shall be adjusted immediately prior to such deemed distribution pursuant to Section 4.6(d)(ii) and such Carrying Values shall then constitute the Agreed Values of such properties upon such deemed contribution to the reconstituted Partnership. The Capital Accounts of such reconstituted Partnership shall be maintained in accordance with the principles of this Section 4.6.

(d) (i) Consistent with the provisions of Treasury Regulation Section 1.704-1(b)(2)(iv)(f), on an issuance of additional Units for cash or Contributed Property or the conversion of the General Partner's Partnership Interest to Units pursuant to Section 13.3(b), the Capital Accounts of all Partners and the Carrying Value of each Partnership property immediately prior to such issuance 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 and had been allocated to the Partners at such time pursuant to Section 5.1.

(i) In accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(f), immediately prior to any distribution to a Partner of any Partnership property (other than a distribution of cash that is not in redemption or retirement of a Partnership Interest), the Capital Accounts of all Partners and the Carrying Value of each Partnership property 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 in a sale of such property immediately prior to such distribution for an amount equal to its fair market value, and had been allocated to the Partners, at such time, pursuant to Section 5.1.

4.7 Interest. No interest shall be paid by the Partnership on Capital Contributions or on balances in Partners' Capital Accounts.

4.8 No Withdrawal. No Partner shall be entitled to withdraw any part of its Capital Contributions or its Capital Account or to receive any distribution from the Partnership, except as provided in this Agreement.

4.9 Loans from Partners. Loans by a Partner to the Partnership shall not constitute Capital Contributions. If any Partner shall advance funds to the Partnership in excess of the amounts required hereunder to be contributed by it to the capital of the Partnership, the making of such excess advances shall not result in any increase in the amount of the Capital Account of such Partner. The amount of any such excess advances shall be a debt obligation of the Partnership to such Partner and shall be payable or collectible only out of the Partnership Assets in accordance with the terms and conditions upon which such advances are made.

4.10 No Fractional Units. No fractional Units shall be issued by the Partnership.

4.11 Partnership Interest Adjusting Events.

(a) Subject to Section 4.11(d), the General Partner may effect a Partnership Interest Adjusting Event, including a pro rata distribution of Units or other Partnership Securities to all Record Holders thereof or a subdivision or combination of Units or other Partnership Securities; provided, however, that subject to Section 4.11(d), after any such Partnership Interest Adjusting Event, each Partner shall have the same ownership interest in the Partnership as before such Partnership Interest Adjusting Event.

(b) Whenever such a Partnership Interest Adjusting Event is declared, the General Partner shall select a Record Date for such Partnership Interest Adjusting Event at least 20 days prior to such Record Date. The Record Date shall be as of a date not less than 10 days prior to the date of the notice to the Record Holders of such Partnership Interest Adjusting Event. The General Partner also may cause a firm of independent public accountants selected by it to calculate the number of Units to be held by each Record Holder after giving effect to such Partnership Interest Adjusting Event. The General Partner shall be entitled to rely on any certificate provided by such firm as conclusive evidence of the accuracy of such calculation.

(c) Promptly following any such Partnership Interest Adjusting Event, the General Partner may cause Unit Certificates to be issued to the Record Holders of Units as of the applicable Record Date representing the new number of Units held by such Record Holders, or the General Partner may adopt such other procedures as it may deem appropriate to reflect such Partnership Interest Adjusting Event; provided, however, that if any such Partnership Interest Adjusting Event results in a smaller total number of Units Outstanding, the General Partner shall require, as a condition to the delivery to a Record Holder of such new Unit Certificate, the surrender of any Unit Certificate held by such Record Holder immediately prior to such Record Date.

(d) The Partnership shall not issue fractional Units upon any Partnership Interest Adjusting Event. If a Partnership Interest Adjusting Event would result in the issuance of fractional Units but for the provision of Section 4.10 and this Section 4.11(d), each fractional Unit shall be rounded to the nearest whole Unit (and a 0.5 Unit shall be rounded to the next higher Unit).

ARTICLE V
ALLOCATIONS AND DISTRIBUTIONS

5.1 Allocations for Capital Account Purposes. For purposes of maintaining the Capital Accounts and in determining the rights of the Partners among themselves, the Partnership's items of income, gain, loss and deduction (computed in accordance with Section 4.6(b)) shall be allocated among the Partners in each taxable year (or portion thereof) as provided herein below.

(a) Net Income. After giving effect to the allocations in Section 4.2 and the special allocations set forth in Sections 5.1(e) and 5.1(e), all remaining items of income, gain, loss and deduction taken into account in computing Net Income for such taxable period shall be allocated in the same manner as such Net Income is allocated hereunder, which Net Income shall be allocated as follows:

(i) First, 100% to the General Partner until the aggregate Net Income allocated to the General Partner pursuant to this Section 5.1(a)(i) for the current taxable year and all previous taxable years is equal to the aggregate Net Losses allocated to the General Partner pursuant to Sections 5.1(c)(i)(D) and 5.1(c)(ii)(D) for all previous taxable years;

(ii) Second, 1% to the General Partner and 99% to the Limited Partners holding Series A Preference Units and Series B Preference Units (allocated between each such series and among the Limited Partners holding Preference Units of each such series as provided below in this Section 5.1(a)(ii)) until the aggregate Net Income allocated to any Series A Preference Unit or Series B Preference Unit pursuant to this Section 5.1(a)(ii) for the current taxable year and all previous taxable years is equal to the aggregate Net Losses allocated to any Series A Preference Unit or Series B Preference Unit pursuant to Sections 5.1(c)(i)(C) and 5.1(c)(ii)(C) for all previous taxable years. As between the Limited Partners holding Series A Preference Units and the Limited Partners holding Series B Preference Units, any distributions under this Section 5.1(a)(ii) shall be allocated in proportion to the Net Losses allocated to one of each such Units pursuant to Sections 5.1(c)(i)(C) and 5.1(c)(ii)(C) for all previous taxable years, and as among the Limited Partners holding a particular series of Preference Units, such distributions shall be allocated in the proportion that the respective number of Preference Units in such series held by them bears to the total number of Preference Units in such series then Outstanding;

(iii) Third, 99% to the Limited Partners holding Series A Common Units, in the proportion that the respective number of Series A Common Units held by them bears to the total number of Series A Common Units then Outstanding, and 1% to the General Partner until the aggregate Net Income allocated to any Series A Common Unit pursuant to this Section 5.1(a)(iii) for the current taxable year and all previous taxable years is equal to the to the aggregate Net Losses allocated to any Series A Common Unit pursuant to Sections 5.1(c)(i)(B) and 5.1(c)(ii)(B) for all previous years; and

(iv) Fourth, the balance, if any, 1% to the General Partner and 99% to the Limited Partners, which allocations to such Limited Partners shall be made (x) first, to the Limited Partners holding Series A Preference Units and Series B Preference Units (allocated between each such series and among the Limited Partners holding Preference Units of each such series as provided below in this Section 5.1(a)(iv)) until the total amount allocated in respect of any Series B Preference Unit under this Section 5.1(a)(iv) during the period from the Series B Preference Unit Issuance Date through the date of such allocation is equal to the total of all Series B Preference Unit Discretionary Distribution Amounts made during such period in respect thereof pursuant to Section 5.5(a), and (y) then, to Limited Partners holding Series A Preference Units and Series A Common Units, in the proportion that the respective number of Series A Preference Units and Series A Common Units, as applicable, held by them bears to the total number of Series A Preference Units and Series A Common Units then Outstanding. As between the Limited Partners holding Series A Preference Units and the Limited Partners holding Series B Preference Units, any distributions under this Section 5.1(a)(iv) shall be allocated based on the Preference Unit Sharing Ratios, and as among the Limited Partners holding a particular series of Preference Units, such distributions shall be allocated in the proportion that the respective number of Preference Units in such series held by them bears to the total number of Preference Units in such series then Outstanding; and

(b) Net Losses. After giving effect to the special allocations set forth in Sections 5.1(d) and 5.1(e), all remaining items of income, gain, loss and deduction taken into account in computing Net Losses for such taxable period shall be allocated in the same manner as such Net Losses are allocated hereunder, which Net Losses shall be allocated as follows:

(i) While any Series A Preference Units are Outstanding. During any period in which any Series A Preference Units are outstanding:

(A) First, 1% to the General Partner and 99% to the Limited Partners holding Series A Common Units, Series A Preference Units and Series B Preference Units (allocated between each such series and among the Limited Partners holding Units of each such series as provided below in this Section 5.1(b)(i)(A)) until Net Losses are allocated to each Unit pursuant to this Section 5.1(b)(i)(A) for the current taxable year and all previous taxable years in an amount equal to the Net Income allocated to such Unit pursuant to Section 5.1(a)(iv) for all previous taxable years. As among the Limited Partners holding each of the Series A Common Units, Series A Preference Units and Series B Preference Units, any distributions under this Section 5.1(b)(i)(A) shall be allocated in proportion to the Net Income allocated to one of each such Units pursuant to Section 5.1(a)(iv) for all previous taxable years, and as among the Limited Partners holding a particular series of Units, such distributions shall be allocated in the proportion that the respective number of Units in such series held by them bears to the total number of Units in such series then Outstanding;

(B) Second, 1% to the General Partner and 99% to the Limited Partners holding Series A Common Units, in the proportion that the respective number of Series A Common Units held by them bears to the total number of Series A

Common Units then Outstanding, provided that Net Losses shall not be allocated pursuant to this Section 5.1(b)(ii) to the extent that such allocation would cause any Limited Partner to have a deficit balance in its Adjusted Capital Account at the end of such taxable period (or increase any existing deficit balance in its Adjusted Capital Account);

(C) Third, 1% to the General Partner and 99% to the Limited Partners holding Series A Preference Units and Series B Preference Units (allocated between each such series and among the Limited Partners holding Units of each such series as provided below in this Section 5.1(b)(i)(C)), provided that Net Losses shall not be allocated pursuant to this Section 5.1(b)(i) to the extent that such allocation would cause any Limited Partner to have a deficit balance in its Adjusted Capital Account at the end of such taxable period (or increase any existing deficit balance in its Adjusted Capital Account). As among the Limited Partners holding the Series A Preference Units and the Limited Partners holding the Series B Preference Units, any distributions under this Section 5.1(b)(i)(C) shall be allocated based on their respective Preference Unit Sharing Ratios, and as among the Limited Partners holding a particular series of Units, such distributions shall be allocated in the proportion that the respective number of Units in such series held by them bears to the total number of Units in such series then Outstanding; and

(D) Fourth, the balance, if any, 100% to the General Partner.

(ii) While no Series A Preference Units are Outstanding. During any period in which no Series A Preference Units are outstanding:

(A) First, 1% to the General Partner and 99% to the Limited Partners holding Series A Common Units and Series B Preference Units (allocated between each such series and among the Limited Partners holding Units of each such series as provided below in this Section 5.1(b)(ii)(A)) until Net Losses are allocated to each Unit pursuant to this Section 5.1(b)(ii)(A) for the current taxable year and all previous taxable years in an amount equal to the Net Income allocated to such Unit pursuant to Section 5.1(a)(iv) for all previous taxable years. As among the Limited Partners holding the Series A Common Units and the Limited Partners holding the Series B Preference Units, any distributions under this Section 5.1(b)(ii)(A) shall be allocated in proportion to the amounts of Net Income allocated to the Limited Partners holding such Units pursuant to Section 5.1(a)(iv) for all previous taxable years, and as among the Limited Partners holding a particular series of Units, such distributions shall be allocated in the proportion that the respective number of Units in such series held by them bears to the total number of Units in such series then Outstanding;

(B) Second, 1% to the General Partner and 99% to the Limited Partners holding Series A Common Units, in the proportion that the respective number of Series A Common Units held by them bears to the total number of Series A Common Units then Outstanding, provided that Net Losses shall not be allocated

pursuant to this Section 5.1(b)(ii)(B) to the extent that such allocation would cause any Limited Partner holding Series A Common Units to have a deficit balance in its Adjusted Capital Account at the end of such taxable year (or increase any existing deficit balance in its Adjusted Capital Account); and

(C) Third, 1% to the General Partner and 99% to the Limited Partners holding Series B Preference Units in the proportion that the respective number of Series B Preference Units held by them bears to the total number of Series B Preference Units then Outstanding, provided that Net Losses shall not be allocated pursuant to this Section 5.1(b)(i)(C) to the extent that such allocation would cause any Limited Partner holding Series B Preference Units to have a deficit balance in its Adjusted Capital Account at the end of such taxable year (or increase any existing deficit balance in its Adjusted Capital Account balance); and

(D) Fourth, the balance, if any, 100% to the General Partner.

(c) Net Termination Gains and Losses. After giving effect to the allocations in Section 4.2 and the special allocations set forth in Sections 5.1(e) and 5.1(e), all items of income, gain, loss and deduction taken into account in computing Net Termination Gain or Net Termination Loss for such taxable period shall be allocated in the same manner as such Net Termination Gain or Net Termination Loss is allocated hereunder. All allocations under this Section 5.1(d) shall be made after Capital Account balances have been adjusted by all other allocations provided under this Section 5.1 and after all distributions of Available Cash provided under Sections 5.4 and 5.5 have be made with respect to such taxable period.

(i) If a Net Termination Gain is recognized, such Net Termination Gain shall be allocated between the General Partner and the Limited Partners in the following manner (and the Adjusted Capital Accounts of the Partners shall be increased by the amount so allocated in each of the following subclauses, in the order listed, before an allocation is made pursuant to the next succeeding subclause):

(A) first, to each Partner having a deficit balance in its Adjusted Capital Account in the proportion that such deficit balance bears to the total deficit balances in the Adjusted Capital Accounts of all Partners, until each such Partner has been allocated Net Termination Gain equal to any such deficit balance in its Adjusted Capital Account;

(B) second, 99% to the Limited Partners holding Series A Preference Units and Series B Preference Units (allocated between each such series and among the Limited Partners holding Preference Units of each such series as provided below in this Section 5.1(d)(i)(B)) and 1.0% to the General Partner until the Adjusted Capital Account in respect of each Series A Preference Unit and Series B Preference Unit then Outstanding is equal to, as applicable, (aa) the sum of the Unrecovered Capital in respect of such Series A Preference Unit plus any then Series A Preference Unit Cumulative Deficiency or (bb) the Series B Preference Unit Liquidation Value. As between the Limited Partners holding Series A Preference Units and the Limited Partners holding Series B Preference

Units, any allocation under this Section 5.1(d)(i)(B) shall be made based on the Preference Unit Sharing Ratios, and as among the Limited Partners holding a particular series of Preference Units, such distributions shall be allocated in the proportion that the respective number of Preference Units in such series held by them bears to the total number of Preference Units in such series then Outstanding;

(C) third, 99% to Limited Partners holding Series A Common Units, in the proportion that the respective number of Series A Common Units held by them bears to the total number of Series A Common Units then Outstanding, and 1.0% to the General Partner until the Adjusted Capital Account in respect of each Series A Common Unit then Outstanding is equal to the Unrecovered Capital with respect to such Series A Common Unit;

(D) fourth, (aa) if the Net Termination Gain is recognized prior to the termination of the Series A Preference Unit Preference Period, 99% to all Limited Partners holding Series A Preference Units and Series A Common Units, in the proportion that the respective number of such Units held by them bears to the total number of such Units then Outstanding, or (bb) if the Net Termination Gain is recognized following the termination of the Series A Preference Unit Preference Period, 99% to all Limited Partners holding Series A Common Units, in the proportion that the respective number of Series A Common Units held by them bears to the total number of Series A Common Units then Outstanding, and 1% to the General Partner, until there has been allocated an amount per Series A Common Unit equal to (yy) the excess of the First Target Distribution per Unit over the Minimum Quarterly Distribution for each quarter of the Partnership's existence, less (zz) the amount per Unit of any distributions in respect of such Series A Common Units (including any distributions in respect of such Series A Common Units prior to conversion of such Units from Series A Preference Units) pursuant to Sections 5.4 and 5.5;

(E) fifth, (aa) if the Net Termination Gain is recognized prior to the termination of the Series A Preference Unit Preference Period, 85.87% to all Limited Partners holding Series A Preference Units and Series A Common Units, in the proportion that the respective number of such Units held by them bears to the total number of such Units then Outstanding, or (bb) if the Net Termination Gain is recognized following the termination of the Series A Preference Unit Preference Period, 85.87% to all Limited Partners holding Series A Common Units, in the proportion that the respective number of Series A Common Units held by them bears to the total number of Series A Common Units then Outstanding, and 14.13% to the General Partner, until there has been allocated an amount per relevant Unit equal to (yy) the excess of the Second Target Distribution per Unit over the First Target Distribution per Unit for each quarter of the Partnership's existence, less (zz) the amount per Unit of any distributions in respect of such Series A Common Units (including any distributions in respect of such Series A Common Units prior to conversion of such Units from Series A Preference Units) pursuant to Sections 5.4 and 5.5;

(F) sixth, (aa) if the Net Termination Gain is recognized prior to the termination of the Series A Preference Unit Preference Period, 75.77% to all Limited Partners holding Series A Preference Units and Series A Common Units, in the proportion that the respective number of such Units held by them bears to the total number of such Units then Outstanding, or (bb) if the Net Termination Gain is recognized following the termination of the Series A Preference Unit Preference Period, 75.77% to all Limited Partners holding Series A Common Units, in the proportion that the respective number of Series A Common Units held by them bears to the total j number of Series A Common Units then Outstanding, and 24.23% to the General Partner, until there has been allocated an amount per relevant Unit equal to (yy) the excess of the Second Target Distribution per Unit over the First Target Distribution per Unit for each quarter of the Partnership's existence, less (zz) the amount per Unit of any distributions in respect of such Series A Common Units (including any distributions in respect of such Series A Common Units prior to conversion of such Units from Series A Preference Units) pursuant to Sections 5.4 and 5.5; and

(G) seventh, the balance, if any, (aa) if the Net Termination Gain is recognized prior to the termination of the Series A Preference Unit Preference Period, 50.51% to all Limited Partners holding Series A Preference Units and Series A Common Units, in the proportion that the respective number of such Units held by them bears to the total number of such Units then Outstanding, or (bb) if the Net Termination Gain is recognized following the termination of the Series A Preference Unit Preference Period, to all Limited Partners holding Series A Common Units, in the proportion that the respective number of Series A Common Units held by them bears to the total number of Series A Common Units then Outstanding, and 49.49% to the General Partner.

(ii) if a Net Termination Loss is recognized, such Net Termination Loss shall be allocated to the Partners in the following manner:

(A) first, to all Partners in proportion to the positive balances in their Adjusted Capital Accounts (or, if subsequent to the Series A Preference Unit Preference Period, 100% to the Limited Partners holding Series A Preference Units and Series B Preference Units, in proportion to the positive balances in their Adjusted Capital Accounts) until the Adjusted Capital Accounts of holders of Series A Preference Units are reduced to the amount of their Unrecovered Capital plus any arrearages with respect thereto and the Adjusted Capital Accounts of holders of Series B Preference Units are reduced to their Series B Preference Unit Liquidation Value;

(B) second, 1% to the General Partner and 99% to the Limited Partners holding Series A Common Units, in proportion to, and to the extent of, the positive balances in their Adjusted Capital Accounts until all such balances are reduced to zero;

(C) third, 100% to the Limited Partners holding Series A Preference Units and Series B Preference Units, in proportion to, and to the extent of, the positive balances in their Adjusted Capital Accounts until all such balances are reduced to zero; and

(D) fourth, the balance, if any, 100% to the General Partner.

(d) Special Allocations. Notwithstanding any other provisions of this Section 5.1 (other than Section 5.1(e)), the following special allocation shall be made for such taxable period:

(i) Priority Allocations. (A) If the amount of cash or the Net Agreed Value of any property distributed (except cash or property distributed pursuant to Section 14.3 or 14.4) to any Limited Partner during a taxable year is greater (on a per Unit basis) than the amount of cash or the Net Agreed Value of property distributed to the other Limited Partners (on a per Unit basis), then (1) each Limited Partner receiving such greater cash or property distribution shall be allocated gross income in an amount equal to the product of (x) the amount by which the distribution (on a per Unit basis) to such Limited Partner exceeds the distribution (on a per Unit basis) to the Limited Partners receiving the smallest distribution and (y) the number of Units owned by the Limited Partner receiving the greater distribution and (2) the General Partner shall be allocated gross income in an amount equal to one-ninety-ninth (1/99) of the sum of the amounts allocated in clause (1) above.

(B) All or a portion of the remaining items of Partnership gross income or gain for the taxable period if any, shall be allocated 100% to the General Partner (or its assignee) until the aggregate amount of such items allocated to the General Partner (or its assignee) under this paragraph (d)(i)(B) for the current taxable period and all previous taxable periods is equal to the cumulative amount of all Incentive Distributions declared before the end of the current taxable period and made to the General Partner (or its assignee) from the Closing Date to a date 45 days after the end of the current taxable period.

(ii) Nonrecourse Liabilities. For purposes of Treasury Regulation Section 1.752-3(a)(3), the Partners agree that Nonrecourse Liabilities of the Partnership in excess of the sum of (A) the amount of Partnership Minimum Gain and (B) the total amount of Nonrecourse Built-in Gain shall be allocated among the Partners 49.49% to the General Partner and 50.51% to all Limited Partners in the proportion that the respective number of Units held by them bears to the total number of Units then outstanding.

(iii) Discretionary Allocation. (A) Notwithstanding any other provision of Section 5.1(a), (b) or (d), the Agreed Allocations shall be adjusted so that to the extent possible, the net amount of items of income, gain, loss and deduction allocated to the Partner pursuant to the Required Allocations and the Agreed Allocation, together, shall be equal to the net amount of such item that would have been allocated to each such Partner under the Agreed Allocations had there been no Required Allocations; provided,

however, that for purposes of applying this Section 5.1(e)(iii)(A), it shall be assumed that all chargebacks pursuant to Sections 5.1(e)(i) and (ii) have occurred.

(B) The General Partner shall have reasonable discretion, with respect to each taxable year, to (1) apply the provisions of Section 5.1(e)(iii)(A) in whatever fashion as is most likely to minimize the economic distortions that might otherwise result from the Required Allocations, and (2) divide all allocations pursuant to Section 5.1(e)(iii)(A) among the Partners in a manner that is likely to minimize such economic distortions.

(e) Required Allocations. Notwithstanding any other provision of this Section 5.1, the following special allocations shall be made for such taxable period:

(i) Partnership Minimum Gain Chargeback. Notwithstanding the other provisions of this Section 5.1, except as provided in Treasury Regulation Sections 1.704 2(f)(2) through (5), if there is a net decrease in Partnership Minimum Gain during any Partnership taxable period, each Partner shall be allocated items of Partnership income and gain for such period (and, if necessary, subsequent periods) in the manner and amounts provided in Treasury Regulation Sections 1.704 2(f)(6), 1.704 2(g)(2) and 1.704 2(j)(2)(i), or any successor provisions. For purposes of this Section 5.1(e), each Partner's Adjusted Capital Account balance shall be determined, and the allocation of income or gain required hereunder shall be effected, prior to the application of any other allocations pursuant to this Section 5.1 with respect to such taxable period (other than an allocation pursuant to Sections 5.1(e)(v) or 5.1(e)(vi)).

(ii) Chargeback of Minimum Gain Attributable to Partner Nonrecourse Debt. Notwithstanding the other provisions of this Section 5.1 (other than 5.1(e)(i)), except as provided in Treasury Regulation Section 1.704 2(i)(4), if there is a net decrease in Minimum Gain Attributable to Partner Nonrecourse Debt during any Partnership taxable period any Partner with a share of Minimum Gain Attributable to Partner Nonrecourse Debt at the beginning of such taxable period shall be allocated items of Partnership income and gain for such period (and if necessary, subsequent periods) in the manner and amounts provided in Treasury Regulation Sections 1.704 2(i)(4) and 1.704 2(j)(2)(ii), or any successor provisions. For purposes of this Section 5.1, such Partner's Adjusted Capital Account balance shall be determined and the allocation of income or gain required hereunder shall be effected, prior to the application of any other allocations pursuant to this Section 5.1(e), other than Section 5.1(e)(i) (and other than an allocation pursuant to Sections 5.1(e)(v) or 5.1(e)(vi)), with respect to such taxable period.

(iii) Qualified Income Offset. In the event any Limited Partner unexpectedly receives adjustments, allocations or distributions described in Treasury Regulation Section 1.704 1(b)(2)(ii)(d)(4), 1.704 1(b)(2)(ii)(d)(5), or 1.704 1(b)(2)(ii)(d)(6), items of Partnership income and gain shall be specifically allocated to such Partner in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations promulgated under Section 704(b) of the Code, the deficit balance if any, in its Adjusted Capital Account created by such adjustments, allocations or distributions as quickly as

possible unless such deficit balance is otherwise eliminated pursuant to Section 5.1(e)(i) or 5.1(e)(ii).

(iv) Gross Income Allocations.

(A) In the event any Partner has a deficit balance in its Adjusted Capital Account at the end of any Partnership taxable period, such Partner shall be specifically allocated items of Partnership gross income and gain in the amount of such excess as quickly as possible; provided, that an allocation pursuant to this Section 5.1(e)(iv)(A) shall be made only if and to the extent that such Partner would have a deficit balance in its Adjusted Capital Account after all other allocations provided in this Section 5.1 have been tentatively made as if this Section 5.1(e)(iv)(A) was not in this Agreement.

(B) If at the end of any Partnership taxable period, after all other allocations provided in this Section 5.1 have been tentatively made as if this Section 5.1(e)(iv)(B) was not in this Agreement, the total amount allocated in respect of any Series B Preference Unit under Section 5.1(a)(iv) during the period from the Series B Preference Unit Issuance Date through the date of such allocation is less than the total of all amounts distributed in respect of such Series B Preference Unit made during such period pursuant to Sections 5.5(a) and (b), then the Limited Partners holding Series B Preference Units shall be specifically allocated, as quickly as possible (but after the requirements of Section 5.1(e)(iv)(A) have been met), items of Partnership gross income and gain such that the total amount allocated in respect of any Series B Preference Unit under Section 5.1(a)(iv) during the period from the Series B Preference Unit Issuance Date through the date of such allocation is equal to the total of all amounts distributed in respect of such Series B Preference Unit during such period pursuant to Sections 5.5(a) and (b).

(v) Nonrecourse Deductions. Nonrecourse Deductions for any taxable period shall be allocated to the Partners in the same manner as Net Income is allocated pursuant to Section 5.1(a)(iv). If the Managing General Partner determines in its good faith discretion that the Partnership's Nonrecourse Deductions must be allocated in a different ratio to satisfy the safe harbor requirements of the Treasury Regulations promulgated under Section 704(b) of the Code, the General Partner is authorized, upon notice to the Limited Partners, to revise the prescribed ratio to the numerically closest ratio which does satisfy such requirements.

(vi) Partner Nonrecourse Deductions. Partner Nonrecourse Deductions for any taxable period shall be allocated 100% to the Partner that bears the Economic Risk of Loss for such Partnership Nonrecourse Debt to which such Partner Nonrecourse Deductions are attributable in accordance with Treasury Regulation Section 1.704 2(i). If more than one Partner bears the Economic Risk of Loss with respect to a Partner Nonrecourse Debt such Partner Nonrecourse Deductions attributable thereto shall be allocated between or among such Partners in accordance with the ratios in which they share such Economic Risk of Loss.

5.2 Allocations for Tax Purposes.

(a) Except as otherwise provided herein, for federal income tax purposes, each item of income, gain, loss and deduction which is recognized by the Partnership for federal income tax purposes shall be allocated among the Partners in the same manner as its correlative item of "book," income, gain, loss or deduction is allocated pursuant to Section 5.1.

(b) In an attempt to eliminate Book-Tax Disparities attributable to a Contributed Property or Adjusted Property, items of income, gain, loss, depreciation, amortization and cost recovery deductions shall be allocated for federal income tax purposes among the Partners as follows:

(i) (A) In the case of a Contributed Property, such items attributable thereto shall be allocated among the Partners in the manner provided under Section 704(c) of the Code that takes into account the variation between the Agreed Value of such property and its adjusted basis at the time of contribution; and (B) except as otherwise provided in Section 5.2(b)(iii), any item of Residual Gain or Residual Loss attributable to a Contributed Property shall be allocated among the Partners in the same manner as its correlative item of "book" gain or loss is allocated pursuant to Section 5.1.

(ii) (A) In the case of an Adjusted Property, such items shall (1) first, be allocated among the Partners in a manner consistent with the principles of Section 704(c) of the Code to take into account the Unrealized Gain or Unrealized Loss attributable to such property and the allocations thereof pursuant to Section 4.6(d)(i) or (ii), and (2) second, in the event such property was originally a Contributed Property, be allocated among the Partners in a manner consistent with Section 5.2(b)(i)(A); and (B) except as otherwise provided in Section 5.2(b)(iii), any item of Residual Gain or Residual Loss attributable to an Adjusted Property shall be allocated among the Partners in the same manner as its correlative item of "book" gain or loss is allocated pursuant to Section 5.1.

(iii) Any items of income, gain, loss or deduction otherwise allocable under Section 5.2(b)(i)(B) or 5.2(b)(ii)(B) shall be subject to allocation by the General Partner in a manner designed to eliminate, to the maximum extent possible, Book-Tax Disparities in a Contributed Property or Adjusted Property otherwise resulting from the application of the "ceiling" limitation (under Section 704(c) of the Code or Section 704(c) principles) to the allocations provided under Section 5.2(b)(i)(A) or 5.2(b)(ii)(A).

(c) For the proper administration of the Partnership or for the preservation of uniformity of the Units (or any class or classes thereof), the General Partner shall have sole discretion to (i) adopt such conventions as it deems appropriate in determining the amount of depreciation amortization and cost recovery deductions; (ii) make special allocations for federal income tax purposes of income (including, without limitation, gross income) or deductions; and (iii) amend the provisions of this Agreement as appropriate (x) to reflect the proposal or promulgation of Treasury Regulations under Section 704(b) or Section 704(c) of the Code or (y) otherwise to preserve or achieve uniformity of the Units (or any class or classes thereof). The General Partner may adopt such conventions, make such allocations and make such amendments to this Agreement as provided in this Section 5.2(c) only if such conventions, allocations or

amendments would not have a material adverse effect on the Partners, the holders of any class or classes of Units issued and Outstanding of the Partnership, and if such allocations are consistent with the principles of Section 704 of the Code.

(d) The General Partner in its sole discretion may determine to depreciate the portion of an adjustment under Section 743(b) of the Code attributable to unrealized appreciation in any Adjusted Property (to the extent of the unamortized Book-Tax Disparity) using a predetermined rate derived from the depreciation method and useful life applied to the Partnership's common basis of such property, despite the inconsistency of such approach with Proposed Treasury Regulation Section 1.168 2(n) and Treasury Regulation Section 1.167(c) 1(a)(6). If the General Partner determines that such reporting position cannot reasonably be taken, the General Partner may adopt a depreciation convention under which all purchasers acquiring Units in the same month would receive depreciation, based upon the same applicable rate as if they had purchased a direct interest in the Partnership's property. If the General Partner chooses not to utilize such aggregate method the General Partner may use any other reasonable depreciation convention to preserve the uniformity of the intrinsic tax characteristics of any Units that would not have a material adverse effect on the Limited Partners or the Record Holders of any class or classes of Units. In addition, for purposes of computing the adjustments under Section 743(b) of the Code, the General Partner shall be authorized (but not required) (i) to adopt a convention whereby the price paid by a transferee of Units will be deemed to be the lowest quoted trading price of the Units on any National Securities Exchange on which such Units are traded during the calendar month in which such transfer is deemed to occur pursuant to Section 5.2(g) without regard to the actual price paid by such transferee and (ii) to treat the amount of any Section 743(b) adjustment with respect to properties of the non-corporate Operating Companies and Joint Ventures as being equal to the Section 743(b) adjustment attributable to the partnership interest in such Operating Companies and Joint Ventures.

(e) Any gain allocated to the Partners upon the sale or other taxable disposition of any Partnership asset shall, to the extent possible, after taking into account other required allocations of gain pursuant to this Section 5.2 be characterized as Recapture Income in the same proportions and to the same extent as such Partners (or their predecessors in interest) have been allocated any deductions directly or indirectly giving rise to the treatment of such gains as Recapture Income.

(f) All items of income, gain, loss, deduction and credit recognized by the Partnership for federal income tax purposes and allocated to the Partners in accordance with the provisions hereof shall be determined without regard to any election under Section 754 of the Code which may be made by the Partnership; provided, however, that such allocations once made, shall be adjusted as necessary or appropriate to take into account those adjustments permitted or required by Sections 734 and 743 of the Code.

(g) Each item of Partnership income, gain, loss and deduction attributable to a transferred Partnership Interest of the General Partner or to transferred Units shall, for federal income tax purposes, be determined on an annual basis and prorated on a monthly basis and shall be allocated to the Partners as of the close of the New York Stock Exchange on the last day of the preceding month; provided, however, that (i) except as otherwise provided in clause (ii), such items for the period beginning on the Closing Date and ending on the last day of the month in

which the Closing Date occurs shall be allocated to Partners as of the close of the New York Stock Exchange on the last day of that it month or (ii) if the Underwriters' over-allotment option is exercised, such items for the period beginning on the Closing Date and ending on the last day of the month in which the Option Closing Date (as defined in the Underwriting Agreement) occurs shall be allocated to the Partners as of the close of the New York Stock Exchange on the last day of that month; and provided further, that gain or loss on a sale or other disposition of any assets of the Partnership other than in the ordinary course of business shall be allocated to the Partners as of the opening of the New York Stock Exchange on the first Business Day of the month in which such gain or loss is recognized for federal income tax purposes. The General Partner may revise, alter or otherwise modify such methods of allocation as it determines necessary to the extent permitted or required by Section 706 of the Code and the regulations or ruling promulgated thereunder.

(h) Allocations that would otherwise be made to a Limited Partner under the provisions of this Article V shall instead be made to the beneficial owner of Units 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 in its sole discretion.

5.3 Requirement and Characterization of Distributions. Within 45 days following the end of each calendar quarter, an amount equal to 100% of Available Cash with respect to such quarter (or period) shall be distributed in accordance with this Article V by the Partnership to the Partners, as of the Record Date for such distribution selected by the General Partner in its reasonable discretion. The immediately preceding sentence shall not modify in any respect the provisions of Section 4.2 regulating the distribution of any interest or other profit on the initial Contributions referred to therein. All amounts of Available Cash distributed by the Partnership on any date from any source (other than amounts paid or distributed pursuant to Section 4.2) shall be deemed to be Cash from Operations until the aggregate amount of all Available Cash theretofore distributed by the Partnership to Partners pursuant to Sections 5.4 and 5.5 equals the aggregate amount of all Cash from Operations of the Partnership from the Partnership Inception through the end of the calendar quarter immediately preceding such distribution. Any remaining amounts of Available Cash distributed by the Partnership on such date (other than amounts paid or distributed pursuant to Section 4.2) shall, except as otherwise provided in Section 5.7, be deemed to be Cash from Interim Capital Transactions. With respect to any calendar quarter included in the period beginning on (and including) the day immediately following the last day of the Series A Preference Unit Preference Period and ending on (and including) the day immediately prior to the Series B Preference Unit Preference Date, the General Partner may decide (in its sole discretion) to make a distribution in respect of each Series B Preference Unit then Outstanding (the amount of such distribution (a "Series B Preference Unit Discretionary Distribution Amount"); provided, however, that the Series B Preference Unit Discretionary Distribution Amount for any such calendar quarter shall not exceed an amount equal to the Series B Preference Unit Deficiency on the last day of such calendar quarter.

5.4 Distributions During Series A Preference Unit Preference Period. Available Cash with respect to any calendar quarter within the Series A Preference Unit Preference Period that is deemed to be Cash from Operations pursuant to the provisions of Section 5.3 or 5.7 and,

to the extent necessary to make the payments in subsection (a) below, the Reserve Amount shall be applied as follows:

(a) First, 99% to all Limited Partners holding Series A Preference Units, in the proportion that the respective number of Series A Preference Units held by them bears to the total number of Series A Preference Units then Outstanding, and 1.0% to the General Partner until there has been distributed in respect of each Series A Preference Unit then Outstanding an amount equal to the Minimum Quarterly Distribution;

(b) Second, 99% to all Limited Partners holding Series A Preference Units, in the proportion that the respective number of Series A Preference Units held by them bears to the total number of Series A Preference Units then Outstanding, and 1.0% to the General Partner until there has been distributed in respect of each Series A Preference Unit then Outstanding an amount equal to any Series A Preference Unit Cumulative Deficiency existing on the last day of such quarter;

(c) Third, 99% to all Limited Partners holding Series A Common Units, in the proportion that the respective number of Series A Common Units held by them bears to the total number of Series A Common Units then Outstanding, and 1.0% to the General Partner until there has been distributed in respect of each Series A Common Unit then outstanding an amount equal to the Minimum Quarterly Distribution;

(d) Fourth, 99% to all Limited Partners holding Series A Preference Units and Series A Common Units, in the proportion that the respective number of such Units held by them bears to the number of such Units then Outstanding, and 1.0% to the General Partner until there has been distributed in respect of each such Unit then Outstanding an amount equal to the excess of the First Target Distribution over the Minimum Quarterly Distribution;

(e) Fifth, 85.87% to all Limited Partners holding Series A Preference Units and Series A Common Units, in the proportion that the respective number of such Units held by them bears to the number of such Units then Outstanding and 14.13% to the General Partner until there has been distributed in respect of each such Unit then Outstanding an amount equal to the excess of the Second Target Distribution over the First Target Distribution; and

(f) Sixth, 75.77% to all Limited Partners holding Series A Preference Units and Series A Common Units, in the proportion that the respective number of such Units held by them bears to the number of such Units then Outstanding, and 24.23% to the General Partner until there has been distributed in respect of each such Unit then Outstanding an amount equal to the excess of the Third Target Distribution over the Second Target Distribution; and

(g) Seventh, 50.51% to all Limited Partners holding Series A Preference Units and Series A Common Units, in the proportion that the respective number of such Units held by them bears to the number of such Units then Outstanding, and 49.49% to the General Partner,

provided, however, that if the Minimum Quarterly Distribution, the First Target Distribution, the Second Target Distribution and the Third Target Distribution have been reduced to zero pursuant to Section 5.9(a)(ii), then distributions of Available Cash that is deemed to be Cash from Operations with respect to any quarter will be made in accordance with Section 5.4(g) above.

5.5 Distributions With Respect to Calendar Quarters After the Series A Preference Unit Preference Period.

(a) Distributions With Respect to Calendar Quarters After the Series A Preference Unit Preference Period and Before the Series B Preference Unit Preference Date. Available Cash with respect to any calendar quarter included in the period beginning on (and including) the day immediately following the Series A Preference Unit Preference Period and ending on (and including) the day immediately before the Series B Preference Unit Preference Date that is deemed to be Cash from Operations pursuant to the provisions of Section 5.3 or 5.7 and, to the extent necessary to make the payments in subsection (i) below, the Reserve Amount shall be applied as follows:

(i) First, 99% to all Limited Partners holding Series A Preference Units and Series B Preference Units (allocated between each such series and among the Limited Partners holding Preference Units of each such series as provided below in this Section 5.5(a)(i)) and 1.0% to the General Partner until there has been distributed in respect of each Series A Preference Unit then Outstanding an amount equal to the Minimum Quarterly Distribution. As between the Limited Partners holding Series A Preference Units and the Limited Partners holding Series B Preference Units, any distributions under this Section 5.5(a)(i) shall be allocated (x) first, based on the Preference Unit Sharing Ratios until there has been distributed in respect of each Series B Preference Unit then Outstanding an amount up to (but not in excess of) the Series B Preference Unit Discretionary Distribution Amount and (y) then, 100% to the Series A Preference Units. As among the Limited Partners holding a particular series of Preference Units, such distributions shall be allocated in the proportion that the respective number of Preference Units in such series held by them bears to the total number of Preference Units in such series then Outstanding;

(ii) Second, 99% to all Limited Partners holding Series A Preference Units and Series B Preference Units (allocated between each such series and among the holders of each such series as provided below in this Section 5.5(a)(ii)) and 1.0% to the General Partner until there has been distributed in respect of each Series A Preference Unit then Outstanding a total amount under this Section 5.5(a) equal to the sum of the Minimum Quarterly Distribution and any Series A Preference Unit Cumulative Deficiency existing on the last day of such calendar quarter. As between the Limited Partners holding Series A Preference Units and the Limited Partners holding Series B Preference Units, any distributions under this Section 5.5(a)(ii) shall be allocated (x) first, based on the Preference Unit Sharing Ratios until there has been distributed in respect of each Series B Preference Unit then Outstanding a total amount under this Section 5.5(a) up to (but not in excess of) the Series B Preference Unit Discretionary Distribution Amount on the last day of such calendar quarter, and (y) then, 100% to the Series A Preference Units. As among the Limited Partners holding a particular series of Preference Units, such distributions shall be allocated in the proportion that the respective number of Preference Units in such series held by them bears to the total number of Preference Units in such series then Outstanding;

(iii) Third, 99% to all Limited Partners holding Series B Preference Units, in the proportion that the respective number of Series B Preference Units held by them bears to the total number of Series B Preference Units then Outstanding, and 1.0% to the General Partner until there has been distributed in respect of each Series B Preference Unit then Outstanding a total amount pursuant to this Section 5.5(a) equal to the Series B Preference Unit Discretionary Distribution Amount for such calendar quarter;

(iv) Fourth, 99% to all Limited Partners holding Series A Common Units, in the proportion that the respective number of Series A Common Units held by them bears to the total number of Series A Common Units then Outstanding, and 1.0% to the General Partner until there has been distributed in respect of each Series A Common Unit then Outstanding an amount equal to the Minimum Quarterly Distribution;

(v) Fifth, 99% to all Limited Partners holding Series A Common Units, in the proportion that the respective number of Series A Common Units held by them bears to the total number of Series A Common Units then Outstanding, and 1.0% to the General Partner until there has been distributed in respect of each Series A Common Unit then Outstanding an amount equal to the excess of the First Target Distribution over the Minimum Quarterly Distribution;

(vi) Sixth, 85.87% to all Limited Partners holding Series A Common Units, in the proportion that the respective number of Series A Common Units held by them bears to the total number of Series A Common Units then Outstanding, and 14.13% to the General Partner until there has been distributed in respect of each Series A Common Unit then Outstanding an amount equal to the excess of the Second Target Distribution over the First Target Distribution;

(vii) Seventh, 75.77% to all Limited Partners holding Series A Common Units, in the proportion that the respective number of Series A Common Units held by them bears to the number of Series A Common Units then Outstanding, and 24.23% to the General Partner until there has been distributed in respect of each Series A Common Unit then Outstanding an amount equal to the excess of the Third Target Distribution over the Second Target Distribution; and

(viii) Eighth, 50.51% to all Limited Partners holding Series A Common Units, in the proportion that the respective number of Series A Common Units held by them bears to the total number of Series A Common Units then Outstanding, and 49.49% to the General Partner,

provided, however, that (x) if the Minimum Quarterly Distribution, the First Target Distribution, the Second Target Distribution and the Third Target Distribution have been reduced to zero pursuant to Section 5.9(a)(ii), then the Series A Preference Units will receive no further distributions, shall be treated as if they had been redeemed and shall cease to be Outstanding for all purposes; and therefore, distributions of Available Cash that is deemed to be Cash from Operations with respect to any quarter will be made in accordance with Sections 5.5(a)(iii)-(vii) above and (y) if the Series B Preference Unit Liquidation Value has been reduced to zero pursuant to Section 5.9(a)(ii), then the Series B Preference Units will receive no further

distributions, shall be treated as if they had been redeemed and shall cease to be Outstanding for all purposes; and therefore, distributions of Available Cash that is deemed to be Cash from Operations with respect to any quarter will be made in accordance with Sections 5.5(a)(vii) above.

(b) Distributions With Respect to Calendar Quarters After the Series A Preference Unit Preference Period and On or After the Series B Preference Unit Preference Date. Available Cash with respect to any calendar quarter included in the period beginning on (and including) the Series B Preference Unit Preference Date that is deemed to be Cash from Operations pursuant to the provisions of Section 5.3 or 5.7 and, to the extent necessary to make the payments in subsection (i) below, the Reserve Amount shall be applied as follows:

(i) First, 99% to all Limited Partners holding Series A Preference Units and Series B Preference Units (allocated between each such series and among the holders of each such series as provided below in this Section 5.5(b)(i)) and 1.0% to the General Partner until there has been distributed in respect of each Series A Preference Unit then Outstanding an amount equal to the Minimum Quarterly Distribution. As between the Limited Partners holding Series A Preference Units and the Limited Partners holding Series B Preference Units, any distributions under this Section 5.5(b)(i) shall be allocated (x) first, based on the Preference Unit Sharing Ratio until there has been distributed in respect of each Series B Preference Unit then outstanding an amount up to (but not in excess of) any Series B Preference Unit Deficiency existing on the last day of such quarter, and (y) then, 100% to the Series A Preference Units. As among the Limited Partners holding a particular series of Preference Units, such distributions shall be allocated in the proportion that the respective number of Preference Units in such series held by them bears to the total number of Preference Units in such series then Outstanding;

(ii) Second, 99% to all Limited Partners holding Series A Preference Units and Series B Preference Units (allocated between each such series and among the holders of each such series as provided below in this Section 5.5(b)(ii)) and 1.0% to the General Partner until there has been distributed in respect of each Series A Preference Unit then Outstanding a total amount under this Section 5.5(b) equal to the sum of the Minimum Quarterly Distribution and any Series A Preference Unit Cumulative Deficiency existing on the last day of such quarter. As between the Limited Partners holding Series A Preference Units and the Limited Partners holding Series B Preference Units, any distributions under this Section 5.5(b)(ii) shall be allocated (x) first, based on the Preference Unit Sharing Ratio until there has been distributed in respect of each Series B Preference Unit then outstanding an amount up to (but not in excess of) the Series B Preference Unit Deficiency on the last day of such calendar quarter, and (y) then, 100% to the Series A Preference Units. As among the Limited Partners holding a particular series of Preference Units, such distributions shall be allocated in the proportion that the respective number of Preference Units in such series held by them bears to the total number of Preference Units in such series then Outstanding;

(iii) Third, 99% to all Limited Partners holding Series B Preference Units, in the proportion that the respective number of Series B Preference Units held by them bears

to the total number of Series B Preference Units then Outstanding, and 1.0% to the General Partner until there has been distributed in respect of each Series B Preference Unit then Outstanding a total amount under this Section 5.5(b) equal to the Series B Preference Unit Deficiency for such calendar quarter;

(iv) Fourth, 99% to all Limited Partners holding Series A Common Units, in the proportion that the respective number of Series A Common Units held by them bears to the total number of Series A Common Units then Outstanding, and 1.0% to the General Partner until there has been distributed in respect of each Series A Common Unit then Outstanding an amount equal to the Minimum Quarterly Distribution;

(v) Fifth, 99% to all Limited Partners holding Series A Common Units, in the proportion that the respective number of Series A Common Units held by them bears to the total number of Series A Common Units then Outstanding, and 1.0% to the General Partner until there has been distributed in respect of each Series A Common Unit then Outstanding an amount equal to the excess of the First Target Distribution over the Minimum Quarterly Distribution;

(vi) Sixth, 85.87% to all Limited Partners holding Series A Common Units, in the proportion that the respective number of Series A Common Units held by them bears to the total number of Series A Common Units then Outstanding, and 14.13% to the General Partner until there has been distributed in respect of each Series A Common Unit then Outstanding an amount equal to the excess of the Second Target Distribution over the First Target Distribution;

(vii) Seventh, 75.77% to all Limited Partners holding Series A Common Units, in the proportion that the respective number of Series A Common Units held by them bears to the number of Series A Common Units then Outstanding, and 24.23% to the General Partner until there has been distributed in respect of each Series A Common Unit then Outstanding an amount equal to the excess of the Third Target Distribution over the Second Target Distribution; and

(viii) Eighth, 50.51% to all Limited Partners holding Series A Common Units, in the proportion that the respective number of Series A Common Units held by them bears to the total number of Series A Common Units then Outstanding, and 49.49% to the General Partner,

provided however, that (x) if the Minimum Quarterly Distribution, the First Target Distribution, the Second Target Distribution and the Third Target Distribution have been reduced to zero pursuant to Section 5.9(a)(ii), then the Series A Preference Units will receive no further distributions, shall be treated as if they had been redeemed and shall cease to be Outstanding for all purposes; and therefore, distributions of Available Cash that is deemed to be Cash from Operations with respect to any quarter will be made in accordance with Section 5.5(b)(iii)-(vii) above and (y) if the Series B Preference Unit Liquidation Value has been reduced to zero pursuant to Section 5.9(a)(ii), then the Series B Preference Units will receive no further distributions, shall be treated as if they had been redeemed and shall cease to be Outstanding for all purposes; and therefore, distributions of Available Cash that is deemed to be Cash from Operations with respect to any quarter will be made in accordance with Sections 5.5(b)(vii) above.

5.6 Conversion of Series A Preference Units.

(a) From and after the end of the Series A Preference Unit Preference Period, the Series A Preference Units shall cease to participate with the Common Units in any distributions of Available Cash constituting Cash from Operations in excess of the Minimum Quarterly Distribution and any Series A Preference Unit Cumulative Deficiency.

(b) On or within 45 days following the Series A Preference Unit Conversion Date and each of the first and second anniversaries thereof, the General Partner shall give the holders of Series A Preference Units a written notice (a "Series A Preference Unit Conversion Opportunity Notice"), to the effect that, for a 90-day period commencing upon the mailing of such notice, the holders of all Series A Preference Units shall have the right, subject to the satisfaction of the Liquidity Condition, to convert their Series A Preference Units into a like number of Common Units, effective as of the date of the Series A Preference Unit Conversion Opportunity Notice, by delivering to the General Partner a written notice of their election to convert (the "Series A Preference Unit Conversion Election Notice"); provided, however, that any Series A Preference Units as to which a Series A Preference Unit Conversion Election Notice is not received during such 90-day period will remain as Series A Preference Units. On or before the Series A Preference Unit Conversion Date, or the first or second anniversary thereof, if applicable, the General Partner shall file an application to list the Common Units to be issued upon such conversion on the New York Stock Exchange ("NYSE") and shall pursue such application in good faith.

(c) If the Liquidity Condition is satisfied following the giving of any Series A Preference Unit Conversion Opportunity Notice, the conversion will become effective and the Series A Preference Unit Preference Period will end as of the date of the Series A Preference Unit Conversion Opportunity Notice. If the Liquidity Condition is not satisfied following the giving of any Series A Preference Unit Conversion Opportunity Notice and the holders of less than a majority of the outstanding Series A Preference Units elect to convert, no Series A Preference Units will be converted and the Series A Preference Unit Preference Period will end as of the date of such Series A Preference Unit Conversion Opportunity Notice. If the holders of at least a majority of the outstanding Series A Preference Units elect to convert following the giving of any Series A Preference Unit Conversion Opportunity Notice, but the Liquidity Condition is not satisfied, the Series A Preference Unit Preference Period shall not end.

(d) Notwithstanding the foregoing, the Series A Preference Unit Preference Period and the General Partner's obligation to give additional Series A Preference Unit Conversion Opportunity Notices, shall end, if not sooner ended pursuant to Section 5.6(c), as of the date of the third Series A Preference Unit Conversion Opportunity Notice.

5.7 Distributions of Cash from Interim Capital Transactions. Available Cash that is deemed to be Cash from Interim Capital Transactions shall be distributed, unless the provisions of Section 5.3 require otherwise, 99% to all Limited Partners holding Series A Common Units, Series A Preference Units Series B Preference Units (allocated between each such series and

among the holders of each such series as provided below in this Section 5.7) and 1.0% to the General Partner until (a) a hypothetical holder of a Series A Preference Unit acquired at the time of the Series A Preference Unit Initial Offering has received with respect to each Series A Preference Unit, from Partnership Inception through such date, distributions of Available Cash that are deemed to be Cash from Interim Capital Transactions in an aggregate amount per Series A Preference Unit equal to the Initial Unit Price, and (b) a hypothetical holder of a Series B Preference Unit has received with respect to each Series B Preference Unit, from the Series B Preference Unit Issuance Date through such date, distributions of Available Cash that are deemed to be Cash from Interim Capital Transactions in an aggregate amount per Series B Preference Unit equal to the Series B Preference Unit Liquidation Value. Thereafter, all Available Cash shall be distributed as if it were Cash from Operations and shall be distributed in accordance with Section 5.4 or 5.5, whichever is applicable. As among the Limited Partners holding Series A Common Units, Series A Preference Units and Series B Preference Units, any distributions under this Section 5.7 shall be allocated based on the Combined Unit Sharing Ratios. As among the Limited Partners holding a particular series of Units, such distributions shall be allocated in the proportion that the respective number of Units in such series held by them bears to the total number of Units in such series then Outstanding.

5.8 Definitions. As used herein,

(a) "Available Cash" means, with respect to any calendar quarter:

(i) the sum of:

(A) all cash receipts of the Partnership during such quarter from all sources (including distributions of cash received from the Operating Companies); and

(B) any reduction in reserves (including the Reserve Amount) established in prior quarters;

(ii) less the sum of.

(A) all cash disbursements of the Partnership during such quarter (excluding cash distribution to Unitholders and to the General Partner, but including, for example, disbursements for taxes of the Partnership as an entity, debt service and capital expenditures);

(B) the amount of any voluntary addition to the Reserve Amount;

(C) any reserves established and the amount of any additions to such reserves in such quarter and in such amounts as the General Partner determines to be necessary or appropriate in its reasonable discretion (x) to provide for the proper conduct of the business of the Partnership or the Operating Companies (including reserves for future capital expenditures) or (y) to provide funds for distributions with respect to any of the next four calendar quarters, in addition to the Reserve Amount; and

(D) any other reserves established in such quarter in such amounts as the General Partner determines in its reasonable discretion to be necessary because the distribution of such amounts would be prohibited by applicable law or by any loan agreement, security agreement, mortgage, debt instrument or other agreement or obligation to which the Partnership is a party or by which it is bound or its assets are subject.

Taxes paid by the Partnership on behalf of, or amounts withheld with respect to, any of the Partners shall not be considered cash disbursements of the Partnership which reduce "Available Cash," but shall be deemed to be a distribution of Available Cash to such Partners. Alternatively, in the discretion of the General Partner, such taxes (if pertaining to all Partners) may be considered to be cash disbursements of the Partnership which reduce "Available Cash," but shall not deemed to be a distribution of Available Cash to such Partners. Notwithstanding the foregoing, "Available Cash" shall not include any cash receipts or reductions in reserves or take into account any disbursements made or reserves established after commencement of the dissolution and liquidation of the Partnership.

Distributions of Available Cash will be characterized as either distributions of Cash from Operations or Cash from Interim Capital Transactions. All Available Cash distributed by the Partnership on any date from any source will be treated as if it were a distribution of Cash from Operations until the sum of all distributions of Available Cash treated as Cash from Operations is equal to the sum of (i) the balance of the Reserve Account at Partnership Inception and (ii) the aggregate amount of all Cash from Operations generated by the Partnership since Partnership Inception through the end of the prior calendar quarter, any remaining Available Cash distributed on such date will be treated as if it were a distribution of Cash from Interim Capital Transactions, except as otherwise set forth herein.

(b) "Cash from Interim Capital Transactions" means at any date such amounts of Available Cash as are deemed to be Cash from Interim Capital Transactions pursuant to Section 5.3;

(c) "Cash from Operations" means, at any date but prior to commencement of the dissolution and liquidation of the Partnership, on a cumulative basis:

(i) the sum of:

(A) the cash balance of the Partnership and the Operating Companies at the Partnership Inception after all transactions contemplated on the Closing Date, including the Reserve Amount, plus

(B) all cash receipts of the Partnership and the Operating Companies from their operations (excluding any cash proceeds from any Interim Capital Transactions or from any sale, transfer or disposition of assets after commencement of the dissolution and liquidation of the Partnership) during the period from the Partnership Inception through such date;

(ii) less the sum of:

(A) all cash operating expenditures of the Partnership and the Operating Companies during such period, including, without limitation, taxes imposed on the Partnership or the Operating Companies as an entity,

(B) all cash debt service payments of the Partnership and the Operating Companies during such period (other than payments or prepayments of principal and premiums required by reason of loan agreements (including covenants and default provisions therein) or by lenders, in each case in connection with the sales or other dispositions of assets or made in connection with refinancings or refundings of indebtedness, provided that any payment or prepayment of principal, whether or not then due, may be determined at the election and in the discretion of the General Partner, to be refunded or refinanced by any indebtedness incurred or to be incurred by the Partnership or the Operating Companies simultaneously with or within 180 days prior to or after such payment or prepayment to the extent of the principal amount of such indebtedness so incurred),

(C) all cash capital expenditures of the Partnership and the Operating Companies during such period (other than (x) any cash capital expenditure made for the purpose of materially increasing the capacity of the Operating Companies' pipelines and facilities (considered as a whole and assuming normal operating conditions, including downtime and maintenance), and not in connection with scheduled maintenance activities, over the capacity of such pipelines and facilities existing immediately prior to such capital expenditure and (y) any cash expenditures made in payment of transaction expenses relating to Interim Capital Transactions),

(D) any reserves outstanding as of such date which are required, or the General Partner determines in its reasonable discretion to be necessary or appropriate to provide for the future cash payment of items of the type referred to in clauses (AA) through (CC) of this sentence, and

(E) any reserves (other than the Reserve Amount) outstanding as of such date that the General Partner determines to be necessary or appropriate in its reasonable discretion to provide funds for distributions on a consolidated basis and after elimination of intercompany items and the Company's non-managing interest in the Operating Companies.

Taxes paid by the Partnership on behalf of, or amounts withheld with respect to, any of the Partners shall not be considered cash operating expenditures of the Partnership which reduce "Cash from Operations," but shall be deemed to be a distribution of Available Cash to such Partners. Alternatively, in the discretion of the General Partner, such taxes (if pertaining to all Partners) may be considered to be cash disbursements of the Partnership which reduce "Cash from Operations," but shall not be deemed to be a distribution of Available Cash to such Partners.

(d) "First Target Distribution" means $0.65 ($0.325 on and after the 1996 Split Date) per Unit per calendar quarter (or, with respect to the period commencing on the Closing Date and ending on March 31, 1993, the product of $0.65 multiplied by a fraction of which the numerator is the number of days in such period and of which the denominator is 90), subject to adjustment in accordance with Sections 5.9 and 9.6;

(e) "Interim Capital Transactions" means (i) borrowings, refinancings or refundings of indebtedness and sales of debt securities (other than for working capital purposes and for items purchased on open account in the ordinary course of business) by the Partnership or the Operating Companies, (ii) sales of equity interests by the Partnership or the Operating Companies and (iii) sales or other voluntary or involuntary dispositions of any assets of the Partnership or the Operating Companies (other than (x) sales or other dispositions of inventory in the ordinary course of business, (y) sales or other dispositions of other current assets including amounts receivable or (z) sales or other dispositions of assets as a part of normal retirements or replacements), in each case prior to the commencement of the dissolution and liquidation of the Partnership;

(f) "Minimum Quarterly Distribution" means $0.55 ($0.275 on and after the 1996 Split Date) per Unit (as adjusted for Partnership Interest Adjusting Events) per calendar quarter (or, with respect to the period commencing on the Closing Date and ending on March 31, 1993, the product of $0.55 (as adjusted for Partnership Interest Adjusting Events) multiplied by a fraction of which the numerator is the number of days in such period and of which the denominator is 90), subject to adjustment in accordance with Sections 5.9 and 9.6;

(g) "Net Income" means, for any taxable period, the excess, if any, of the Partnership's items of income and gain (other than those items attributable to dispositions constituting Termination Capital Transactions) for such taxable period over the Partnership's items of loss and deduction (other than these items attributable to dispositions constituting Termination Capital Transactions) for such taxable period. The items included in the calculation of Net Income shall be determined in accordance with Section 4.6(b) and shall not include any items specially allocated under Section 5.1(e) or 5.1(e). Once an item of income, gain, loss or deduction that has been included in the initial computation of Net Income is subject to a Required Allocation or a Discretionary Allocation, the applicable Net Income or Net Loss shall be recomputed without regard to such item. For purposes of Sections 5.1(a) and 5.1(b), in determining whether Net Income has been allocated to any Unit or any Partner (as the case may be) for any previous taxable period, any Unrealized Gain or Unrealized Loss allocated pursuant to Section 4.6(d) shall be treated as item of gain or loss in computing Net Income;

(h) "Net Loss" means, for any taxable period, the excess, if any, of the Partnership's items of loss and deduction (other than those items attributable to dispositions constituting Termination Capital Transactions) for such taxable period over the Partnership's items of income and gain (other than those items attributable to dispositions constituting Termination Capital Transactions) for such taxable period. The items included in the calculation of Net Loss shall be determined in accordance with Section 4.6(b) and shall not include any items specifically allocated under Section 5.1(e) or 5.1(e). Once an item of income, gain, loss or deduction that has been included in the initial computation of Net Loss is subjected to a Required Allocation or a Discretionary Allocation, the applicable Net Income or Net Loss shall be recomputed without

regard to such item. For purposes of Sections 5.1(a) and 5.1(b), in determining whether Net Losses have been allocated to any Unit or any Partner (as the case may be) for any previous taxable period any Unrealized Gain or Unrealized Loss allocated pursuant to Section 4.6(d) shall be treated as an item of gain or loss in computing Net Losses;

(i) "Net Termination Gain" means, for each Partnership year or shorter period the sum, if positive, of all items of gain or loss recognized by the Partnership from Termination Capital Transactions and all items of income, gain, loss and deduction (as determined in accordance with Section 4.6(b)) recognized by the Partnership after the time in which the Partnership has dissolved and can no longer be continued pursuant to Section 14.2;

(j) "Net Termination Loss" means, for each Partnership year or shorter period the sum, if negative, of all items of gain or loss recognized by the Partnership from Termination Capital Transactions and all items of income, gain, loss and deduction (as determined in accordance with Section 4.6(b)) recognized by the Partnership after the time in which the Partnership has dissolved and can no longer be continued pursuant to Section 14.2;

(k) "Second Target Distribution" means $0.75 ($0.375 on and after the 1996 Split Date) per Unit per calendar quarter (or, with respect to the period commencing on the Closing Date and ending on March 31, 1993, the product of $0.75 multiplied by a fraction of which the numerator is equal to the number of days in such period and of which the denominator is 90), subject to adjustment in accordance with Sections 5.9 and 9.6;

(l) "Series A Preference Unit Cumulative Deficiency" means, with respect to any Series A Preference Unit, the excess of (a) the sum resulting from adding together the Series A Preference Unit Deficiency as to such Series A Preference Unit for each of the quarters ending prior to such quarter over (b) the sum of any distributions theretofore made with respect to such Series A Preference Unit pursuant to paragraph (b) of Section 5.4 and paragraph (b) of Section 5.5;

(m) "Series A Preference Unit Deficiency" means, with respect to any Series A Preference Unit, as to any calendar quarter, the excess of (a) the Minimum Quarterly Distribution over (b) the sum of all Available Cash distributed with respect to such Series A Preference Unit pursuant to paragraph (a) of Section 5.4 or paragraphs (a) and (b) of Section 5.5, as applicable;

(n) "Termination Capital Transaction" means any sale, transfer or other disposition of property of the Partnership, the Operating Companies or the Joint Ventures occurring after the time in which the Partnership has dissolved and can no longer be continued pursuant to Section 14.2; and

(o) "Third Target Distribution" means $0.85 ($0.425 on and after the 1996 Split Date) per Unit per calendar quarter (or, with respect to the period commencing on the Closing Date and ending on March 31, 1993, the product of $0.85 multiplied by a fraction of which the numerator is equal to the number of days in such period and of which the denominator is 90), subject to adjustment in accordance with Sections 5.9 and 9.6.

5.9 Adjustments to Minimum Quarterly Distribution Levels, Target Levels, Unrecovered Capital, Series B Preference Unit Amounts and Certain Other Provisions.

(a) Adjustments of the Minimum Quarterly Distribution, First Target Distribution, Second Target Distribution, Third Target Distribution, Unrecovered Capital, Series B Preference Unit Face Value and Series B Preference Unit Liquidation Value shall be made in the following circumstances: (i) the Minimum Quarterly Distribution, First Target Distribution, Second Target Distribution, Third Target Distribution, Unrecovered Capital, Series B Preference Unit Face Value and Series B Preference Unit Liquidation Value shall be proportionately adjusted in the event of any distribution, combination or subdivision (whether effected by a distribution payable in Units or otherwise) of Units or other Partnership Securities in accordance with Section 4.11; and (ii) in the event of a distribution of Available Cash that is deemed to be Cash from Interim Capital Transactions, the Minimum Quarterly Distribution, First Target Distribution, Second Target Distribution and Third Target Distribution shall be proportionately adjusted downward to equal the product obtained by multiplying the otherwise applicable Minimum Quarterly Distribution, First Target Distribution, Second Target Distribution and Third Target Distribution, as the same may have been previously adjusted by a fraction of which the numerator is the Unrecovered Capital or Series B Preference Unit Face Value, as applicable, immediately after giving effect to such distribution and the denominator is the Unrecovered Capital or Series B Preference Unit Face Value, as applicable, immediately prior to giving effect to such distribution.

(b) The Minimum Quarterly Distribution, First Target Distribution, Second Target Distribution, Third Target Distribution and the amount distributed under may be adjusted under the circumstances, and in the manner, set forth in Section 9.6.

5.10 Reserve Amount. The Partnership shall establish the Reserve Amount, consisting of the aggregate cash on hand in the Partnership and the Operating Companies at Partnership Inception, on a combined basis, increased by net cash proceeds to the Partnership from the exercise by the Underwriters of the over-allotment option described in Section 4.3(c) hereof, which shall be deemed to occur for purposes of determination of the Reserve Amount at Partnership Inception. The Reserve Amount shall be an asset of the Partnership, need not be maintained separate or apart from any other reserves, accounts or assets of the Partnership and shall be utilized, in the sole discretion of the General Partner, for any proper Partnership purpose, including but not limited to stabilizing distributions to Unitholders, debt reduction, capital expenditures, additional funding of the Reserve Amount or the establishment or increase of other appropriate reserves. The General Partner, in its sole discretion, may elect to retain in the Reserve Amount any balance therein and may voluntarily increase or decrease the Reserve Amount, from time to time, and need not justify such retention increase or decrease as being for any particular Partnership purpose. The balance in the Reserve Amount shall be disregarded in determining the need for or amounts of other reserves which the General Partner is authorized to establish and maintain pursuant to this Agreement.

5.11 Special Distributions.

(a) On the Optional Closing Date (as defined in the Underwriting Agreement), the General Partner shall surrender to the Partnership a number of Common Units equal to the number of Series A Preference Units acquired by the Underwriters in excess of 393,750 Series A Preference Units in exchange for a per Unit distribution equal to the Issue Price per Unit.

(b) Distributions under this Section 5.11 shall not be considered to be distributions or expenditures for purposes of this Article V, including calculations of Available Cash, Cash from Operations or rights to other distributions.

ARTICLE VI
MANAGEMENT AND OPERATION OF BUSINESS

6.1 Management.

(a) The General Partner shall conduct, direct and exercise full control over all activities of the Partnership. Except as otherwise expressly provided in this Agreement, all management powers over the business and affairs of the Partnership shall be exclusively vested in the General Partner, and no Limited Partner or Assignee shall have any right of control or management power over the business and affairs of the Partnership. In addition to the powers now or hereafter granted a general partner of a limited partnership under applicable law or which are granted to the General Partner under any other provision of this Agreement, the General Partner, subject to Section 6.3, shall have full power and authority to do all things and on such terms as it, in its sole discretion, may deem necessary or appropriate (i) to conduct the business of the Partnership, to exercise all powers set forth in Section 3.2 and to effectuate the purposes set forth in Section 3.1, including, without limitation, (A) the making of any expenditures, the lending or borrowing of money, the assumption or guarantee of, or other contracting for, indebtedness and other liabilities, the issuance of evidences of indebtedness and the incurring of any other obligations and the securing of same by mortgage, deed of trust or other lien or encumbrance; (B) the making of tax, regulatory and other filings, or rendering of periodic or other reports to governmental or other agencies having jurisdiction over the business or assets of the Partnership; (C) the acquisition, disposition, mortgage, pledge, encumbrance, hypothecation or exchange of any or all of the assets of the Partnership or the merger or other combination of the Partnership with or into another Person (the matters described in this clause (C) being subject however, to any prior approval that may be required by Section 6.3); (D) the use of the assets of the Partnership (including, without limitation, cash on hand) for any purpose consistent with the terms of this Agreement including, without limitation, the financing of the conduct of the operations of the Partnership or the Operating Companies, the lending of funds to other Persons (including, without limitation, the Operating Companies) and the repayment of obligations of the Partnership and the Operating Companies and the making of capital contributions to the Operating Companies; (E) the negotiation, execution and performance of any contracts, conveyances or other instruments (including, without limitation, instruments that limit the liability of the Partnership under contractual arrangements to all or particular assets of the Partnership, with the other party to the contract to have no recourse against the General Partner or its assets other than its interest in the Partnership, even if same results in the terms of the transaction being less favorable to the Partnership than would otherwise be the case); (F) the distribution of Partnership cash; (G) the selection and dismissal of employees and agents (including, without limitation, employees having titles such as "president," "vice president," "secretary" and "treasurer") and agents, outside attorneys, accountants, consultants and contractors and the determination of their compensation and other terms of employment or hiring; (H) the maintenance of insurance for the benefit of the Partners and the Partnership and the Operating Companies (including, without limitation, the assets and operations of the Partnership and the Operating Companies); (I) the formation of, or acquisition of an interest in,

and the contribution of property to, any further limited or general partnerships, joint ventures, corporations or other relationships (including, without limitation, the acquisition of interest in, and the contributions of property to, the Operating Companies from time to time); (J) the control of any matters affecting the rights and obligations of the Partnership, including, without limitation, the bringing and defending of actions at law or in equity and otherwise engaging in the conduct of litigation and the incurring of legal expense and the settlement of claims and litigation; (K) the indemnification of any Person against liabilities and contingencies to the extent permitted by law; (L) the entering into of listing agreements with the New York Stock Exchange and any other securities exchange and the delisting of some or all of the Units from, or requesting that trading be suspended on, any such exchange (subject to any prior approval that may be required under Section 1.6); and (M) the purchase, sale or other acquisition or disposition of Units and, subject to Section 4.4(c), other Partnership securities; and (ii) to undertake any action in connection with the Partnership's participation in the Operating Companies as the managing member (including, without limitation, contributions or loans of funds by the Partnership to the Operating Companies).

(b) Notwithstanding any other provision of this Agreement, the Charter Documents of the Operating Companies and the Joint Ventures, the Delaware Act or any applicable law, rule or regulation, each of the Partners and Assignees and each other Person who may acquire an interest in Units hereby (i) approves, ratifies and confirms the execution, delivery and performance by the parties thereto of each of the agreements described in or filed as an exhibit to the Registration Statement, specifically including, but not limited to, the Revolving Credit Facility and the notes, security agreements and other documents evidencing or securing the same or relating thereto, the Conveyance Agreement and the deeds, assignments, bills of sale and other documents relating thereto, the applicable Charter Documents, the Underwriting Agreement and the Management Agreement (each such capitalized term having the meaning assigned thereto in the Registration Statement); (ii) agrees that the General Partner is authorized to execute, deliver and perform the agreements referred to in clause (i) of this sentence and the other agreements, acts, transactions and matters described in the Registration Statement on behalf of the Partnership without any further act, approval or vote of the Partners or the Assignees or the other Persons who may acquire an interest in Units; and (iii) agrees that none of the execution, delivery or performance by the General Partner, the Partnership, the Operating Companies or any Affiliate thereof of any agreement authorized or permitted under this Agreement (including, without limitation, the exercise by the General Partner or any Affiliate of the General Partner of the rights accorded pursuant to Article XVII) shall constitute a breach by the General Partner of any duty that the General Partner may owe the Partnership or the Limited Partners or the Assignees or any other Persons under this Agreement or of any duty stated or implied by law or equity.

6.2 Certificate of Limited Partnership. Prior to the Closing Date, the General Partner caused the Certificate of Limited Partnership (in its form at such time) to be filed with the Secretary of State of the State of Delaware as required by the Delaware Act. The General Partner shall use all reasonable efforts to cause to be filed such other certificates or documents as may be determined by the General Partner in its sole discretion to be reasonable and necessary or appropriate for the formation, continuation, qualification and operation of a limited partnership (or a partnership in which the limited partners have limited liability) in the State of Delaware or any other state in which the Partnership may elect to do business or own property. To the extent

that such action is determined by the General Partner in its sole discretion to be reasonable and necessary or appropriate, the General Partner shall file amendments to and restatements of the Certificate of Limited Partnership and do all things to maintain the Partnership as a limited partnership (or a partnership in which the limited partners have limited liability) under the laws of the State of Delaware or of any other state in which the Partnership may elect to do business or own property. Subject to the terms of Section 7.5(a), the General Partner shall not be required before or after filing, to deliver or mail a copy of the Certificate of Limited Partnership, any qualification document or any amendment thereto to any Limited Partner or Assignee.

6.3 Restrictions on General Partner's Authority.

(a) The General Partner may not, without written approval of the specific act by all of the Limited Partners or by other written instrument executed and delivered by all of the Limited Partners subsequent to the date of this Agreement, take any action in contravention of this Agreement, including, without limitation, (i) any act that would make it impossible to carry on the ordinary business of the Partnership, except as otherwise provided in this Agreement; (ii) possess Partnership property, or assign any rights in specific Partnership property, for other than a Partnership purpose; (iii) admit a Person as a Partner, except as otherwise provided in this Agreement; (iv) amend this Agreement in any manner, except as otherwise provided in this Agreement or applicable law; or (v) transfer its interest as general partner of the Partnership, except as otherwise provided in this Agreement.

(b) Except as provided in Article XIV and Article XVI, the General Partner may not sell, exchange or otherwise dispose of all or substantially all of the Partnership's assets in a single transaction or a series of related transactions (including by way of merger, consolidation or other combination with any other Person) or approve on behalf of the Partnership the sale, exchange or other disposition of all or substantially all of the assets of all of the Operating Companies, taken as a whole, or of interests in the Operating Companies, without the approval of the holders of record of at least 66 2/3% of the Outstanding Series A Preference Units during the Series A Preference Unit Preference Period and thereafter without the approval of the holders of at least a majority of the Outstanding Voting Units; provided, however, that this provision shall not preclude or limit the General Partner's ability to mortgage, pledge, hypothecate or grant a security interest in all or substantially all of the Partnership's assets or the Operating Companies assets and shall not apply to any forced sale of any or all of the Partnership's assets or the Operating Companies' assets pursuant to the foreclosure of, or other realization upon, any such encumbrance. Without the approval of the holders of at least a majority of the Outstanding Series A Preference Units during the Series A Preference Unit Preference Period and thereafter without the approval of the holders of at least a majority of the Outstanding Voting Units, the General Partner shall not, on behalf of the Partnership, consent to any amendment to the Operating Companies' Agreements that would adversely affect the Partnership as a member of the Operating Companies. In no event shall all or substantially all of the Partnership's assets be sold, exchanged or otherwise disposed of in a single transaction or a series of related transactions (including by way of merger, consolidation or other combination with any other Person) without the approval of the General Partner.

(c) Unless approved by the affirmative vote of the holders of at least 66 2/3% of the Outstanding Voting Units, including the vote of a majority of the Outstanding Series A

Preference Units, (other than Preference Units held by the General Partner and its affiliates), the General Partner shall not take any action or refuse to take any reasonable action the effect of which, if taken or not taken, as the case may be, would be to cause the Partnership or, to the extent it would materially and adversely affect the Limited Partners holding Units, the Operating Companies to be taxable as a corporation or otherwise taxed as an entity for federal income tax purpose; provided that this Section 6.3(c) shall not be construed to apply to amendments to this Agreement (which are governed by Article XV) or mergers or consolidations of the Partnership with any Person (which are governed by Article XVI).

(d) At all times while serving as the general partner of the Partnership, the General Partner shall not make any dividend or distribution on, repurchase any shares of its stock, or take any other action within its control if the effect of such dividend distribution, repurchase or other action (i) would cause it hold less than 19% of the Outstanding Units and (ii) would be to reduce its net worth below an amount necessary to receive an Opinion of Counsel that the Partnership will be treated as a partnership for federal income tax purposes.

(e) (i) Notwithstanding any other provision of this Agreement, the General Partner is not authorized to institute or initiate on behalf of, or otherwise cause, the Partnership or any of the Operating Companies to,

(A) make a general assignment for the benefit of creditors;

(B) file a voluntary bankruptcy petition;

(C) file a petition seeking for the Partnership or any of the Operating Companies a reorganization, arrangement, composition, readjustment liquidation, dissolution or similar relief under any law; or

(D) seek the appointment of a trustee, receiver or liquidator of the Partnership or any of the Operating Companies or of all or any substantial part of any of the properties of any of them,

unless such action has been approved by all of the directors on the General Partner's board of directors.

(ii) No provision of this Section 6.3(e) shall be amended, altered, changed, repealed or rescinded in any respect unless such amendment is approved by the written consent or the affirmative vote of all of the directors on the General Partner's board of directors.

6.4 Reimbursement of the General Partner.

(a) Except as provided in this Section 6.4 and elsewhere in this Agreement, the General Partner shall not be compensated for its services as general partner of the Partnership.

(b) The General Partner shall be reimbursed on a monthly basis, or such other basis as the General Partner may determine in its sole discretion, for (i) all direct and indirect expenses it incurs or payments it makes on behalf of the Partnership (including, without limitation,

amounts paid to any Person to perform services for the Partnership), and (ii) that portion of the General Partner's or its Affiliates' legal, accounting, investor communications, utilities, telephone, secretarial, travel, entertainment, bookkeeping, reporting, data processing, office rent and other office expenses (including, without limitation, overhead charges), salaries, fees and other compensation and benefit expenses of employees, officers and directors, insurance, other administrative or overhead expenses and all other expenses, in each such case, necessary or appropriate to the conduct of the Partnership's business and reasonably allocable to the Partnership or otherwise incurred by the General Partner in connection with operating the Partnership's business (including, without limitation, expenses allocated to the General Partner by its Affiliates and payments made by the General Partner to DeepTech pursuant to the Management Agreement dated as of July 1, 1992). Any accruals by the General Partner of the expected cost of providing all forms of post-retirement benefits to employees or former employees of the General Partner and their beneficiaries and qualified dependents will be borne by the Partnership, to the extent properly allocable thereto. The General Partner shall determine the fees and expenses that are allocable to the Partnership in any reasonable manner determined by the General Partner in its sole discretion. Such reimbursements shall be in addition to any reimbursement to the General Partner as a result of indemnification pursuant to Section 6.7.

(c) Subject to Section 4.4(c), the General Partner in its sole discretion and without the approval of the Limited Partners may propose and adopt, on behalf of the Partnership, employee benefit plans (including, without limitation, plans involving the issuance of Units), for the benefit of employees of the General Partner, the Partnership, the Operating Companies or any Affiliate of any of them in respect of services performed directly or indirectly, for the benefit of the Partnership or the Operating Companies.

6.5 Outside Activities.

(a) The General Partner agrees that so long as it is the General Partner of the Partnership, it will not engage in or acquire, directly or indirectly, any business that is in direct material competition with the business of the Partnership, subject to the following exceptions:

(i) First, the Company may acquire any competitive business as part of a larger acquisition, so long as 75% or more of the revenues of the business acquired, in the Company's reasonable judgment, are not derived from such competitive business, provided however, if it is commercially and operationally practicable, the Company will use its reasonable efforts to offer that portion of the competitive business to the Partnership; and

(ii) Second, the Company may engage in or acquire any competitive business if the same is first offered to the Partnership and the Partnership declines by a majority vote of the outstanding Units (excluding for this purpose any Units held by the General Partner or any of its affiliates) to make such acquisition or engage in such business.

(b) Except as otherwise expressly provided in Section 6.5(a), each Indemnitee is free to engage in any business, including any business that is in competition with the business of the Partnership. The General Partner and any other Persons affiliated with the General Partner may acquire Units or other Partnership Securities, in addition to those acquired by any of such

Persons on the Closing Date, and (except as the right to vote such Units or other Partnership Securities may be expressly limited in this Agreement) shall be entitled to exercise all rights of an Assignee or Limited Partner, as applicable, relating to such Units or Partnership Securities, as the case may be.

(c) Without limiting Sections 6.5(a) and 6.5(b), but notwithstanding any other provision to the contrary in this Agreement, the competitive activities of Indemnitees described in the Registration Statement are hereby approved by all Partners and it shall not be deemed to be a breach of the General Partner's fiduciary duty for the General Partner to permit an Indemnitee to engage in a business opportunity in preference to or to the exclusion of the Partnership.

6.6 Loans to and from the General Partner; Contracts with Affiliates.

(a) The General Partner or any Affiliate thereof may lend to the Partnership or the Operating Companies, and the Partnership and the Operating Partnership may borrow, funds needed or desired by the Partnership and the Operating Companies for such periods of time as the General Partner may determine and (b) the General Partner or any Affiliate thereof may borrow from the Partnership or the Operating Companies, and the Partnership and the Operating Companies may lend to the General Partner or any Affiliate thereof, excess funds of the Partnership and the Operating Companies for such periods of time and in such amounts as the General Partner may determine; provided, however, that in either case the lending party may not charge the borrowing party interest at a rate greater than the rate that would be charged the borrowing party (without reference to the General Partner's financial abilities or guarantees), by unrelated lenders on comparable loans. The borrowing party shall reimburse the lending party for any costs (other than any additional interest costs) incurred by it in connection with the borrowing of such funds. For purpose of this Section 6.6(a) and Section 6.6(b), the term "Partnership" shall include any Affiliate of the Partnership that is controlled by the Partnership and the term "Operating Companies" shall include any Affiliate of the Operating Companies that is controlled by the Operating Companies.

(b) The Partnership may lend or contribute to the Operating Companies, and the Operating Companies may borrow, funds on terms and conditions established in the sole discretion of the General Partner; provided, however, that the Partnership may not charge the Operating Companies interest at a rate greater than the rate that would be charged to the Operating Companies, (without reference to the General Partner's financial abilities or guarantees), by unrelated lenders on comparable loans. The foregoing authority shall be exercised by the General Partner in its sole discretion and shall not create any right or benefit in favor of the Operating Companies or any other Person.

(c) The General Partner may itself, or may enter into an agreement with any of its Affiliates to, render services to the Partnership. Any service rendered to the Partnership by the General Partner or any of its Affiliates shall be on terms that are fair and reasonable to the Partnership; provided, however, that the requirements of this Section 6.6(c) shall be deemed satisfied as to any transaction the terms of which are no less favorable to the Partnership than those generally being provided to or available from unrelated third parties. The provisions of Section 6.4 shall apply to the rendering of services described in this Section 6.6(c).

(d) The Partnership may transfer assets to joint venture, other partnerships, corporations or other business entities in which it is or thereby becomes a participant upon such terms and subject to such conditions as are consistent with this Agreement and applicable law.

(e) Neither the General Partner nor any of its Affiliates shall sell, transfer or convey any property to, or purchase any property from, the Partnership, directly or indirectly, except pursuant to transactions that are fair and reasonable to the Partnership; provided, however, that the requirements of this Section 6.6(e) shall be deemed to be satisfied as to (i) the transactions effected pursuant to Sections 4.2 and 4.3, the Conveyance Agreement and any other transactions described in or contemplated by the Registration Statement and (ii) as to any transaction the terms of which are no less favorable to the Partnership than those generally being provided to or available from unrelated third parties.

(f) The General Partner and its Affiliates shall have no obligation to permit the Partnership or the Operating Companies to use any facilities of the General Partner and its Affiliates, except as may be provided in contracts entered into from time to time specifically dealing with such use, nor shall there be any obligation of the General Partner or its Affiliates to enter into such contracts.

(g) Without limitation of Section 6.6(a) through 6.6(f), and notwithstanding anything to the contrary in this Agreement, the existence of the conflicts of interest described in the Registration Statement are hereby approved by all Partners.

6.7 Indemnification.

(a) To the fullest extent permitted by law but subject to the limitations expressly provided in this Agreement, the General Partner, any Departing Partner and any person who is or was an officer or director of the General Partner or any Departing Partner shall be indemnified and held harmless by the Partnership, and all other Indemnitees may be indemnified and held harmless by the Partnership, to the extent deemed advisable by the General Partner, from and against any and all losses, claims, damages, liabilities (joint or several), expenses (including, without limitation, legal fees and expenses), judgments, fines settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, in which any Indemnitee may be involved, or is threatened to be involved, as a party or otherwise, by reason of its status as (i) the General Partner, Departing Partner or any of their Affiliates, (ii) an officer, director, employee, partner, agent or trustee of the General Partner, any Departing Partner or any of their Affiliates or (iii) a Person serving at the request of the Partnership in another entity in a similar capacity; provided, that in each case the Indemnitee acted in good faith, in a manner which such Indemnitee believed to be in, or not opposed to, the best interests of the Partnership and, with respect to any criminal proceeding, had no reasonable cause to believe its conduct was unlawful; provided further, no indemnification pursuant to this Section 6.7 shall be available to the General Partner with respect to its obligations incurred pursuant to the Underwriting Agreement or the Conveyance Agreement (other than obligations incurred by the General Partner on behalf of the Partnership or the Operating Companies). The termination of any action, suit or proceeding by judgment, order settlement conviction or upon a plea of nolo contendere, or its equivalent, shall not create a presumption that the Indemnitee acted in a manner contrary to that specified above. Any

indemnification pursuant to this Section 6.7 shall be made only out of the assets of the Partnership, it being agreed that the General Partner shall not be personally liable for such indemnification and shall have no obligation to contribute or loan any monies or property to the Partnership to enable it to effectuate such indemnification.

(b) To the fullest extent permitted by law, expenses (including, without limitation, reasonable legal fees and expenses) incurred by an Indemnitee who is indemnified pursuant to Section 6.7(a) in defending any claim, demand action, suit or proceeding shall from time to time, be advanced by the Partnership prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Partnership of an undertaking by or on behalf of the Indemnitee to repay such amount if it shall be determined that the Indemnitee is not entitled to be indemnified as authorized in this Section 6.7.

(c) The indemnification provided by this Section 6.7 shall be in addition to any other rights to which an Indemnitee may be entitled under any agreement, pursuant to any vote of the Partners, as a matter of law or otherwise, both as to actions in the Indemnities' capacity as (i) the General Partner, a Departing Partner or an Affiliate thereof, (ii) an officer, director, employee, partner, agent or trustee of the General Partner, any Departing Partner or an Affiliate thereof or (iii) a Person serving at the request of the Partnership in another entity in a similar capacity (including, without limitation, any capacity under the Underwriting Agreement), and shall continue as to an Indemnitee who has ceased to serve in such capacity and as to actions in any other capacity and shall inure to the benefit of the heirs, successors, assigns and administrators of the Indemnities.

(d) The Partnership may purchase and maintain (or reimburse the General Partner or its Affiliates for the cost of) insurance, on behalf of the General Partner and such other Persons as the General Partner shall determine, against any liability that may be asserted against or expense that may be incurred by such Person in connection with the Partnership's activities, whether or not the Partnership would have the power to indemnify such Person against such liabilities under the provisions of this Agreement.

(e) For purposes of this Section 6.7, the Partnership shall be deemed to have requested an Indemnitee to serve as fiduciary of an employee benefit plan whenever the performance by it of its duties to the Partnership also imposes duties on, or otherwise involves services by, it to the plan or participants or beneficiaries of the plan; excise taxes assessed on an Indemnitee with respect to an employee benefit plan pursuant to applicable law she constitute "fines" within the meaning of Section 6.7(a); and action taken or omitted by it with respect to an employee benefit plan in the performance of its duties for a purpose reasonably believed by it to be in the interest of the participants and beneficiaries of the plan shall be deemed to be for a purpose which is in, or not opposed to, the best interests of the Partnership.

(f) In no event may an Indemnitee subject the Limited Partners to personal liability by reason of the indemnification provisions set forth in this Agreement.

(g) An Indemnitee shall not be denied indemnification in whole or in part under this Section 6.7 because the Indemnitee had an interest in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted by the terms of this Agreement.

(h) The provisions of this Section 6.7 are for the benefit of the Indemnities, their heirs, successors, assigns and administrators and shall not be deemed to create any rights for the benefit of any other Persons.

(i) No amendment, modification or repeal of this Section 6.7 or any other provision hereof shall in any manner terminate, reduce or impair the right of any past, present or future Indemnitee to be indemnified by the Partnership, nor the obligation of the Partnership to indemnify any such Indemnitee under and in accordance with the provisions of this Section 6.7 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

6.8 Liability of Indemnitees.

(a) Notwithstanding anything to the contrary set forth in this Agreement, no Indemnitee shall be liable for monetary damage to the Partnership, the Limited Partners, the Assignees or any other Persons who have acquired interests in the Units, for losses sustained or liabilities incurred as a result of any act or omission if such Indemnitee acted in good faith.

(b) Subject to its obligations and duties as General Partner set forth in Section 6.1(a), the General Partner may exercise any of the powers granted to it by this Agreement and perform any of the duties imposed upon it hereunder either directly or by or through its agents, and the General Partner shall not be responsible for any misconduct or negligence on the part of any such agent appointed by the General Partner in good faith.

(c) Any amendment, modification or repeal of this Section 6.8 or any other provision hereof shall be prospective only and shall not in any way affect the limitations on the liability to the Partnership and the Limited Partners of the General Partner, its directors, officers and employees under this Section 6.8 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

6.9 Resolution of Conflict of Interest.

(a) Unless otherwise expressly provided in this Agreement or an Operating Companies Agreement, whenever a potential conflict of interest exists or arise between the General Partner or any of its Affiliates, on the one hand, and the Partnership, the Operating Companies, any Partner or any Assignee, on the other hand, any resolution or course of action in respect of such conflict of interest shall be permitted and deemed approved by all Partners, and shall not constitute a breach of this Agreement, of the Charter Documents of any Operating Company, of any agreement contemplated herein or therein, or of any duty stated or implied by law or equity, if the resolution or course of action is or, by operation of this Agreement, is deemed to be, fair and reasonable to the Partnership. The General Partner shall be authorized, but not required in connection with its resolution of such conflict of interest to seek Special

Approval of a resolution of such conflict or course of action. Any conflict of interest and any resolution of such conflict of interest shall be conclusively deemed fair and reasonable to the Partnership if such conflict of interest or resolution is (i) approved by Special Approval, (ii) on whole, on terms no less favorable to the Partnership than those generally being provided to or available from unrelated third parties or (iii) fair to the Partnership, taking into account the totality of the relationships between the parties involved (including other transactions that may be particularly favorable or advantageous to the Partnership). The General Partner may also adopt a resolution or course of action that has not received Special Approval. The General Partner (including the Conflicts and Audit Committee in connection with Special Approval) shall be authorized in connection with its determination of the "fair and reasonable" nature of any transaction or arrangement and in its resolution of any conflict of interest to consider (i) the relative interests of any party to such conflict, agreement, transaction or situation and the benefits and burdens relating to such interest; (ii) any customary or accepted industry practices and any customary or historical dealings with a particular Person; (iii) any applicable generally accepted accounting or engineering practices or principles; and (iv) such additional factors as the General Partner or such Conflicts and Audit Committee determines in its sole discretion to be relevant, reasonable or appropriate under the circumstances. Nothing contained in this Agreement, however, is intended to nor shall it be construed to require the General Partner or such Conflicts and Audit Committee to consider the interests of any Person other than the Partnership. In the absence of bad faith by the General Partner, the resolution, action or terms so made, taken or provided by the General Partner with respect to such matter shall not constitute a breach of this Agreement or any other agreement contemplated herein or a breach of any standard of care or duty imposed herein or therein or under the Delaware Act or any other law, rule or regulation.

(b) Whenever this Agreement or any other agreement contemplated hereby provides that the General Partner or any of its Affiliates is permitted or required to make a decision (i) in its "sole discretion" or "discretion" that it deems "necessary or appropriate" or under a grant of similar authority or latitude, the General Partner or such Affiliate shall be entitled to consider only such interests and factors as it desires and shall have no duty or obligation to give any consideration to any interest of, or factors affecting, the Partnership, the Operating Companies, any Limited Partner or any Assignee, (ii) it may make such decision in its sole discretion (regardless of whether there is a reference to "sole discretion" or "discretion") unless another express standard is provided for, or (iii) a "good faith" or under another express standard, the General Partner or such Affiliate shall act under such express standard and shall not be subject to any other or different standards imposed by this Agreement, the Charter Documents of any Operating Company, any other agreement contemplated hereby or under the Delaware Act or any other law, rule or regulation. In addition, any actions taken by the General Partner consistent with the standards of "reasonable discretion" set forth in the definitions of Available Cash or Cash from Operations shall not constitute a breach of any duty of the General Partner to the Partnership or the Limited Partners. During or after the Series A Preference Unit Preference Period, the General Partner shall have no duty, express or implied, to sell or otherwise dispose of any asset of the Operating Companies or of the Partnership, other than in the ordinary course of business. No borrowing by the Partnership or the Operating Companies or the approval thereof by the General Partner shall be deemed to constitute a breach of any duty of the General Partner to the Partnership or the Limited Partners by reason of the fact that the purpose or effect of such borrowing is directly or indirectly to reduce or avoid the need to draw upon the Reserve Amount to make Minimum Quarterly Distributions on the Series A Preference Units, to make

distributions up to the Series B Preference Unit Deficiency on the Series B Preference Units, to permit distributions on Series A Common Units or to result in or increase incentive distributions to the General Partner.

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

6.10 Other Matters Concerning the General Partner.

(a) The General Partner may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request consent, order, bond, debenture, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) The General Partner may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisers selected by it and any act taken or omitted in reliance upon the opinion (including, without limitation, an Opinion of Counsel) of such Persons as to matters that the General Partner reasonably believes to be within such Person's professional or expert competence shall be conclusively presumed to have been done or omitted in good faith and in accordance with such opinion.

(c) The General Partner shall have the right, in respect of any of its powers or obligations hereunder, to act through any of its duly authorized officers and a duly appointed attorney or attorneys-in-fact. Each such attorney shall, to the extent provided by the General Partner in the power of attorney, have full power and authority to do and perform each and every act and duty that is permitted or required to be done by the General Partner hereunder.

(d) Any standard of care and duty imposed by this Agreement or under the Delaware Act or any applicable law, rule or regulation shall be modified waived or limited as required to permit the General Partner to act under this Agreement or any other agreement contemplated by this Agreement and to make any decision pursuant to the authority prescribed in this Agreement, so long as such action is reasonably believed by the General Partner to be in, or not inconsistent with, the best interests of the Partnership.

6.11 Title to Partnership Assets. Title to Partnership Assets, whether real, personal or mixed and whether tangible or intangible, shall be deemed to be owned by the Partnership as an entity, and no Partner or Assignee, individually or collectively, shall have any ownership interest in such Partnership Assets or any portion thereof. Title to any or all of the Partnership Assets may be held in the name of the Partnership, the General Partner or one or more nominees, as the General Partner may determine. The General Partner hereby declares and warrants that any Partnership assets for which record title is held in the name of the General Partner shall be held by the General Partner for the exclusive use and benefit of the Partnership in accordance with the provisions of this Agreement; provided, however, that the General Partner shall use its reasonable efforts to cause record title to such assets (other than those assets in respect of which the General Partner determines that the expense and difficulty of conveyancing makes transfer of

record title to the Partnership impracticable) to be vested in the Partnership as soon as reasonably practicable; provided, that prior to the withdrawal or removal of the General Partner or as soon thereafter as practicable, the General Partner will use reasonable efforts to effect the transfer of record title to the Partnership and, prior to any such transfer, will provide for the use of such assets in a manner satisfactory to the Partnership. All Partnership Assets shall be recorded as the property of the Partnership in its books and records, irrespective of the name in which record title to such Partnership assets are held.

6.12 Purchase or Sale of Preference Units. The General Partner may cause the Partnership to purchase or otherwise acquire Series A Preference Units, so long as no Series A Preference Unit Cumulative Deficiency then exists, and Series B Preference Units, at any time. As long as Preference Units are held by the Partnership or the Operating Companies, such Preference Units shall not be considered Outstanding for any purpose, except as otherwise provided herein. The General Partner or any Affiliate of the General Partner may also purchase or otherwise acquire and sell or otherwise dispose of Preference Units for its own account, subject to the provisions of Article XI and Article XII.

6.13 Reliance by Third Parties. Notwithstanding anything to the contrary in this Agreement, any Person dealing with the Partnership shall be entitled to assume that the General Partner has full power and authority to encumber, sell or otherwise use in any manner any and all assets of the Partnership and to enter into any contracts on behalf of the Partnership, and such Person shall be entitled to deal with the General Partner as if it were the Partnership's sole party in interest, both legally and beneficially. Each Limited Partner hereby waives any and all defenses or other remedies that may be available against such Person to contest, negate or disaffirm any action of the General Partner in connection with any such dealing. In no event shall any Person dealing with the General Partner or its representatives be obligated to ascertain that the terms of this Agreement have been complied with or to inquire into the necessity or expedience of any act or action of the General Partner or its representatives. Each and every certificate, document or other instrument executed on behalf of the Partnership by the General Partner or its representatives shall be conclusive evidence in favor of any and every Person relying thereon or claiming thereunder that (a) at the time of the execution and delivery of such certificate, document or instrument, this Agreement was in full force and effect, (b) the Person executing and delivering such certificate, document or instrument was duly authorized and empowered to do so for and on behalf of the Partnership and (c) such certificate, document or instrument was duly executed and delivered in accordance with the terms and provisions of this Agreement, and is binding upon the Partnership

6.14 Registration Rights of the General Partner and its Affiliates.

(a) If (i) the General Partner or any of its Affiliates (including for purposes of this Section 6.14, Persons that are Affiliates on the Second Restatement Date notwithstanding that they may later cease to be Affiliates) hold Units or other Partnership Securities which it desires to sell and (ii) Rule 144 of the Securities Act (or any successor rule or regulation to Rule 144) is not available to enable the General Partner or such Affiliates to dispose of the number of Units or other Partnership Securities it desires to sell at the time it desires to do so without registration under the Securities Act, then upon the request of the General Partner or any of its Affiliates, the Partnership shall file with the Securities and Exchange Commission as promptly as practicable

after receiving such request, and use all reasonable efforts to cause to become effective and remain effective for a reasonable period following its effective date, a registration statement or statements under the Securities Act registering the offering and sale of the number of Units or other Partnership Securities specified in the request. All registrations requested pursuant to this Section 6.14(a) are referred to as "Demand Registrations." The Partnership may postpone for up to six months the filing or the effectiveness of a registration statement pursuant to a Demand Registration if (i) the General Partner or, (ii) if at the time a request for Demand Registration is submitted to the Partnership the Person requesting registration is an Affiliate of the General Partner, a majority of the independent directors of the General Partner, determines in its good faith judgment that a postponement of the requested registration for up to six months would be in the best interests of the Partnership and its Partners due to a pending transaction, investigation or other event. In connection with any Demand Registration, the Partnership shall promptly prepare and file (x) such documents as may be necessary to register or qualify the securities subject to such registration under the securities laws of such states as the Persons requesting registration shall reasonably request; provided, however, that no such qualification shall be required in any jurisdiction where, as a result thereof, the Partnership would become subject to general service of process or to taxation or qualification to do business as a foreign corporation doing business in such jurisdiction, and (y) such documents as may be necessary to apply for listing or to list the securities subject to such registration on such National Securities Exchange as the Persons requesting registration shall reasonably request and do any and all other acts and things that may reasonably be necessary or advisable to enable such Persons to consummate a public sale of such securities in such states. All costs and expenses of any such Demand Registration and offering (other than the underwriting discounts and commissions) shall be borne by the Partnership.

(b) If the Partnership shall at any time propose to file a registration statement under the Securities Act for an offering of securities of the Partnership for cash (other than an offering relating solely to an employee benefit plan), the Partnership shall use all reasonable efforts to include such number or amount of securities held by the General Partner and any of its Affiliates in such registration statement as the General Partner or any of such Affiliates shall request. All registrations requested pursuant to this Section 6.14(b) are referred to herein as "Piggyback Registrations." If the proposed offering shall be an underwritten offering, then, in the event that the managing underwriter of such offering advises the Partnership and General Partner or any of such Affiliates in writing that in its opinion the inclusion of all or some of the securities of the Persons requesting Piggyback Registration would adversely and materially affect the success of the offering the Partnership shall include in such offering only that number or amount, if any, of securities of the Persons requesting Piggyback Registration which, in the opinion of the managing underwriter, will not so adversely and materially affect the offering. All costs and expenses of such registration and offering (other than underwriting discounts and commissions attributable to securities registered by the General Partner and its Affiliates) shall be borne by the Partnership.

(c) If underwriters are engaged in connection with any Demand or Piggyback Registration, the Partnership shall provide indemnification, representations, covenants, opinions and other assurance to the underwriters in form and substance reasonably satisfactory to such underwriters. Further, in addition to and not in limitation of the Partnership's obligation under Section 6.7, the Partnership shall, to the fullest extent permitted by law, indemnify and hold

harmless the General Partner or such other holder, its officers, directors and each Person who controls the General Partner or such other holder (within the meaning of the Securities Act) and any agent thereof (collectively, "Indemnified Persons") against any losses, claims, demands, actions, causes of action, assessments, damages, liabilities (joint or several), costs and expenses (including, without limitation, interest penalties and reasonable attorneys' fees and disbursements), resulting to, imposed upon, or incurred by an Indemnified Person, directly or indirectly, under the Securities Act or otherwise (hereinafter referred to in this Section 6.14(c) as a "claim" and in the plural as "claims"), based upon, arising out of, or resulting from any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which any securities were registered under the Securities Act or any state securities or Blue Sky laws, in any preliminary prospectus (if used prior to the effective date of such registration statement), or in any summary or final prospectus or in any amendment or supplement thereto (if used during the period the Partnership is required to keep the registration statement current), or arising out of, based upon or resulting from the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements made therein not misleading; provided, however, that the Partnership shall not be liable to the extent that any such claim arises out of, is based upon or results from an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, such preliminary, summary or final prospectus or such amendment or supplement in reliance upon and in conformity with written information furnished to the Partnership by or on behalf of such Indemnified Person specifically for use in the preparation thereof.

(d) The provisions of Sections 6.14(a) and 6.14(b) shall continue to be applicable with respect to the General Partner and any of its Affiliates after the General Partner ceases to be a Partner of the Partnership, during a period of two years subsequent to the effective date of such cessation and for so long thereafter as is required for the General Partner or any of its Affiliates to sell all of the Units or other Partnership Securities with respect to which the General Partner or any of its Affiliates have requested during such two-year period that a registration statement be filed; provided, however, that the Partnership shall not be required to file successive registration statements covering the same securities for which registration was demanded during such two-year period. The provisions of Section 6.14(c) shall continue in effect thereafter.

(e) Any request to register Partnership Securities pursuant to this Section 6.14 shall (i) specify the Partnership Securities intended to be offered and sold by the Person making the request, (ii) express such Person's present intent to offer such shares for distribution, (iii) describe the nature or method of the proposed offer and sale of Partnership Securities, and (iv) contain the undertaking of such Person to provide all such information and materials and take all action as may be required in order to permit the Partnership to comply with all applicable requirements in connection with the registration of such Partnership Securities.

ARTICLE VII
RIGHTS AND OBLIGATIONS OF LIMITED PARTNERS

7.1 Limitation of Liability. The Limited Partners and the Organizational Limited Partner and the Assignees shall have no liability under this Agreement except as expressly provided in this Agreement or the Delaware Act.

7.2 Management of Business. No Limited Partner or Assignee (other than the General Partner, any of its Affiliates or any officer, director, employee partner, agent or trustee of the General Partner or any of its Affiliates, in its capacity as such, if such Person shall also be a Limited Partner or Assignee) shall take part or otherwise participate in the operation, management or control (within the meaning of the Delaware Act) of the Partnership's business, transact any business in the Partnership's name or have the power to sign documents for or otherwise bind the Partnership. The transaction of any such business by the General Partner, any of its Affiliates or any officer, director, employee, partner, agent or trustee of the General Partner or any of its Affiliates, in its capacity as such, shall not affect, impair or eliminate the limitations on the liability of the Limited Partners or Assignees under this Agreement.

7.3 Outside Activities. Subject to the provisions of Section 6.5, which shall continue to be applicable to the Persons referred to therein, regardless of whether such Persons shall also be Limited Partners or Assignees, any Limited Partner or Assignee shall be entitled to and may have business interests and engage in business activities in addition to those relating to the Partnership, including, without limitation, business interests and activities in direct competition with the Partnership or the Operating Companies. Neither the Partnership nor any of the other Partners or Assignees shall have any rights by virtue of this Agreement in any business ventures of any Limited Partner or Assignee.

7.4 Return of Capital. No Limited Partner shall be entitled to the withdrawal or return of his Capital Contribution, except to the extent, if any, that distributions made pursuant to this Agreement or upon termination of the Partnership may be considered as such by law and then only to the extent provided for in this Agreement. Except to the extent provided by Article V or as otherwise expressly provided in this Agreement, no Limited Partner or Assignee shall have priority over any other Limited Partner or Assignee either as to the return of Capital Contributions or as to profits, losses or distributions. Any such return shall be a compromise to which all Partners and Assignees agree within the meaning of Section 17-502(b) of the Delaware Act.

7.5 Rights of Limited Partner Relating to the Partnership.

(a) In addition to other rights provided by this Agreement or by applicable law, and except as limited by Section 7.5(b), each Limited Partner shall have the right, for a purpose reasonably related to such Limited Partner's interest as a limited partner in the Partnership, upon reasonable demand and at such Limited Partner's own expense:

(i) to obtain true and full information regarding the status of the business and financial condition of the Partnership;

(ii) promptly after becoming available, to obtain a copy of the Partnership's federal, state and local tax returns for each year;

(iii) to have furnished to him, upon notification to the General Partner, a current list of the name and last known business, residence or mailing address of each Partner;

(iv) to have furnished to him, upon notification to the General Partner, a copy of this Agreement and the Certificate of Limited Partnership and all amendments thereto;

(v) to obtain true and full information regarding the amount of cash and description and statement of the Agreed Value of any other Capital Contribution by each Partner and which each Partner has agreed to contribute in the future, and the date on which each became a Partner; and

(vi) to obtain such other information regarding the affairs of the Partnership as is just and reasonable.

(b) Notwithstanding any other provision of this Agreement, the General Partner may keep confidential from the Limited Partners and Assignees for such period of time as the General Partner deems reasonable, any information that the General Partner reasonably believes to be in the nature of trade secrets or other information the disclosure of which the General Partner in good faith believes is not in the best interests of the Partnership or could damage the Partnership or the Operating Companies or that the Partnership or the Operating Companies is required by law or by agreements with third parties to keep confidential (other than agreements with Affiliates the primary purpose of which is to circumvent the obligations set forth in this Section 7.5).

ARTICLE VIII
BOOK, RECORDS, ACCOUNTING AND REPORTS

8.1 Records and Accounting. The General Partner shall keep or cause to be kept at the principal office of the Partnership appropriate books and records with respect to the Partnership's business, including, without limitation, all books and records necessary to provide to the Limited Partners any information, lists and copies of documents required to be provided pursuant to Section 7.5(a). Any books and records maintained by or on behalf of the Partnership in the regular course of its business, including, without limitation, the record of the Record Holders and Assignees of Units or other Partnership Securities, books of account and records of Partnership proceedings, may be kept on, or be in the form of, computer disks, hard disks, punch cards, magnetic tape, photographs, micrographics or any other information storage device, provided that the books and records so maintained are convertible into clearly legible written form within a reasonable period of time. The books of the Partnership shall be maintained for financial reporting purposes, on an accrual basis in accordance with generally accepted accounting principles.

8.2 Fiscal Year. The fiscal year of the Partnership shall be the calendar year.

8.3 Reports.

(a) As soon as practicable, but in no event later than 120 days after the close of each Partnership Year, the General Partner shall cause to be mailed to each Record Holder of a Unit as of a date selected by the General Partner in its sole discretion, an annual report containing financial statements of the Partnership for such Partnership Year, presented in accordance with generally accepted accounting principles, including a balance sheet and statements of operations,

Partners' equity and cash flows, such statements to be audited by a firm of independent public accountants selected by the General Partner.

(b) As soon as practicable, but in no event later than 90 days after the close of each calendar quarter except the last calendar quarter of each Partnership Year, the General Partner shall cause to be mailed to each Record Holder of a Unit, as of a date selected by the General Partner in its sole discretion, a report containing unaudited financial statements of the Partnership and such other information as may be required by applicable law, regulation or rule of any National Securities Exchange on which the Units are listed for trading or as the General Partner determines to be necessary or appropriate.

ARTICLE IX
TAX MATTERS

9.1 Preparation of Tax Return. The General Partner shall arrange for the preparation and timely filing of all returns of Partnership income, gains, deductions, losses and other items required of the Partnership for federal and state income tax purposes and shall use reasonable efforts to furnish, within 90 days of the close of each taxable year of the Partnership, the tax information reasonably required by Unitholders for federal and state income tax reporting purposes. The classification, realization and recognition of income, gain, losses and deductions and other items shall be on the accrual method of accounting for federal income tax purposes. The taxable year of the Partnership shall be the calendar year.

9.2 Tax Elections. Except as otherwise provided herein, the General Partner shall in its sole discretion, determine whether to make any available election pursuant to the Code; provided, however, that the General Partner shall make the election under Section 754 of the Code in accordance with applicable regulations thereunder. The General Partner shall have the right to seek to revoke any such election (including, without limitation, the election under Section 754 of the Code) upon the General Partner's determination in its sole discretion that such revocation is in the best interest of the Limited Partners and Assignees. For purposes of computing the adjustments under Section 743(b) of the Code, the General Partner shall be authorized (but not required), to adopt a convention whereby the price paid by a transferee of Units will be deemed to be the lowest quoted trading price of the Units on any National Securities Exchange on which such Units are traded during the calendar month in which such transfer is deemed to occur pursuant to Section 5.2(g) without regard to the actual price paid by such transferee.

9.3 Tax Controversies. Subject to the provisions hereof, the General Partner is designated the Tax Matters Partner (as defined in Section 6231 of the Code), and is authorized and required to represent the Partnership (at the Partnership's expense) in connection with all examinations of the Partnership's affairs by tax authorities, including, without limitation, resulting administrative and judicial proceedings, and to expend Partnership funds for professional services and costs associated therewith. Each Partner and Assignee agrees to cooperate with the General Partner and to do or refrain from doing any or all things reasonably required by the General Partner to conduct such proceedings.

9.4 Organizational Expenses. The Partnership shall elect to deduct expenses, if any, incurred by it in organizing the Partnership ratably over a 60-month period as provided in Section 709 of the Code.

9.5 Withholding. Notwithstanding any other provision of this Agreement, the General Partner is authorized to take any action that it determines in its sole discretion to be necessary or appropriate to cause the Partnership and the Operating Companies to comply with any withholding requirements established under the Code or any other federal, state or local law, including, without limitation, pursuant to Sections 1441, 1442, 1445 and 1446 of the Code. To the extent that the Partnership is required to withhold and pay over to any taxing authority any amount resulting from the allocation or distribution of income to any Partner or Assignee (including, without limitation, by reason of Section 1446 of the Code), the amount withheld shall be treated as a distribution of cash for purposes of Section 4.6(a) in the amount of such withholding from such Partner.

9.6 Entity-Level Taxation. If legislation is enacted which causes the Partnership to become treated as an association taxable as a corporation for federal income tax purposes, then (a) with respect to any calendar quarter thereafter, the Minimum Quarterly Distribution, First Target Distribution, Second Target Distribution and Third Target Distribution, as the case may be, shall be equal to the product of (i) each such distribution amount multiplied by (ii) 1 minus the sum of (x) the expected effective federal income tax rate applicable to the Partnership (expressed as a decimal) plus (y) the expected effective overall state and local income tax rate applicable to the Partnership (expressed as a decimal), in each case, for the taxable year in which such quarter occurs (after taking into account the benefit of any deduction allowable for federal income tax purposes with respect to the payment of state and local income taxes) (the "Rate"); and (b) for purposes of determining the distributed amount under clauses (ii) and (iii) of the definition of "Series A Preference Unit Conversion Date," the amount of an actual distribution after such legislation is effective shall be deemed to be the actual distribution divided by the Rate.

9.7 Entity-Level Deficiency Collections. If the Partnership is required by applicable law to pay any federal, state or local income tax on behalf of, or withhold such amount with respect to, any Partner or Assignee or any former Partner or Assignee (a) the General Partner shall cause the Partnership to pay such tax on behalf of such Partner or Assignee or former Partner or Assignee from the funds of the Partnership; (b) any amount so paid on behalf of, or withheld with respect to, any Partner or Assignee shall be treated as a distribution of cash to such Partner or Assignee for purposes of this Agreement, including Section 4.6(a); and (c) to the extent any such Partner or Assignee (but not a former Partner or Assignee) is not then entitled to such distribution under this Agreement, the General Partner shall be authorized without the approval of any Partner or Assignee, to amend this Agreement insofar as is necessary to maintain the uniformity of intrinsic tax characteristics as to all Units and to make subsequent adjustments to distributions in a manner which, in the reasonable judgment of the General Partner, will make as little alteration as practicable in the priority and amount of distributions otherwise applicable under this Agreement and will not otherwise alter the distributions to which Partners and Assignees are entitled under this Agreement. If the Partnership is permitted (but not required) by applicable law to pay any such tax on behalf of any Partner or Assignee or former Partner or Assignee, the General Partner shall be authorized (but not required) to cause the Partnership to

pay such tax from the funds of the Partnership and to take any action consistent with this Section 9.7. The General Partner shall be authorized (but not required) to take all necessary or appropriate actions to collect all or any portion of a deficiency in the payment of any such tax that relates to prior periods and that is attributable to Persons who were Limited Partners or Assignee when such deficiencies arose, from such Persons.

9.8 Opinions of Counsel. Notwithstanding any other provision of this Agreement, if the Partnership is taxable for federal income tax purposes as a corporation or otherwise taxed for federal income tax purposes as an entity at any time and, pursuant to the provisions of this Agreement, an Opinion of Counsel would otherwise be required to the effect that an action will not cause the Partnership to become so taxable as a corporation or other entity or to be treated as an as association taxable as a corporation, such requirement for an Opinion of Counsel shall be deemed automatically waived.

ARTICLE X
UNIT CERTIFICATE

10.1 Unit Certificates. Unit Certificates shall be executed on behalf of the Partnership by any officer of either the General Partner or the Partnership.

10.2 Registration, Registration of Transfer and Exchange.

(a) The General Partner shall cause to be kept on behalf of the Partnership a register (the "Unit Register") in which, subject to such reasonable regulations as it may prescribe and subject to the provisions of Section 10.2(b), the General Partner will provide for the registration and the transfer of Units. The Transfer Agent is hereby appointed registrar and transfer agent for the purpose of registering and transferring Units as herein provided. The Partnership shall not recognize transfers of Certificates representing Units unless same are effected in the manner described in this Section 10.2. Upon surrender for registration of transfer of any Units evidenced by a Certificate and subject to the provisions of Section 10.2(b), the General Partner on behalf of the Partnership will execute, and the Transfer Agent will countersign and deliver, in the name of the holder or the designated transferee or transferees, as required pursuant to the holder's instructions, one or more new Certificates evidencing the same aggregate number of Units as was evidenced by the Certificate so surrendered.

(b) Except as otherwise provided in Section 11.5, the Partnership shall not recognize any transfer of Units until the Certificates (if applicable) evidencing such Units are surrendered for registration of transfer and such Certificates are accompanied by a Transfer Application duly executed by the transferee (or the transferee's attorney-in-fact duly authorized in writing). No charge shall be imposed by the Partnership for such transfer, provided, that, as a condition to the issuance of any new Certificate under this Section 10.2, the General Partner may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed with respect thereto.

10.3 Mutilated, Destroyed, Lost or Stolen Certificates.

(a) If any mutilated Certificate is surrendered to the Transfer Agent, the General Partner on behalf of the Partnership shall execute, and upon its request, the Transfer Agent shall

countersign and deliver in exchange therefor, a new Certificate evidencing the same number of Units as the Certificate so surrendered.

(b) The General Partner on behalf of the Partnership shall execute, and upon its request, the Transfer Agent shall countersign and deliver a new Certificate in place of any Certificate previously issued if the Record Holder of the Certificate:

(i) makes proof by affidavit, in form and substance satisfactory to the General Partner, that a previously issued Certificate has been lost, destroyed or stolen;

(ii) requests the issuance of a new Certificate before the Partnership has received notice that the Certificate has been acquired by a purchaser for value in good faith and without notice of an adverse claim;

(iii) if requested by the General Partner, delivers to the Partnership a bond or such other form of security or indemnity as may be required by the General Partner, in form and substance satisfactory to the General Partner, with surety or sureties and with fixed or open penalty as the General Partner may direct, in its sole discretion, to indemnify the Partnership, the General Partner and the Transfer Agent against any claim that may be made on account of the alleged loss, destruction or theft of the Certificate; and

(iv) satisfies any other reasonable requirements imposed by the General Partner.

If a Limited Partner or Assignee fails to notify the Partnership within a reasonable time after he has notice of the loss, destruction or theft of a Certificate, and a transfer of the Units represented by the Certificate is registered before the Partnership, the General Partner or the Transfer Agent receives such notification, the Limited Partner or Assignee shall be precluded from making any claim against the Partnership, the General Partner or the Transfer Agent for such transfer or for a new Certificate.

(c) As a condition to the issuance of any Certificate under this Section 10.3, the General Partner may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including, without limitation, the fees and expenses of the Transfer Agent) connected therewith.

10.4 Record Holder. In accordance with Section 10.2(b), the Partnership shall be entitled to recognize the Record Holder as the Limited Partner or Assignee with respect to any Common Units or Preference Units and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such Common Units or Preference Units on the part of any other Person, whether or not the Partnership shall have actual or other notice thereof, except as otherwise provided by law or any applicable rule, regulation, guideline or requirement of any National Securities Exchange on which the Common Units or Preference Units are listed for trading. Without limiting the foregoing, when a Person (such as a broker, dealer, bank trust company or clearing corporation or an agent of any of the foregoing) is acting as nominee, agent or in some other representative capacity for another Person in acquiring and/or holding Common Units or Preference Units, as between the Partnership on the one hand and such other Persons on

the other hand such representative Person (a) shall be the Limited Partner or Assignee (as the case may be) of record and beneficially, (b) must execute and deliver a Transfer Application and (c) shall be bound by this Agreement and shall have the rights and obligations of a Limited Partner or Assignee (as the case may be) hereunder and as provided for herein.

ARTICLE XI
TRANSFER OF INTERESTS

11.1 Transfer.

(a) The term "transfer," when used in this Article XI with respect to a Partnership Interest, shall be deemed to refer to an appropriate transaction by which the General Partner assigns its Partnership Interest as General Partner to another Person or by which the holder of a Unit assigns such Unit to another Person who is or becomes an Assignee and includes a sale, assignment, gift, pledge, encumbrance, hypothecation, mortgage, exchange or any other disposition by law or otherwise.

(b) No Partnership Interest shall be transferred in whole or in part, except in accordance with the terms and conditions set forth in this Article XI. Any transfer or purported transfer of a Partnership Interest not made in accordance with this Article XI shall be null and void.

11.2 Transfer of General Partner's Partnership Interest.

(a) Except as set forth in this Section 11.2(a), the General Partner may transfer all, but not less than all, of its Partnership Interest as the general partner to a single transferee if, but only if, (i) at least a majority of the Outstanding Voting Units (excluding for this purpose Units held by the General Partner and its Affiliates) approve of such transfer and of the admission of such transferee as general partner, (ii) the transferee agrees to assume the rights and duties of the General Partner and be bound by the provisions of this Agreement and the Operating Company Agreements, (iii) the transferee certifies that it is an Eligible Citizen and (iv) the Partnership receives an Opinion of Counsel that such transfer would not result in the loss of limited liability of any Limited Partner or of the Partnership as a member of the Operating Companies or cause the Partnership or the Operating Companies to be taxable as a corporation or otherwise taxed as an entity for federal income tax purposes. The foregoing notwithstanding, the General Partner is expressly permitted to pledge its Partnership Interest as General Partner to secure the obligations of the Partnership under the Revolving Credit Facility, as the same may be amended, supplemented, replaced, refinanced or restated from time to time, or any successor or subsequent loan agreement.

(b) Neither Section 11.2(a) nor any other provision of this Agreement shall be construed to prevent (and all Partners do hereby consent to) (i) the transfer by the General Partner of all of its Partnership Interest as a general partner to an Affiliate or (ii) the transfer by the General Partner of all its Partnership Interest as a general partner upon its merger or consolidation with or other combination into any other Person or the transfer by it of all or substantially all of its assets to another Person if, in the case of a transfer described in either clause (i) or (ii) of this sentence, the rights and duties of the General Partner with respect to the

Partnership Interest so transferred are assumed by the transferee and the transferee agrees to be bound by the provisions of this Agreement and the Operating Companies Agreement; provided, that in either such case, such transferee certifies that it is an Eligible Citizen, and furnishes to the Partnership an Opinion of Counsel that such merger, consolidation, combination, transfer or assumption will not result in a loss of limited liability of any Limited Partner or of the Partnership as a member of the Operating Companies or cause the Partnership or the Operating Companies to be taxable as a corporation or otherwise taxed as an entity for federal income tax purpose. In the case of a transfer pursuant to this Section 11.2(b), the transferee or successor (as the case may be) shall be admitted to the Partnership as the General Partner immediately prior to the transfer of the Partnership Interest, and the business of the Partnership shall continue without dissolution.

11.3 Transfer of Units.

(a) Units may be transferred only in the manner described in Section 10.2. The transfer of any Units and the admission of any new Partner shall not constitute an amendment to this Agreement.

(b) Until admitted as a Substituted Limited Partner pursuant to Article XII, the Record Holder of a Unit shall be an Assignee in respect of such Unit. Limited Partners may include custodians, nominees or any other individual or entity in its own or any representative capacity.

(c) Each distribution in respect of Units shall be paid by the Partnership, directly or through the Transfer Agent or through any other Person or agent, only to the Record Holders thereof as of the Record Date set for the distribution. Such payment shall constitute full payment and satisfaction of the Partnership's liability in respect of such payment, regardless of any claim of any Person who may have an interest in such payment by reason of an assignment or otherwise.

(d) A transferee who has completed and delivered a Transfer Application shall be deemed to have (i) requested admission as a Substituted Limited Partner, (ii) agreed to comply with and be bound by and to have executed this Agreement, (iii) represented and warranted that such transferee has the capacity and authority to enter into this Agreement, and that such transferee is an Eligible Citizen, (iv) made the powers of attorney set forth in this Agreement and (v) given the consents and made the waivers contained in this Agreement.

11.4 Restrictions on Transfers. Notwithstanding the other provisions of this Article XI, no transfer of any Common Unit or Preference Unit or interest therein of any Limited Partner or Assignee shall be made 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 authorities with jurisdiction over such transfer, (b) cause the Partnership to be taxable as a corporation or otherwise taxed as an entity for federal income tax purposes or (c) affect the Partnership's existence or qualification as a limited partnership under the Delaware Act.

11.5 Citizenship Certificates; Non-citizen Assignees.

(a) At any time and from time to time a Limited Partner or Assignee shall, within thirty days after a written request therefor by the General Partner, furnish to the General Partner, an executed Citizenship Certification or such other information concerning his nationality, citizenship or other status (or, if the Limited Partner or Assignee is a nominee holding for the account of another Person, the nationality, citizenship or other status of such Person) as the General Partner may request. If a Limited Partner or Assignee fails to furnish to the General Partner within the aforementioned 30-day period such Citizenship Certification or other requested information or if upon receipt of such Citizenship Certification or other requested information the General Partner determines, with the advice of counsel, that a Limited Partner or Assignee is not an Eligible Citizen, the Units owned by such Limited Partner or Assignee shall be subject to redemption in accordance with the provisions of Section 11.6. In addition, the General Partner may require that the status of any such Limited Partner or Assignee be changed to that of a Non-citizen Assignee, and, thereupon, the General Partner shall be substituted for such Non-citizen Assignee as the Limited Partner in respect of his Units.

(b) The General Partner shall in exercising voting rights in respect of Units held by it on behalf of Non-citizen Assignees, distribute the votes in the same ratios as the votes of Limited Partners in respect of Units of the same class other than those of Non-citizen Assignees are cast either for, against or abstaining as to the matter.

(c) Upon dissolution of the Partnership, a Non-citizen Assignee shall have no right to receive a distribution in kind pursuant to Section 14.4 but shall be entitled to the cash equivalent thereof, and the General Partner shall provide cash in exchange for an assignment of the Non-citizen Assignee's share of the distribution in kind. Such payment and assignment shall be treated for Partnership purposes as a purchase by the General Partner from the Non-citizen Assignee of his Partnership Interest (representing his right to receive his share of such distribution in kind).

(d) At any time after he can and does certify that he has become an Eligible Citizen, a Non-citizen Assignee may, upon application to the General Partner, request admission as a Substituted Limited Partner with respect to any Units of such Non-citizen Assignee not redeemed pursuant to Section 11.6, and, upon the Non-citizen Assignee's admission pursuant to Section 12.2, the General Partner shall cease to be deemed to be the Limited Partner in respect of the Non-citizen Assignee's Units.

11.6 Redemption of Interests.

(a) If at any time a Limited Partner or Assignee fails to furnish a Citizenship Certification or other information requested within the 30-day period specified in Section 11.5(a), or if upon receipt of such Citizenship Certification or other information the General Partner determines, with the advice of counsel, that a Limited Partner or Assignee is not an Eligible Citizen, the Partnership may, unless the Limited Partner or Assignee establishes to the satisfaction of the General Partner that such Limited Partner or Assignee is an Eligible Citizen or has transferred his Units to a Person who furnishes a Citizenship Certification to the General Partner prior to the date fixed for redemption as provided below, redeem the Partnership Interest of such Limited Partner or Assignee as follows:

(i) The General Partner shall not later than the 30th day before the date fixed for redemption, give notice of redemption to the Limited Partner or Assignee, at his last address designated on the records of the Partnership or the Transfer Agent, by registered or certified mail, postage prepaid. The notice shall be deemed to have been given when so mailed. The notice shall specify the Redeemable Units, the date fixed for redemption, the place of payment, that payment of the redemption price will be made upon surrender of the Certification evidencing the Redeemable Units and that on and after the date fixed for redemption no further allocations or distributions to which the Limited Partner or Assignee would otherwise be entitled in respect of the Redeemable Units will accrue or be made.

(ii) The aggregate redemption price for Redeemable Units shall be an amount equal to the Current Market Price (the date of determination of which shall be the date fixed for redemption) of Units of the class to be so redeemed multiplied by the number of Units of each such class included among the Redeemable Units. The redemption price shall be paid in the sole discretion of the General Partner, in cash or by delivery of a promissory note of the Partnership in the principal amount of the redemption price, bearing interest at the rate of 10% annually and payable in three equal annual installments of principal together with accrued interest commencing one year after the redemption date.

(iii) Upon surrender by or on behalf of the Limited Partner or Assignee, at the place specified in the notice of redemption, of the Certificate evidencing the Redeemable Units, duly endorsed in blank or accompanied by an assignment duly executed in blank, the Limited Partner or Assignee or his duly authorized representative shall be entitled to receive the payment therefor.

(iv) After the redemption date, Redeemable Units shall no longer constitute issued and Outstanding Units.

(b) The provisions of this Section 11.6 shall also be applicable to Units held by a Limited Partner or Assignee as nominee of a Person determined to be other than an Eligible Citizen.

(c) Nothing in this Section 11.6 shall prevent the recipient of a notice of redemption from transferring his Units before the redemption date if such transfer is otherwise permitted under this Agreement. Upon receipt of notice of such a transfer, the General Partner shall withdraw the notice of redemption; provided, the transferee of such Units certifies in the Transfer Application that he is an Eligible Citizen. If the transferee fails to make such certification, such redemption shall be effected from the transferee on the original redemption date.

(d) If the Partnership is or becomes subject to any federal, state or local law or regulation which, in the reasonable determination of the General Partner, provides for the cancellation or forfeiture of any property in which the Partnership or the Operating Companies have an interest, based on the nationality (or other status) of the General Partner, whether or not in its capacity as such, the Partnership may, unless the General Partner has furnished a

Citizenship Certification or transferred its Partnership Interest or Units to a Person who furnishes a Citizenship Certification prior to the date fixed for redemption, redeem the Partnership Interest or Interests of the General Partner in the Partnership pursuant to Section 11.6(a), which redemption shall also constitute redemption of the general partner interest of the general partner of the Operating Companies. If such redemption includes a redemption of the Combined Interest, the redemption price thereof shall be equal to the aggregate sum of the Current Market Price (the date of determination for which shall be the date fixed for redemption) of each class of Units then Outstanding in each such case multiplied by the number of Units of such class into which the Combined Interest would then be convertible under the terms of Section 13.3(b) if the General Partner were to withdraw or be removed as the General Partner (the date of determination for which shall be the date fixed for redemption). The redemption price shall be paid in cash or by delivery of a promissory note of the Partnership in the principal amount of the redemption price, bearing interest at the rate of 10% annually and payable in three equal annual installments of principal, together with accrued interests, commencing one year after the redemption date.

ARTICLE XII
ADMISSION OF PARTNERS

12.1 Admission of Initial Limited Partners. Upon the issuance by the Partnership of Common Units or Preference Units to the Underwriters as described in Section 4.3(b) and the execution by each such party of a Transfer Application, the General Partner shall admit the Underwriters to the Partnership as Initial Limited Partners in respect of the Units.

12.2 Admission of Substituted Limited Partners. By transfer of a Unit in accordance with Article XI, the transferor shall be deemed to have given the transferee the right to seek admission as a Substituted Limited Partner subject to the conditions of, and in the manner permitted under, this Agreement. A transferor of a Certificate shall, however, only have the authority to convey to a purchaser or other transferee who does not execute and deliver a Transfer Application (i) the right to negotiate such Certificate to a purchaser or other transferee and (ii) the right to transfer the right to request admission as a Substituted Limited Partner to such purchaser or other transferee in respect of the transferred Units. Each transferee of a Unit (including, without limitation, any nominee holder or an agent acquiring such Unit for the account of another Person) who executes and delivers a Transfer Application shall, by virtue of such execution and delivery, be an Assignee and be deemed to have applied to become a Substituted Limited Partner with respect to the Units so transferred to such Person. Such Assignee shall become a Substituted Limited Partner (i) at such time as the General Partner consents thereto, which consent may be given or withheld in the General Partner's sole discretion, and (ii) when any such admission is shown on the books and records of the Partnership. If such consent is withheld such transferee shall be an Assignee. An Assignee shall have an interest in the Partnership equivalent to that of a Limited Partner with respect to allocations and distributions, including, without limitation, liquidating distributions, of the Partnership. With respect to voting rights attributable to Units that are held by Assignees, the General Partner shall be deemed to be the Limited Partner with respect thereto and shall, in exercising the voting rights in respect of such Units on any matter, vote such Units at the written direction of the Assignee who is the Record Holder of such Units. If no such written direction is received, such Units will not be voted. An Assignee shall have no other rights of a Limited Partner.

12.3 Admission of Successor General Partner. A successor General Partner approved pursuant to Section 13.1 or 13.2 or the transferee of or successor to all of the General Partner's Partnership Interest pursuant to Section 11.2 who is proposed to be admitted as a successor General Partner shall be admitted to the Partnership as the General Partner, effective immediately prior to the withdrawal or removal of the General Partner pursuant to Section 13.1 or 13.2 or the transfer of the General Partner's Partnership Interest pursuant to Section 11.2; provided, however, that no such successor shall be admitted to the Partnership until compliance with the terms of Section 11.2 has occurred. Any such successor shall carry on the business of the Partnership without dissolution. In each case, the admission shall be subject to the successor General Partner executing and delivering to the Partnership an acceptance of all of the terms and conditions of this Agreement and such other documents or instruments as may be requited to effect the admission.

12.4 Admission of Additional Limited Partners.

(a) A Person (other than the General Partner, an Initial Limited Partner or a Substituted Limited Partner) who makes a Capital Contribution to the Partnership in accordance with this Agreement shall be admitted to the Partnership as an Additional Limited Partner only upon furnishing to the General Partner (i) evidence of acceptance in form satisfactory to the General Partner of all of the terms and conditions of this Agreement, including, without limitation, the power of attorney granted in Section 1.4, (ii) a certification that he is an Eligible Citizen and (iii) such other documents or instruments as may be required in the discretion of the General Partner to effect such Person's admission as an Additional Limited Partner.

(b) Notwithstanding anything to the contrary in this Section 12.4, no Person shall be admitted as an Additional Limited Partner without the consent of the General Partner, which consent may be given or withheld in the General Partner's sole discretion. The admission of any Person as an Additional Limited Partner shall become effective on the date upon which the name of such Person is recorded on the books and records of the Partnership, following the consent of the General Partner to such admission.

12.5 Amendment of Agreement and Certificate of Limited Partnership. To effect the admission to the Partnership of any Partner, the General Partner shall take all steps necessary and appropriate under the Delaware Act to amend the records of the Partnership and if necessary, to prepare as soon as practical an amendment of this Agreement and if required by law, to prepare and file an amendment to the Certificate of Limited Partnership and may for this purpose, among others, exercise the power of attorney granted pursuant to Section 1.4.

ARTICLE XIII
WITHDRAWAL OR REMOVAL OF PARTNERS

13.1 Withdrawal of the General Partner.

(a) The General Partner shall be deemed to have withdrawn from the Partnership upon the occurrence of any one of the following events (each such event herein referred to as an "Event of Withdrawal"):

(i) the General partner voluntarily withdraws from the Partnership by giving written notice to the other Partners;

(ii) the General Partner transfers all of its rights as general partner pursuant to Section 11.2;

(iii) the General Partner is removed pursuant to Section 13.2;

(iv) the General Partner (A) makes a general assignment for the benefit of creditors; (B) files a voluntary bankruptcy petition; (C) files a petition or answer seeking for itself a reorganization, arrangement, composition, readjustment liquidation, dissolution or similar relief under any law; (D) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the General Partner in a proceeding of the type described in clauses (A) - (C) of this sentence; or (E) seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of the General Partner or of all or any substantial part of its properties;

(v) a final and non-appealable judgment is entered by a court with appropriate jurisdiction ruling that the General Partner is bankrupt or insolvent or a final and non-appealable order for relief is entered by a court with appropriate jurisdiction against the General Partner, in each case under any federal or state bankruptcy or insolvency laws as now or hereafter in effect; or

(vi) a certificate of dissolution or its equivalent is filed for the General Partner, or 90 days expire after the date of notice to the General Partner of revocation of its charter without a reinstatement of its charter, under the laws of its state of incorporation.

If an Event of Withdrawal specified in this Section 13.1(a)(iv), (v) or (vi) occurs, the withdrawing General Partner shall give written notice to the Limited Partners within 30 days after such occurrence. The Partners hereby agree that only the Events of Withdrawal described in this Section 13.1 shall result in the withdrawal of the General Partner from the Partnership.

(b) Withdrawal of the General Partner from the Partnership upon the occurrence of an Event of Withdrawal will not constitute a breach of this Agreement under the following circumstances: (i) at any time during the period prior to January 1, 2003, the General Partner voluntarily withdraws by giving at least 90 days' advance notice of its intention to withdraw to the Limited Partners; provided, that prior to the effective date of such withdrawal, the withdrawal is approved by at least a majority of the Outstanding Voting Units (excluding for this purpose Units held by the General Partner and its Affiliates) and the General Partner provides to the Partnership an Opinion of Counsel ("Withdrawal Opinion of Counsel") that following the election of a successor General Partner, the General Partner's withdrawal would not result in the loss of limited liability of any Limited Partner or of the Partnership as a member of the Operating Companies or cause the Partnership or any Operating Company to be taxable as a corporation or otherwise taxed as an entity for federal income tax purposes; (ii) at any time after December 31,

2002, the General Partner voluntarily withdraws by giving at least 90 days' advance notice to the Limited Partners, such withdrawal to take effect on the date specified in such notice; (iii) at any time that the General Partner ceases to be a General Partner pursuant to Section 13.1(a)(ii) or is removed pursuant to Section 13.2; or (iv) notwithstanding clause (i) of this sentence, at any time that the General Partner voluntarily withdraws by giving at least 90 days' advance notice of its intention to withdraw to the Limited Partners, such withdrawal to take effect on the date specified in the notice, if at the time such notice is given one Person and its Affiliates (other than the General Partner and its Affiliates) own beneficially or of record or control at least 50% of the Outstanding Voting Units. The withdrawal of the General Partner from the Partnership upon the occurrence of an Event of Withdrawal shall also constitute the withdrawal of the general partner as a member of the Operating Companies. If the General Partner gives a notice of withdrawal pursuant to Section 13.1(a)(i), holders of at least a majority of such Outstanding Voting Units (excluding for purposes of such determination Units owned by the General Partner and its Affiliates) may, prior to the effective date of such withdrawal, elect a successor General Partner. If, prior to the effective date of the General Partner's withdrawal, a successor is not selected by the Limited Partners as provided herein or the Partnership does not receive a Withdrawal Opinion of Counsel, the Partnership shall be dissolved in accordance with Section 14.1. If a successor General Partner is elected and a Withdrawal Opinion of Counsel is rendered such successor shall be admitted (subject to Section 12.3) immediately prior to the effective time of the withdrawal or removal of the Departing Partner and shall continue the business of the Partnership and the Operating Companies without dissolution.

13.2 Removal of the General Partner. The General Partner may be removed with or without Cause if such removal is approved by at least 66?% of the Outstanding Voting Units (excluding for this purpose Units held by the General Partner and its Affiliates). Any such action by such Limited Partners for removal of the General Partner also must provide for the election of a new General Partner by the holders of a majority of the Outstanding Voting Units (excluding for this purpose Units held by the General Partner and its Affiliates). Such removal shall be effective immediately following the admission of the successor General Partner pursuant to Article XII. The right of such Limited Partners to remove the General Partner shall not exist or be exercised unless the Partnership has received an Opinion of Counsel opining as to the matters covered by a Withdrawal Opinion of Counsel. Any such successor General Partner shall be subject to the provisions of Section 12.3.

13.3 Interest of Departing Partner and Successor General Partner.

(a) In the event of (i) withdrawal of the General Partner under circumstances where such withdrawal does not violate this Agreement or (ii) removal of the General Partner by the Limited Partners under circumstances where Cause does not exist, the Departing Partner shall, at its option exercisable prior to the effective date of the departure of such Departing Partner, promptly receive from its successor in exchange for its Partnership Interest as General Partner an amount in cash equal to the fair market value of the Departing Partner's Partnership Interest as General Partner, such amount to be determined and payable as of the effective date of its departure. If the General Partner withdraws under circumstances where such withdrawal violates this Agreement or if the General Partner is removed by the Limited Partners under circumstances where Cause exists, the General Partner's successor shall have the option described in the immediately preceding sentence, and the Departing Partner shall not have such option. In either

case, if the successor acquires the Departing Partner's Partnership Interest as General Partner, such successor General Partner, if requested by the Departing Partner, must also acquire at such time each non-managing interest of such Departing Partner or its Affiliate as a member of the Operating Companies, for an amount in cash equal to the fair market value of such interest determined as of the effective date of its departure. In either case, the Departing Partner shall be entitled to receive all reimbursements due such Departing Partner pursuant to Section 6.4, including, without limitation, any employee-related liabilities (including, without limitation, severance liabilities), incurred in connection with the termination of any employees employed by the General Partner for the benefit of the Partnership or the Operating Companies. Subject to Section 13.3(b), the Departing Partner shall, as of the effective date of its departure, cease to share in any allocations or distributions with respect to its Partnership Interest as the General Partner and Partnership income, gain, loss deduction and credit will be prorated and allocated as set forth in Section 5.2(g).

For purposes of this Section 13.3(a), the fair market value of the Departing Partner's Partnership Interest as General Partner and each non-managing interest of such Departing Partner or its Affiliate, as the case may be, as a member of the Operating Companies (collectively, the "Combined Interest") shall be determined by agreement between the Departing Partner and its successor or, failing agreement within 30 days after the effective date of such Departing Partner's departure, by an independent investment banking firm or other independent expert selected by the Departing Partner and its successor, which, in turn, may rely on other experts and the determination of which shall be conclusive as to such matter. If such parties cannot agree upon one independent investment banking firm or other independent expert within 45 days after the effective date of such departure, then the Departing Partner shall designate an independent investment banking firm or other independent expert, the Departing Partner's successor shall designate an independent investment banking firm or other independent expert, and such firms or experts shall mutually select a third independent investment banking firm or independent expert, which shall determine the fair market value of the Combined Interest. In making its determination, such independent investment banking firm or other independent expert shall consider the then current trading price of Units on any National Securities Exchange on which Units are then listed the value of the Partnership's assets, the rights and obligations of the General Partner and other factors it may deem relevant.

(b) If the Departing Partner's Partnership Interest as General Partner is not acquired in the manner set forth in Section 13.3(a), the Departing Partner and its Affiliate, to the extent applicable, shall become a Limited Partner and their Partnership Interest as General Partner and, at their election, their non-managing interest in the Operating Companies, shall be converted into Units pursuant to a valuation made by an investment banking firm or other independent expert selected pursuant to Section 13.3(a), without reduction in such Partnership Interest (but subject to proportionate dilution by reason of the admission of its successor). For purposes of this Agreement, conversion of the General Partner's Partnership Interest to Units will be characterized as if the General Partner contributed its Partnership Interest to the Partnership in exchange for the newly issued Units. Any successor General Partner shall indemnify the Departing Partner as to all debts and liabilities of the Partnership arising on or after the date on which the Departing Partner becomes a Limited Partner.

(c) If the option described in Section 13.3(a) is not exercised by the party entitled to do so, the successor General Partner shall at the effective date of its admission to the Partnership, contribute to the capital of the Partnership cash in an amount such that its Capital Account, after giving effect to such contribution and any adjustments made to the Capital Accounts of all Partners pursuant to Section 4.6(d)(i), shall be equal to one percent (1%) of the Capital Accounts of all Partners. In such event, each successor General Partner shall, subject to the following sentence, be entitled to such percentage interest of all Partnership allocations and distributions and any other allocations and distributions to which the Departing Partner was entitled. In addition, such successor General Partner shall cause this Agreement to be amended to reflect that, from and after the date of such successor General Partner's admission, the successor General Partner's interest in all Partnership distributions and allocations shall be 1%, and that of the Unitholders shall be 99%.

13.4 Withdrawal of Limited Partners. No Limited Partner shall have any right to withdraw from the Partnership; provided, however, that when a transferee of a Limited Partner's Units becomes a Record Holder, such transferring Limited Partner shall cease to be a Limited Partner with respect to the Units so transferred.

ARTICLE XIV
DISSOLUTION AND LIQUIDATION

14.1 Dissolution. The Partnership shall not be dissolved by the admission of Substituted Limited Partners or Additional Limited Partners or by the admission of a successor General Partner in accordance with the terms of this Agreement. Upon the removal or withdrawal of the General Partner, any successor General Partner shall continue the business of the Partnership. The Partnership shall dissolve, and its affairs should be wound up, upon:

(a) the expiration of its term as provide in Section 1.5;

(b) an Event of Withdrawal of the General Partner as provided in Section 13.1(a) (subject to Section 14.2) (other than Section 13.1(a)(ii)), unless a successor is elected and an Opinion of Counsel is received as provided in Section 13.1(b) or Section 13.2, as the case may be, and such successor is admitted to the Partnership pursuant to Section 12.3;

(c) an election to dissolve the Partnership by the General Partner that is approved by the holders of at least 66?% of the Outstanding Voting Units (and all Limited Partners hereby expressly consent that such approval may be effected upon written consent of the holders of at least 66?% of the Outstanding Voting Units);

(d) entry of a decree of judicial dissolution of the Partnership pursuant to the provisions of the Delaware Act; or

(e) the sale of all or substantially all of the assets and properties of the Partnership or all of the Operating Companies, taken as a whole.

14.2 Continuation of the Business of the Partnership after Dissolution. Upon (i) dissolution of the Partnership following an Event of Withdrawal caused by the withdrawal or removal of the General Partner and a failure of the requisite number of Partners to appoint a

successor General Partner as provided in Section 13.1 or 13.2, as the case may be, then within an additional 90 days or (ii) dissolution of the Partnership upon an event constituting an Event of Withdrawal described in Section 13.1(a)(iv), then within 180 days thereafter, at least 66?% of the Outstanding Voting Units may elect to reconstitute the Partnership and continue its business on the same terms and conditions set forth in this Agreement by forming a new limited partnership on terms identical to those set forth in this Agreement and having as a general partner a Person approved by the holders of at least 66?% of the Outstanding Voting Units. Upon any such election by the holders of at least 66?% of the Outstanding Voting Units, all Partners shall be bound thereby and shall be deemed to have approved thereof.

Unless such an election is made within the applicable time period as set forth above, the Partnership shall conduct only activities necessary to wind up its affairs. If such an election is so made, then:

(a) the reconstituted Partnership shall continue until the end of the term set forth in Section 1.5 unless earlier dissolved in accordance with this Article XIV;

(b) if the successor General Partner is not the former General Partner, then the interest of the former General Partner shall be treated thenceforth as the interest of a Limited Partner and converted into Units in the manner provided in Section 13.3(b); and

(c) all necessary steps shall be taken to cancel this Agreement and the Certificate of Limited Partnership and to enter into and as necessary, to file a new partnership agreement and certificate of limited partnership, and the successor general partner may for this purpose exercise the powers of attorney granted the General Partner pursuant to Section 1.4; provided that the right of at least 66?% of Outstanding Voting Units to approve a successor general partner and to reconstitute and to continue the business of the Partnership shall not exist and may not be exercised unless the Partnership has received an Opinion of Counsel that (x) the exercise of the right would not result in the loss of limited liability of any Limited Partner and (y) neither the Partnership, the reconstituted limited partnership nor the Operating Companies would become taxable as a corporation or otherwise be taxed as an entity for federal income tax purposes upon the exercise of such right to continue.

14.3 Liquidation. Upon dissolution of the Partnership, unless the Partnership is continued under an election to reconstitute and continue the Partnership pursuant to Section 14.2, the General Partner, or in the event the General Partner has been dissolved or removed, become bankrupt as set forth in Section 13.1 or withdrawn from the Partnership, a liquidator or liquidating committee approved by at least a majority of the Outstanding Voting Units, shall be the Liquidator. The Liquidator (if other than the General Partner) shall be entitled to receive such compensation for its services as may be approved by at least a majority of the Outstanding Voting Units. The Liquidator shall agree not to resign at any time without 15 days' prior written notice and (if other than the General Partner) may be removed at any time, with or without Cause by notice of removal approved by at least a majority of the Outstanding Voting Units. Upon dissolution, removal or resignation of the Liquidator, a successor and substitute Liquidator (who shall have and succeed to all rights, powers and duties of the original Liquidator) shall within 30 days thereafter be approved by at least a majority of the Outstanding Voting Units. The right to approve a successor or substitute Liquidator in the manner provided herein shall be deemed to

refer also to any such successor or substitute Liquidator approved in the manner herein provided. Except as expressly provided in this Article XIV, the Liquidator approved in the manner provided herein shall have and may exercise, without further authorization or consent of any of the parties hereto, all of the powers conferred upon the General Partner under the terms of this Agreement (but subject to all of the applicable limitations, contractual and otherwise, upon the exercise of such powers, other than the limitation on sale set forth in Section 6.3(b)) to the extent necessary or desirable in the good faith judgment of the Liquidator to carry out the duties and functions of the Liquidator hereunder for and during such period of time as shall be reasonably required in the good faith judgment of the Liquidator to complete the winding up and liquidation of the Partnership as provided for herein. The Liquidator shall liquidate the assets of the Partnership, and apply and distribute the proceeds of such liquidation in the following order of priority, unless otherwise required by mandatory provisions of applicable law:

(a) First, the payment to creditors of the Partnership, including, without limitation, Partners who are creditors, in the order of priority provided by law; and the creation of a reserve of cash or other assets of the Partnership for contingent liabilities in an amount if any, determined by the Liquidator to be appropriate for such purposes; and

(b) Second, to all Partners in accordance with the positive balances in their respective Capital Accounts after taking into account adjustments to such Capital Accounts pursuant to Section 5.1(d); and

(c) Third, to all Partners in accordance with their respective partnership interests.

14.4 Distributions in Kind.

(a) Notwithstanding the provisions of Section 14.3, which require the liquidation of the assets of the Partnership, but subject to the order of priorities set forth therein, if prior to or upon dissolution of the Partnership the Liquidator determines that an immediate sale of part or all of the Partnership's assets would be impractical or would cause undue loss to the Partners, the Liquidator may, in its absolute discretion, defer for a reasonable time the liquidation of any assets except those necessary to satisfy liabilities of the Partnership (including, without limitation, those to Partners as creditors) or distribute to the Partners, in lieu of cash, as tenants in common add in accordance with the provisions of Section 14.3, undivided interests in such Partnership assets as the Liquidator deems not suitable for liquidation. Any such distributions in kind shall be made only if, in the good faith judgment of the Liquidator, such distributions in kind are in the best interest of the Limited Partners and shall be subject to such conditions relating to the disposition and management of such properties as the Liquidator deems reasonable and equitable and to any agreement governing the operation of such properties at such time. The Liquidator shall determine the fair market value of any property distributed in kind using such reasonable method of valuation as it may adopt.

(b) In accordance with Section 704(c)(1)(B) of the Code, in the case of any deemed distribution occurring as a result of a termination of the Partnership pursuant to Section 708(b)(1)(B) of the Code, to the maximum extent possible consistent with the priorities of Section 14.3, the General Partner shall have sole discretion to treat the deemed distribution of Partnership assets to Partners as occurring in a manner that will not cause a shift of the Book-Tax

Disparity attributable to a Partnership asset existing immediately prior to the deemed distribution to another asset upon the deemed contribution of assets to the reconstituted Partnership, including, without limitation, deeming the distribution of any Partnership assets to be made either to the Partner who contributed such assets or to the transferee of such Partner.

14.5 Cancellation of Certificate of Limited Partnership. Upon the completion of the distribution of Partnership cash and property as provided in Sections 14.3 and 14.4, the Partnership shall be terminated and the Certificate of Limited Partnership and all qualifications of the Partnership as a foreign limited partnership in jurisdictions other than the State of Delaware shall be canceled and such other actions as may be necessary to terminate the Partnership shall be taken.

14.6 Reasonable Time for Winding Up. A reasonable time shall be allowed for the orderly winding up of business and affairs of the Partnership and the liquidation of its assets pursuant to Section 14.3 in order to minimize any losses otherwise attendant upon such winding up, and the provisions of this Agreement shall remain in effect between the Partners during the period of liquidation, and shall have no obligation to contribute or loan any monies or property to the Partnership to enable the Partnership to effectuate.

14.7 Return of Capital. The General Partner shall not be personally liable for the return of the Capital Contributions of the Limited Partners, or any portion thereof, it being expressly understood that any such return shall be made solely from Partnership assets.

14.8 Capital Account Restoration. No Partner shall have any obligation to restore any negative balance in its Capital Account upon liquidation of the Partnership.

14.9 Waiver of Partition. Each Partner hereby waives any right to partition of the Partnership property.

ARTICLE XV
AMENDMENT OF PARTNERSHIP AGREEMENT; MEETINGS; RECORD DATE

15.1 Amendments to be Adopted Solely by General Partner. Each Limited Partner agrees that the General Partner (pursuant to its powers of attorney from the Limited Partners and Assignees), without the approval of any Limited Partner or Assignee, may amend any provision of this Agreement, and execute, swear to, acknowledge, deliver, file and record whatever documents may be required in connection therewith, to reflect:

(a) a change in the name of the Partnership, the location of the principal place of business of the Partnership, the registered agent of the Partnership or the registered office of the Partnership;

(b) admission, substitution, withdrawal or removal of Partners in accordance with this Agreement;

(c) a change that, in the sole discretion of the General Partner, is reasonable and necessary or appropriate to qualify or continue qualification of the Partnership as a limited partnership or a partnership in which the limited partners have limited liability under the laws of

any state or that is necessary or advisable in the opinion of the General Partner to ensure that the Partnership will not be taxable as a corporation or otherwise taxed as an entity for federal income tax purposes;

(d) a change (i) that, in the sole discretion of the General Partner, does not adversely affect the Limited Partnership in any material respect, (ii) that is necessary or appropriate to satisfy any requirements, conditions, guidelines or interpretations contained in any opinion, interpretative release, directive, order, ruling or regulation of any federal or state agency or judicial authority or contained in any federal or state agency or judicial authority or contained in any federal or state statute (including, without limitation, the Delaware Act) or that is necessary or appropriate to facilitate the trading of the Units (including, without limitation, the division of Outstanding Units into different classes to facilitate uniformity of tax consequences within such classes of Units) or comply with any rule, regulation, interpretative release, guideline or requirement of any National Securities Exchange on which the Units are or will be listed for trading, compliance with any of which the General Partner determines in its sole discretion to be in the best interests of the Partnership and the Limited Partners or (iii) that is required to effect the intent of the provisions of this Agreement or is otherwise contemplated by this Agreement;

(e) an amendment that is necessary, in the Opinion of Counsel, to prevent the Partnership or the General Partner or its directors or officers from in any manner being subjected to the provisions of the Investment Company Act of 1940, as amended the Investment Advisers Act of 1940, as amended, or "plan asset" regulations adopted under the Employee Retirement Income Security Act of 1974, as amended, whether or not substantially similar to plan asset regulations currently applied or proposed by the United States Department of Labor;

(f) subject to the terms of Section 4.4, an amendment that the General Partner determines in its sole discretion to be necessary or appropriate in connection with the authorization for issuance of any class or series of Units pursuant to Section 4.4;

(g) an amendment made after the Series A Preference Unit Preference Period, the effect of which is to separate into a separate security (which may be evidenced by a certificate(s) if determined by the General Partner to be appropriate), separate and apart from the Series A Preference Units, the right of the holders of Series A Preference Units then Outstanding to receive any Series A Preference Unit Cumulative Deficiency;

(h) any amendment expressly permitted in this Agreement to be made by the General Partner acting alone;

(i) an amendment effected, necessitated or contemplated by a Merger Agreement approved in accordance with Section 16.3; or

(j) any other amendments substantially similar to the foregoing.

15.2 Amendment Procedures. Except as provided in Sections 15.1 and 15.3, all amendments to this Agreement shall be made in accordance with the following requirements. Amendments to this Agreement may be proposed solely by the General Partner. Each such proposal shall contain the text of the proposed amendment. If an amendment is proposed, the General Partner shall seek the written approval of the holders of the requisite percentage of

Outstanding Voting Units or call a meeting of such Limited Partners to consider and vote on such proposed amendment. A proposed amendment shall be effective upon its approval by the holders of at least 66?% of the Outstanding Voting Units, unless a greater or different percentage is required under this Agreement, and an amendment that would materially and adversely affect the rights and preferences of any type, series or class of partnership interests in relation to other types or classes of partnership interests requires the approval of the holders of at least a majority of the Outstanding Units of such type, series or class of partnership interest (excluding those held by the General Partner and its Affiliates). The General Partner shall notify all Record Holders upon final adoption of any proposed amendment.

15.3 Amendment Requirement.

(a) Notwithstanding the provisions of Sections 15.1 and 15.2, no provision of this Agreement that establishes a percentage of Outstanding Voting Units or, if applicable, other voting percentage required to take any action shall be amended, altered, changed, repealed or rescinded in any respect that would have the effect of reducing such voting requirement unless such amendment is approved by the written consent or the affirmative vote of Unitholders whose aggregate percentage of such Outstanding Voting Units or, if applicable, other voting percentage constitutes not less than the required percentage of such Outstanding Voting Units or, if applicable, other voting percentage sought to be reduced.

(b) Notwithstanding the provisions of Sections 15.1 and 15.2, no amendment to this Agreement may (i) enlarge the obligations of any Limited Partner without such Limited Partner's consent, which may be given or withheld in its sole discretion, (ii) without the consent of the General Partner, which may be given or withheld in its sole discretion, (A) modify the amounts distributable to the General Partner in respect of its general partner interest in the Partnership or the Operating Companies or modify the amounts reimbursable or otherwise payable to the General Partner or any of its Affiliates by the Partnership or the Operating Companies, (B) change Section 14.1(a) or (c), (C) restrict in any way any action by or rights of the General Partner as set forth in this Agreement, (D) change the term of the Partnership or, except as set forth in Section 14.1(c), give any Person the right to dissolve be Partnership or (E) otherwise enlarge the obligations of the General Partner.

(c) Except as otherwise provided, and without limitation of the General Partner's authority to adopt amendments to this Agreement as contemplated in Section 15.1, the General Partner may amend the Partnership Agreement without the approval of holders of Outstanding Units, except that any amendment that would have a material adverse effect on the rights or preferences of any class of Outstanding Units in relation to other classes or series of Units must be approved by the holders of at least a majority of the Outstanding Units of the class or series affected (excluding those held by the General Partner and its Affiliates).

(d) Notwithstanding any other provision of this Agreement, except for amendments pursuant to Sections 6.2 or 15.1, no amendments shall become effective without the approval of the Record Holders of at least 95% of the Outstanding Voting Units unless the Partnership obtains an Opinion of Counsel to the effect that (a) such amendment will not cause the Partnership or the Operating Companies to be taxable as a corporation or otherwise taxed as an entity for federal income tax purposes and (b) such amendment will not affect the limited

liability of any Limited Partner or any member of the Operating Companies under applicable law.

(e) This Section 15.3 shall only be amended with the approval of the Record Holders of not less than (i) 95% of the Outstanding Voting Units and (ii) 95% of the Outstanding Series B Preference Units voting as a class or series.

15.4 Meetings. All acts of Limited Partners to be taken hereunder shall be taken in the manner provided in this Article XV. Meetings of the Limited Partners may be called only by the General Partner or, with respect to meetings called to remove the General Partner, by Limited Partners owning 66?% or more of the Outstanding Voting Units (excluding for this purpose Units held by the General Partner and its Affiliates). Limited Partners shall call a meeting to remove the General Partner by delivering to the General Partner one or more requests in writing stating that the signing Limited Partners wish to call a meeting to remove the General Partner. Within 60 days after receipt of such a call from Limited Partners or within such greater time as may be reasonably necessary for the Partnership to comply with any statutes, rules, regulations, listing agreements or similar requirements governing the holding of a meeting or the solicitation of proxies for use at such a meeting, the General Partner shall send a notice of the meeting to the Limited Partners either directly or indirectly through the Transfer Agent. A meeting shall be held at a time and place determined by the General Partner on a date not more than 60 days after the mailing of notice of the meeting. Limited Partners shall not vote on matters that would cause the Limited Partners to be deemed to be taking part in the management and control of the business and affairs of the Partnership so as to jeopardize the Limited Partners' limited liability under the Delaware Act or the law of any other state in which the Partnership is qualified to do business.

15.5 Notice of a Meeting. Notice of a meeting called pursuant to Section 15.4 shall be given to the Record Holders of Voting Units in writing by mail or other means of written communication in accordance with Section 18.1. The notice shall be deemed to have been given at the time when deposited in the mail or sent by other means of written communication.

15.6 Record Date. For purposes of determining the Limited Partners entitled to notice of or to vote at a meeting of the Limited Partners or to give approvals without a meeting as provided in Section 15.11, the General Partner may set a Record Date, which shall not be less than 10 nor more than 60 days before (a) the date of the meeting (unless such requirement conflicts with any rule, regulation, guideline or requirement of any National Securities Exchange on which the Units are listed for trading in which case the rule, regulation, guideline or requirement of such exchange shall govern) or (b) in the event that approvals are sought without a meeting the date by which Limited Partners are requested in writing by the General Partner to give such approvals.

15.7 Adjournment. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting and a new Record Date need not be fixed if the time and place thereof are announced at the meeting at which the adjournment is taken, unless such adjournment shall be for more than 45 days. At the adjourned meeting, the Partnership may transact any business which might have been transacted at the original meeting. If the

adjournment is for more than 45 days or if a new Record Date is fixed for the adjourned meeting a notice of the adjourned meeting shall be given in accordance with this Article XV.

15.8 Waiver of Notice; Approval of Meeting; Approval of Minutes. The transactions of any meeting of Limited Partners, however called and noticed and whenever held shall be as valid as if had at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy, and if, either before or after the meeting, each of the Limited Partners entitled to vote, present in person or by proxy, signs a written waiver of notice or an approval of the holding of the meeting or an approval of the minutes thereof. All waivers and approvals shall be filed with the Partnership records or made a part of the minutes of the meeting. Attendance of a Limited Partner at a meeting shall constitute a waiver of notice of the meeting, except when the Limited Partner disapproves, at the beginning of the meeting, the transaction of any business because the meeting is not lawfully called or convened and except that attendance at a meeting is not a waiver of any right to disapprove the consideration of matters required to be included in the notice of the meeting but not so included in either case if the disapproval is expressly made at the meeting.

15.9 Quorum. The holders of two-thirds of the Outstanding Voting Units of the class for which a meeting has been called represented in person or by proxy shall constitute a quorum at a meeting of Limited Partners of such class unless any such action by the Limited Partners requires approval by holders of a majority in interest of such Voting Units, in which case the quorum shall be a majority (excluding, in each case, if such Voting Units are excluded from such vote, Voting Units held by the General Partner and its affiliates). At any meeting of the Limited Partners duly called and held in accordance with this Agreement at which a quorum is present, the act of Limited Partners holding Outstanding Units that in the aggregate represent at least a majority of the Outstanding Voting Units entitled to vote and be present in person or by proxy at such meeting shall be deemed to constitute the act of all Limited Partners, unless a greater or different percentage is required with respect to such action under the provisions of this Agreement, in which case the act of the Limited Partners holding Outstanding Units that in the aggregate represent at least such greater or different percentage shall be required. The Limited Partners present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough Limited Partners to leave less than a quorum, if any action taken (other than adjournment) is approved by the required percentage of Outstanding Voting Units specified in this Agreement. In the absence of a quorum, any meeting of Limited Partners may be adjourned from time to by the affirmative vote of a majority of the Outstanding Voting Units represented either in person or by proxy, but no other business may be transacted except as provided in Section 15.7.

15.10 Conduct of Meeting. The General Partner shall have full power and authority concerning the manner of conducting any meeting of the Limited Partners or solicitation of approvals in writing, including, without limitation, the determination of Persons entitled to vote, the existence of a quorum, the satisfaction of the requirements of Section 15.4, the conduct of voting, the validity and effect of any proxies and the determination of any controversies, votes or challenges arising in connection with or during the meeting or voting. The General Partner shall designate a Person to serve as chairman of any meeting and shall further designate a Person to take the minutes of any meeting, in either case including, without limitation, a Partner or a director or officer of the General Partner. All minutes shall be kept with the records of the

Partnership maintained by the General Partner. The General Partner may make such other regulations consistent with applicable law and this Agreement as it may deem advisable concerning the conduct of any meeting of the Limited Partners or solicitation of approvals in writing, including, without limitation, regulations in regard to the appointment of proxies, the appointment and duties of inspectors of votes and approvals, the submission and examination of proxies and other evidence of the right to vote, and the revocation of approvals in writing.

15.11 Action Without a Meeting. Any action that may be taken at a meeting of the Limited Partners may be taken without a meeting if an approval in writing setting forth the action so taken is signed by Limited Partners holding not less than the minimum percentage of the Outstanding Units that would be necessary to authorize to take such action at a meeting at which all the Limited Partners were present and voted. Prompt notice of the taking of action without a meeting shall be given to the Limited Partners who have not approved in writing. The General Partner may specify that any written ballot submitted to Limited Partners for the purpose of taking any action without a meeting shall be returned to the Partnership within the time period, which shall be not less than 20 days, specified by the General Partner. If a ballot returned to the Partnership does not vote all of the Units held by the Limited Partner, the Partnership shall be deemed to have failed to receive a ballot for the Units that were not voted. If approval of the taking of any action by the Limited Partners is solicited by any Person other than by or on behalf of the General Partner, the written approvals shall have no force and effect unless and until (a) they are deposited with the Partnership in care of the General Partner, (b) approvals sufficient to take the action proposed are dated as of a date not more than 90 days prior to the date sufficient approvals are deposited with the Partnership and (c) an Opinion of Counsel is delivered to the General Partner to the effect that the exercise of such right and the action proposed to be taken with respect to any particular matter (i) will not cause the Limited Partners to be deemed to be taking part in the management and control of the business and affairs of the Partnership so as to jeopardize the Limited Partners' limited liability, (ii) will not jeopardize the status of the Partnership as a partnership, or cause the Partnership to be taxable as a corporation or otherwise taxed as an entity, under applicable tax laws and regulations and (iii) is otherwise permissible under the state statutes then governing the rights, duties and liabilities of the Partnership and the Partners.

15.12 Voting and Other Rights.

(a) Only those Record Holders of Voting Units on the Record Date set pursuant to Section 15.6 shall be entitled to notice of, and to vote at, a meeting of Limited Partners or to act with respect to matters as to which holders of the Outstanding Voting Units have the right to vote or to act. All references in this Agreement to votes of, or other acts that may be taken by, the holders of Outstanding Voting Units shall be deemed to be references to the votes or acts of the Record Holders of such Outstanding Voting Units.

(b) With respect to Voting Units that are held for a Person's account by another Person (such as a broker, dealer, bank trust company or clearing corporation, or an agent of any of the foregoing), in whose name such Voting Units are registered such broker, dealer or other agent shall, in exercising the voting rights in respect of such Voting Units on any matter, and unless the arrangement by two such Persons provides otherwise, vote such Voting Units in favor of, and at the direction of, the Person who is the beneficial owner, and the Partnership shall be

entitled to assume it is so acting without further inquiry. The provisions of this Section 15.12(b) (as well as all other provisions of this Agreement) are subject to the provisions of Section 10.4.

(c) Except to the extent expressly provided in this Agreement or as expressly required by the Delaware Act, Limited Partners holding Series B Preference Units do not have the right to vote in respect of such Units, either with other holders of Units or as a class or series, with respect to any matter.

ARTICLE XVI
MERGER

16.1 Authority. The Partnership may merge or consolidate with one or more corporations, business trusts or associations, real estate investment trusts, common law trusts or unincorporated businesses, including, without limitation, a general partnership or limited partnership, formed under the laws of the State of Delaware or any other state of the United States of America pursuant to a written agreement of merger or consolidation ("Merger Agreement") in accordance with this Article.

16.2 Procedure for Merger or Consolidation. Merger or consolidation of the Partnership pursuant to this Article XVI requires the prior approval of the General Partner. If the General Partner shall determine, in the exercise of its sole discretion, to consent to the merger or consolidation, the General Partner shall approve the Merger Agreement, which shall set forth:

(a) the names and jurisdictions of formation or organization of each of the business entities proposing to merge or consolidate;

(b) the name and jurisdictions of formation or organization of the business entity that is to survive the proposed merger or consolidation (hereafter designated as the "Surviving Business Entity");

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

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

(e) a statement of any amendments or other changes in the constituent documents (the articles or certificate of incorporation, articles of trust, declaration of trust, certificate or agreement of limited partnership or other similar charter or governing document), or the adoption of new constituent documents, in either case as contemplated in Section 17-211(g) of the Delaware Act, of the Surviving Business Entity to be effected by such merger or consolidation;

(f) the effective time of the merger, which may be the date of the filing of the certificate of merger pursuant to Section 16.4 or a later date specified in or determinable in accordance with the Merger Agreement; provided that if the effective time of the merger is to be later than the date of the filing of the certificate of merger, it shall be fixed no later than the time of the filing of the certificate of merger and stated therein; and

(g) such other provisions with respect to the proposed merger or consolidation as are deemed necessary or appropriate by the General Partner.

16.3 Approval by Limited Partner of Merger or Consolidation.

(a) The General Partner of the Partnership, upon its approval of the Merger Agreement, shall direct that the Merger Agreement be submitted to a vote of Limited Partners holding Outstanding Voting Units as of the relevant Record Date whether at a meeting or by written consent, in either case in accordance with the requirements of Article XV. A copy or a summary of the Merger Agreement shall be included in or enclosed with the notice of a meeting or the written consent.

(b) The Merger Agreement shall be approved upon receiving the affirmative vote or consent of the holders of at least a majority of the Outstanding Voting Units, unless the Merger Agreement contains any provision as to which, if contained in an amendment to this Agreement, the provisions of this Agreement or the Delaware Act would require the vote or consent of a greater percentage of the Outstanding Voting Units or of any class of Units (voting separately as a class), in which case the vote or consent of such greater percentage or of such class of Units shall be required for approval of the Merger Agreement.

(c) After such approval by vote or consent of the Limited Partners, and at any time prior to the filing of the certificate of merger pursuant to Section 16.4, the merger or consolidation may be abandoned pursuant to provisions therefor, if any, set forth in the Merger Agreement.

16.4 Certificate of Merger. Upon the required approval by the General Partner and Limited Partners of a Merger Agreement, a certificate of merger shall be executed and filed with the Secretary of State of the State of Delaware in conformity with the requirements of the Delaware Act.

16.5 Effect of Merger.

(a) Upon the effective date of the certificate of merger:

(i) all of the rights, privileges and powers of each of the business entities that has merged or consolidated and all property, real, personal and mixed and all debts due to

any of those business entities and all other things and causes of action belonging to each of these business entities shall be vested in the Surviving Business Entity and after the merger or consolidation, shall be the property of the Surviving Business Entity to the extent they were part of each constituent business entity;

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

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

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

(b) A merger or consolidation effected pursuant to this Article XVI shall not be deemed to result in a transfer or assignment of assets or liabilities from one entity to another having occurred.

ARTICLE XVII
RIGHT TO ACQUIRE UNITS

17.1 Right to Redeem Preference Units.

(a) Notwithstanding anything to the contrary in this Agreement, the Partnership may at any time after the second anniversary of the Conversion Date, in the sole discretion of the General Partner, redeem any or all of the Series A Preference Units then issued and Outstanding for an amount equal to the Unrecovered Capital of such Series A Preference Units plus accrued arrearages, if any, as of the date the General Partner mails the notice described in Section 17.3 of the Partnership's election to redeem such Series A Preference Units. If after giving effect to an anticipated redemption, however, fewer than 1,000,000 Series A Preference Units would be held by Persons other than the General Partner and its Affiliates, the Partnership shall redeem all of such Series A Preference Units if it redeems any Series A Preference Units.

(b) Notwithstanding anything to the contrary in this Agreement, the Partnership may at any time after the Series B Preference Unit Issuance Date, in the sole discretion of the General Partner, redeem any or all of the Series B Preference Units for (i) an amount per Series B Preference Unit equal to the Series B Preference Unit Liquidation Value as of the Redemption Date or (ii) a number of Series A Common Units per Series B Preference Unit such that the Current Market Price (as of the third business day immediately preceding the date on which the General Partner mails the notice described in Section 17.3 of the Partnership's election to redeem such Series B Preference Units) of the Series A Common Units issued in respect of each redeemed Series B Preference Unit is equal to the Series B Preference Unit Liquidation Value as of the Redemption Date.

(c) With respect to any Series A Common Units issued in redemption or replacement of, or in exchange for, any Series B Preference Units pursuant to Section 17.1(b), the holders of

more than 50% of the Outstanding Series A Common Units so issued shall have Demand Registration rights with respect to such Series A Common Units equivalent to such rights granted to the General Partner and its Affiliates under Section 6.14, and Piggyback Registration rights with respect to such Series A Common Units equivalent to such rights granted to the General Partner and its Affiliates under Section 6.14, in each such case until the later to occur of (i) the expiration of the two-year period established by Section 6.14(d) or (ii) two years from such redemption, replacement or exchange date. To the extent that holders of Series A Common Units so issued desire to exercise any rights held by them under this Section 17.1(c), such exercise must be by the holders of more than 50% of the Outstanding Series A Common Units so issued.

17.2 Right to Acquire Units. Notwithstanding any provision of this Agreement if at any time less than 15% of the total Units of any class then issued and Outstanding are held by Persons other than the General Partner and its Affiliates, the General Partner shall then have the right (which right it may assign and transfer to the Partnership or any Affiliate of the General Partner) exercisable in its sole discretion, to purchase all, but not less than all, of the Units of such class then Outstanding held by Persons other than the General Partner and its Affiliates, at the higher of (a) the highest cash price paid by the General Partner or any of its Affiliates for any Unit of such class purchased during the 90 day period preceding the date that the notice described in Section 17.3(b) is mailed or (b) the Current Market Price as of the date five days prior to the date the General Partner (or any of its assignees) mails the Notice of Election to Purchase with respect to its election to purchase such Units. As used in this Agreement, (i) "Current Market Price" of a Unit listed or admitted to trading on any National Securities Exchange means the average of the daily Closing Prices per Unit of such class for the 20 consecutive Trading Days immediately prior to, but not including such date; (ii) "Closing Price" for any day means the last sale price on such day, regular way, or in case no such sale takes place on such day, the average of the closing bid and asked prices on such day, regular way, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange or, if the Units of a class are not listed or admitted to trading on the New York Stock Exchange as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal National Securities Exchange on which the Units of such class are listed or admitted to trading or, if the Units of a class are not listed or admitted to trading on any National Securities Exchange, the last quoted price on such day or, if not so quoted the average of the high bid and low asked prices on such day in the over-the-counter market, as reported by the Nasdaq National Market or such other system then in use, or if on any such day the Units of a class are not quoted by any such organization, the average of the closing bid and asked price on such day as furnished by a professional market maker making a market in the Units of such class selected by the Board of Directors of the General Partner, or if on any such day no market maker is making a market in the Units of such class, the fair value of such Units on such day as determined reasonably and in good faith by the Board of Directors of the General Partner, and (iii) "Trading Day" means a day on which the principal National Securities Exchange on which the Units of any class are listed or admitted to trading is open for the transaction of business or, if Units of a class are not listed or admitted to trading on any National Securities Exchange, a day on which banking institutions in New York City generally are open.

17.3 Notice of Election to Redeem or Acquire Units.

(a) If the Partnership elects to exercise the right to redeem Series A Preference Units granted pursuant to Section 17.1(a), or the right to redeem Series B Preference Units granted pursuant to Section 17.1(b), the General Partner shall deliver to the Transfer Agent written notice of such election to redeem (the "Notice of Election to Redeem") and shall cause the Transfer Agent to mail a copy of such Notice of Election to Redeem to the Record Holders of such Preference Units (as of a Record Date selected by the General Partner) at least 30, but not more than 60 days prior to the Redemption Date. Such Notice of Election to Redeem also shall be published in daily newspapers of general circulation printed in the English language and published in the Borough of Manhattan, New York. The Notice of Election to Redeem shall specify the date upon which such Preference Units shall be redeemed (the "Redemption Date") and the price (determined in accordance with Section 17.1) at which such Preference Units will be redeemed, and shall state that the Partnership elects to redeem such Preference Units, upon surrender of Unit Certificates representing such Preference Units (or, in the case of Series B Preference Units, such other representation of such Units as the General Partner shall require) in exchange for payment, at such office or offices of the Transfer Agent as the Transfer Agent may specify, or as may be required by any National Securities Exchange on which such Preference Units are listed or admitted to trading. Any such Notice of Election to Redeem mailed to a Record Holder of Preference Units at his address as reflected in the records of the Transfer Agent shall be conclusively presumed to have been given whether or not the owner receives such notice. On or prior to the Redemption Date, the General Partner shall deposit with the Transfer Agent cash in an amount sufficient to pay the aggregate redemption price of all of the Preference Units to be redeemed in accordance with this Article XVII. If the Notice of Election to Redeem shall have been duly given as aforesaid at least 30, but not more than 60 days prior to the Redemption Date, and if on or prior to the Redemption Date the deposit described in the preceding sentence has been made for the benefit of the holders of Preference Units subject to redemption as provided herein, then from and after the Redemption Date, notwithstanding that any Unit Certificate shall not have been surrendered for redemption, all rights of the holders of such Preference Units (including, without limitation, any rights pursuant to Article IV, Article V and Article XIV) shall thereupon cease, except the right to receive the redemption price (determined in accordance with Section 17.1) for the Preference Units therefor, without interest, upon surrender to the Transfer Agent of the Unit Certificates representing such Preference Units, and such Preference Units shall be deemed to be no longer Outstanding and each holder of such Preference Units will cease to be a Partner with respect to such Preference Units as of the Redemption Date.

(b) If the General Partner, any Affiliate of the General Partner or the Partnership elects to exercise the right to purchase Units granted pursuant to Section 17.2, the General Partner shall deliver to the Transfer Agent written notice of such election to purchase (the "Notice of Election to Purchase") and shall cause the Transfer Agent to mail a copy of such Notice of Election to Purchase to the Record Holders of Units (as of a Record Date selected by the General Partner) at least 30, but not more than 60 days prior to the Purchase Date. Such Notice of Election to Purchase shall also be published in daily newspapers of general circulation printed in the English language and published in the Borough of Manhattan, New York. The Notice of Election to Purchase shall specify the Purchase Date and the price (determined in accordance with Section 17.2) at which Units will be purchased and state that the General Partner, its Affiliate or the Partnership, as the case may be, elects to purchase such Units, upon surrender of Unit Certificates representing such Units in exchange for payment at such office or

offices of the Transfer Agent as the Transfer Agent may specify, or as may be required by any National Securities Exchange on which the Units are listed or admitted to trading. Any such Notice of Election to Purchase mailed to a Record Holder of Units at his address as reflected in the records of the Transfer Agent shall be conclusively presumed to have been given whether or not the owner receives such notice. On or prior to the Purchase Date, the General Partner, its Affiliate or the Partnership, as the case may be, shall deposit with the Transfer Agent cash in an amount sufficient to pay the aggregate purchase price of all of the Units to be purchased in accordance with Article XVII. If the Notice of Election to Purchase shall have been duly given as aforesaid at least 30 days but not more than 60 days prior to the Purchase Date, and if on or prior to the Purchase Date the deposit described in the preceding sentence has been made for the benefit of the holders of Units subject to purchase as provided herein, then from and after the Purchase Date, notwithstanding that any Unit Certificate shall not have been surrendered for purchase, all rights of the holders of such Units (including, without limitation, any rights pursuant to Article IV, Article V and Article XIV) shall thereupon cease, except the right to receive the purchase price (determined in accordance with Section 17.2) for the Units therefor, without interest, upon surrender to the Transfer Agent of the Unit Certificates representing such Units, and such Units shall thereupon be deemed to be transferred to the General Partner, its Affiliate or the Partnership, as the case may be, on the record books of the Transfer Agent and the Partnership, and the General Partner or any Affiliate of the General Partner, or the Partnership, as the case may be, shall be deemed to be the owner of all such Units from and after the Purchase Date and shall have all rights as the owner of such Units (including, without limitation, all rights as owner pursuant to Article IV, Article V and Article XIV).

17.4 Surrender of Unit Certificates. At any time from and after the Redemption Date or the Purchase Date, as the case may be, a holder of an Outstanding Unit subject to redemption or purchase as provided in this Article XVII may surrender his Unit Certificate, evidencing such Unit to the Transfer Agent in exchange for payment of the amount described in Section 17.1 or 17.2, as the case may be, therefor without interest thereon.

ARTICLE XVIII
GENERAL PROVISIONS

18.1 Addresses and Notices. Any notice, demand, request or report required or permitted to be given or made to a Partner or Assignee under this Agreement shall be in writing and shall be deemed given or made when delivered in person or when sent by first-class United States mail or by other means of written communication to the Partner or Assignee at the address described below. Any notice, payment or report to be given or made to a Partner or Assignee hereunder shall be deemed conclusively to have been given or made, and the obligation to give such notice or report or to make such payment shall be deemed conclusively to have been fully satisfied, upon sending of such notice, payment or report to the Record Holder of such Unit at his address as shown on the records of the Transfer Agent or as otherwise shown on the records of the Partnership, regardless of any claim of any Person who may have an interest in such Unit or the Partnership Interest of a General Partner by reason of any assignment or otherwise. An affidavit or certificate of asking of any notice, payment or report in accordance with the provisions of this Section 18.1 executed by the General Partner, the Transfer Agent or the mailing organization shall be prima facie evidence of the giving or mailing of such notice, payment or report. If any notice, payment or report addressed to a Record Holder at the address

of such Record Holder appearing on the books and records of the Transfer Agent or the Partnership is returned by the United States Post Office marked to indicate that the United States Postal Service is unable to deliver it, such notice, payment or report and any subsequent notices, payments and reports shall be deemed to have been duly given or made without further mailing (until such time as such Record Holder or another Person notifies the Transfer Agent or the Partnership of a change in his address) if they are available for the Partner or Assignee at the principal office of the Partnership for a period of one year from the date of the giving or making of such notice, payment or report to the other Partners and Assignees. Any notice to the Partnership shall be deemed given if received by the General Partner at the principal office of the Partnership designated pursuant to Section 1.3. The General Partner may rely and shall be protected in relying on any notice or other document from a Partner, Assignee or other Person if believed by it to be genuine.

18.2 Titles and Captions. All article or section titles or captions in this Agreement are for convenience only. They shall not be deemed part of this Agreement and in no way define, limit extend or describe the scope or intent of any provisions hereof. Except as specifically provided otherwise, references to "Articles" and "Sections" are to Articles and Sections of this Agreement.

18.3 Pronouns and Plurals. Whenever the context may require, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice-versa.

18.4 Further Action. The parties shall execute and deliver all documents, provide all information and take or refrain from taking action as may be necessary or appropriate to achieve the purposes of this Agreement.

18.5 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, legal representatives and permitted assigns.

18.6 Integration. This Agreement constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements and understandings pertaining thereto.

18.7 Creditors. None of the provisions of this Agreement shall be for the benefit of, or shall be enforceable by, any creditor of the Partnership.

18.8 Waiver. No failure by any party to insist upon the strict performance of any covenant duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or any other covenant duty, agreement or condition.

18.9 Counterparts. This Agreement 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. Each party shall become bound by this Agreement immediately upon affixing its signature hereto or, in the case of a

Person acquiring a Unit, upon executing and delivering a Transfer Application as herein described, independently of the signature of any other party.

18.10 Applicable Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Delaware, without regard to the principles of conflicts of law.

18.11 Invalidity of Provisions. If any provision of this Agreement is or becomes invalid illegal or unenforceable in any respect the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

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

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

GENERAL PARTNER:

EL PASO ENERGY PARTNERS COMPANY

By: /s/ David S. Siddall

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: El Paso Energy Partners Company, General Partners, as attorney-in-fact for all Limited Partners pursuant to the Powers of Attorney granted pursuant to Section 1.4.

By: /s/ David S. Siddall

EXHIBIT A-1
TO THE SECOND AMENDED AND RESTATED AGREEMENT OF
LIMITED PARTNERSHIP OF
EL PASO ENERGY PARTNERS, L.P.

CERTIFICATE EVIDENCING SERIES A PREFERENCE UNITS
REPRESENTING LIMITED PARTNER INTERESTS

EL PASO ENERGY PARTNERS, L.P.
(A LIMITED PARTNERSHIP FORMED UNDER THE LAWS OF DELAWARE)

No._____ _____ Series A Preference Units
CUSIP 28368B 20 1

EL PASO ENERGY PARTNERS COMPANY, a Delaware corporation, as the General Partner of EL PASO ENERGY PARTNERS, L.P., a Delaware limited partnership (the "Partnership"), hereby certifies that _____ (the "Holder") is the registered owner of _____ Series A Preference Units (formerly referred to only as Preference Units) representing limited partner interests in the Partnership (the "Series A Preference Units") transferable on the books of the Partnership, in person or by duly authorized attorney, upon surrender of this Certificate properly endorsed and accompanied by a properly executed application for transfer of the Preference Units represented by this Certificate. The rights, preferences and limitations of the Series A Preference Units are set forth in, and this Certificate and the Series A Preference Units represented hereby are issued and shall in all respects be subject to the terms and provisions of, the Second Amended and Restated Agreement of Limited Partnership of El Paso Energy Partners, L.P., as amended, supplemented or restated from time to time (the "Partnership Agreement"). Copies of the Partnership Agreement are on file at, and will be furnished without charge on delivery of written request to the Partnership at the principal office of the Partnership located at the El Paso Building, 1001 Louisiana, Houston, Texas 77002. Capitalized terms used herein but not defined shall have the meanings given them in the Partnership Agreement.

The Holder, by accepting this Certificate, is deemed to have (a) requested admission as, and agreed to become, a Limited Partner or a Substituted Limited Partner, as applicable, and to have agreed to comply with and be bound by and to have executed the Partnership Agreement, (b) represented and warranted that the Holder has all right, power and authority and, if an individual, the capacity necessary to enter into the Partnership Agreement, (c) appointed the General Partner and, if a Liquidator shall be appointed, the Liquidator of the Partnership as the Holder's attorney to execute, swear to, acknowledge and file any document, including, without limitation, the Partnership Agreement and any amendment thereto and the Certificate of Limited Partnership of the Partnership and any amendment thereto, necessary or appropriate for the Holder's admission as a Limited Partner or a Substituted Limited Partner, as applicable, in the Partnership and as a party to the Partnership Agreement, (d) given the powers of attorney provided for in the Partnership Agreement, (e) made the waivers and given the consents and approvals contained in the Partnership Agreement and (f) certified to the Partnership that the Holder (including, to the best of the Holder's knowledge, any person for whom the Holder holds the Preference Units) is an Eligible Citizen.

This Certificate shall not be valid for any purpose unless it has been countersigned and registered by the Transfer Agent and Registrar.

EL PASO ENERGY PARTNERS COMPANY,
as General Partner

By: /s/ James H. Lytal
President

By: /s/ David S. Siddall
Secretary

Dated:

Countersigned and Registered by:

CHASEMELLON SHAREHOLDER SERVICES
as Transfer Agent and Registrar

By:

Authorized Signature

[Reverse of Certificate]

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Certificate, shall be construed as follows according to applicable laws or regulations:

TEN COM	--	as tenants in common	UNIF GIFT MIN ACT	Custodian	
			--------		---------
TEN ENT	--	as tenants by the entireties	(Cust)		(Minor)
JT TEN	--	as joint tenants with right of survivorship and not as tenants in common	under Uniform Gifts to Minors Act		

			(State)		

Additional abbreviations, though not in the above list, may also be used.

ASSIGNMENT OF PREFERENCE UNITS
in
EL PASO ENERGY PARTNERS, L.P.

IMPORTANT NOTICE REGARDING INVESTOR RESPONSIBILITIES
DUE TO TAX SHELTER STATUS OF EL PASO ENERGY PARTNERS, LP.

You have acquired an interest in El Paso Energy Partners, L.P., the El Paso Building, 1001 Louisiana, Houston, Texas 77002, whose taxpayer identification number is 76-0385475. The Internal Revenue Service has issued El Paso Energy Partners, L.P. the following tax shelter registration number: _____. If there is no number in the blank in the preceding sentence, the number will be furnished to the Holder when it is received.

YOU MUST REPORT THIS REGISTRATION NUMBER TO THE INTERNAL REVENUE SERVICE IF YOU CLAIM ANY DEDUCTION, LOSS, CREDIT, OR OTHER TAX BENEFIT OR REPORT ANY INCOME BY REASON OF YOUR INVESTMENT IN EL PASO ENERGY PARTNERS, L.P.

You must report the registration number as well as the name and taxpayer identification number of El Paso Energy Partners, L.P. on Internal Revenue Code Form 8271. FORM 8271 MUST BE ATTACHED TO THE RETURN ON WHICH YOU CLAIM THE DEDUCTION, LOSS, CREDIT, OR OTHER TAX BENEFIT OR REPORT ANY INCOME BY REASON OF YOUR INVESTMENT IN EL PASO ENERGY PARTNERS, L.P.

If you transfer your interest in El Paso Energy Partners, L.P. to another person, you are required by the Internal Revenue Service to keep a list containing (a) that person's name, address and taxpayer identification number, (b) the date on which you transferred the interest and (c) the name, address and tax shelter registration number of El Paso Energy Partners, LP. If you do not want to keep such a list, you must (1) send the information specified above to the General Partner, who will keep the list for this tax shelter and (2) give a copy of this notice to the person to whom you transfer your interest Your failure to comply with any of the above-described responsibilities could result in the imposition of a penalty under Section 6707(b) or 6708(a) of the Internal Revenue Service Code of 1986, as amended, unless such failure is shown to be due to reasonable cause.

ISSUANCE OF A REGISTRATION NUMBER DOES NOT INDICATE THAT THIS INVESTMENT OR THE CLAIMED TAX BENEFITS HAVE BEEN REVIEWED, EXAMINED, OR APPROVED BY THE INTERNAL REVENUE SERVICE.

FOR VALUE RECEIVED, _____ hereby assigns, conveys, sells and transfers unto

- ---

(Please print or typewrite name and address of Assignee)

- ---

(Please insert Social Security or other identifying number of Assignee)

_____ Preference Units representing limited partner interests evidenced by this Certificate, subject to the Partnership Agreement, and does hereby irrevocably constitute and appoint _____ as its attorney-in-fact with full power of substitution to transfer the same on the books of El Paso Energy Partners, L.P.

Date: ----------

NOTE: The signature to any endorsement hereon must correspond with the name as written upon the face of this Certificate in every particular, without alteration, enlargement or change.

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN "ELIGIBLE GUARANTOR INSTITUTION" AS DEFINED IN RULE 17AD-15 UNDER THE SECURITIES & EXCHANGE ACT OF 1934, AS AMENDED

(Signature)

SIGNATURE(S) GUARANTEED:

(Signature)

No assignment or transfer of the Preference Units evidenced hereby will be registered on the books of El Paso Energy Partners, L.P. unless the Certificate evidencing the Preference Units to be transferred is surrendered for registration or transfer and an Application for Transfer of Preference Units (a "Transfer Application") has been executed by a transferee either (a) on the form set forth below or (b) on a separate application that the Partnership will furnish on request without charge. A transferor of the Preference Units shall have no duty to the transferee with respect to execution of the Transfer Application in order for such transferee to obtain registration of the transfer of the Preference Units.

APPLICATION FOR TRANSFER OF PREFERENCE UNITS

The undersigned ("Applicant") hereby applies for transfer to the name of the Applicant of the Preference Units evidenced hereby.

The Applicant (a) requests admission as a Substituted Limited Partner and agrees to comply with and be bound by, and hereby executes, the Second Amended and Restated Agreement of Limited Partnership of El Paso Energy Partners, L.P., (the "Partnership") as amended, supplemented or restated to the date hereof (the "Partnership Agreement"), (b) represents and warrants that the Applicant has all right, power and authority and, if an individual, the capacity necessary to enter into the Partnership Agreement, (c) appoints the General Partner and, if a Liquidator shall be appointed, the Liquidator of the Partnership as the Applicant's attorney to execute, swear to, acknowledge and file any document, including, without limitation, the Partnership Agreement and any amendment

thereto and the Certificate of Limited Partnership of the Partnership and any amendment thereto, necessary or appropriate for the Applicant's admission as a Substituted Limited Partner and as a party to the Partnership Agreement, (d) gives the powers of attorney provided for in the Partnership Agreement, (e) makes the waivers and gives the consents and approvals contained in the Partnership Agreement and (f) certifies to the Partnership that the Applicant (including, to the best of the Applicant's knowledge, any person for whom the Applicant will hold the Preference Units) is an Eligible Citizen. Capitalized terms not defined herein have the meanings assigned to such terms in the Partnership Agreement.

Date:

Signature of Applicant

Name and Address of Applicant

Social Security or other identifying number of Applicant

Purchase Price including commissions, if any

Type of Entity (check one)

[ ] Individual [ ] Partnership [ ] Corporation [ ] Trust
[ ] Other (specify)

Nationality (check one)

[ ] United States Citizen, Resident or Domestic Entity [ ] Non-resident Alien
[ ] Foreign Corporation

If the United States Citizen, Resident or Domestic Entity box is checked, the following certification must be completed.

Under Section 1445(c) of the Internal Revenue Code of 1986, as amended (the "Code"), the Partnership must withhold tax with respect to certain transfers of property if a holder of an interest in the Partnership is a foreign person. To inform the Partnership that no withholding is required with respect to the undersigned interest-holders interest in it, the undersigned hereby certifies the following (or, if applicable, certifies the following on behalf of the interest-holder):

Complete either A or B:

A. Individual Interest-Holder

1. I am not a non-resident alien for purposes of United States income taxation.

2. My United States taxpayer identifying number (Social Security Number) is _____ .

3. My home address is _____ .

4. My year end for tax reporting purposes is _____ .

B. Partnership, Corporate or Other Interest-Holder

1.

(Name of Interest-Holder)

is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Code and Treasury Regulations).

2. The interest-holder's U.S. employer identification number is _____ .

3. The interest-holder's office address and place of incorporation (if applicable) is _____ .

4. The interest-holder's year end for tax reporting purposes is _____ .

The interest-holder agrees to notify the Partnership within sixty (60) days of the date the interest-holder becomes a foreign person.

The interest-holder understands that this Certificate may be disclosed to the Internal Revenue Service by the Partnership and that any false statement contained herein could be punishable by fine, imprisonment or both.

Under penalties of perjury, I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct and complete and, if applicable, I further declare that I have authority to sign this document on behalf of

- ---

Name of Interest-Holder

- ---

Signature and Date

- ---

Title (if applicable)

NOTE: If the Applicant is a broker, dealer, bank, trust company, clearing corporation, other nominee holder or an agent of any of the foregoing, and is holding the Preference Units for the account of any other person, this application should be completed by an officer thereof or, in the case of a broker or dealer, by a registered representative who is a member of a registered national securities exchange or a member of the National Association of Securities Dealers, Inc., or, in the case of any other nominee holder, a person performing a similar function. If the Applicant is a broker, dealer, bank, trust company, clearing corporation, other nominee owner or an agent of any of the foregoing, the above certification as to any Person for whom the Applicant will hold the Preference Units shall be made to the best of the Applicant's knowledge.

EXHIBIT A-2
TO THE SECOND AMENDED AND RESTATED AGREEMENT OF
LIMITED PARTNERSHIP OF
EL PASO ENERGY PARTNERS, L.P.

CERTIFICATE EVIDENCING COMMON UNITS
REPRESENTING LIMITED PARTNER INTERESTS

EL PASO ENERGY PARTNERS, L.P.
(A LIMITED PARTNERSHIP FORMED UNDER THE LAWS OF DELAWARE)

No._____ _____ Common Units
CUSIP 28368B 10 2

EL PASO ENERGY PARTNERS COMPANY, a Delaware corporation, as the General Partner of EL PASO ENERGY PARTNERS, L.P., a Delaware Limited partnership (the "Partnership"), hereby certifies that _____ (the "Holder") is the registered owner of _____ Common Units (referred to in the Partnership Agreement as "Series A Common Units") representing limited partner interests in the Partnership (the "Common Units") transferable on the books of the Partnership, in person or by duly authorized attorney, upon surrender of this Certificate properly endorsed and accompanied by a properly executed application for transfer of the Common Units represented by this Certificate. The rights, preferences and limitations of the Common Units are set forth in, and this Certificate and the Common Units represented hereby are issued and shall in all respects be subject to the terms and provisions of, the Second Amended and Restated Agreement of Limited Partnership of El Paso Energy Partners, L.P., as amended, supplemented or restated from time to time (the "Partnership Agreement"). Copies of the Partnership Agreement are on file at, and will be furnished without charge on delivery of written request to the Partnership at the principal office of the Partnership located at the El Paso Building, 1001 Louisiana, Houston, Texas 77002. Capitalized terms used herein but not defined shall have the meanings given them in the Partnership Agreement.

The Holder, by accepting this Certificate, is deemed to have (a) requested admission as, and agreed to become, a Limited Partner or a Substituted Limited Partner, as applicable, and to have agreed to comply with and be bound by and to have executed the Partnership Agreement, (b) represented and warranted that the Holder has all right, power and authority and, if an individual, the capacity necessary to enter into the Partnership Agreement, (c) appointed the General Partner and, if a Liquidator shall be appointed, the Liquidator of the Partnership as the Holder's attorney to execute, swear to, acknowledge and file any document, including, without limitation, the Partnership Agreement and any amendment thereto and the Certificate of Limited Partnership of the Partnership and any amendment thereto, necessary or appropriate for the Holder's admission as a Limited Partner or a Substituted Limited Partner, as applicable, in the Partnership and as a party to the Partnership Agreement, (d) given the powers of attorney provided for in the Partnership Agreement, (e) made the waivers and given the consents and approvals contained in the Partnership Agreement and (f) certified to the Partnership that the Holder (including, to the best of the Holder's knowledge, any person for whom the Holder holds the Common Units) is an Eligible Citizen.

This Certificate shall not be valid for any purpose unless it has been countersigned and registered by the Transfer Agent and Registrar.

EL PASO ENERGY PARTNERS COMPANY,
as General Partner

By: /s/ James H. Lytal
President

By: /s/ David S. Siddall
Secretary

Dated:

Countersigned and Registered by:

CHASEMELLON SHAREHOLDER SERVICES
as Transfer Agent and Registrar

By:

Authorized Signature

[Reverse of Certificate]

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Certificate, shall be construed as follows according to applicable laws or regulations:

TEN COM	--	as tenants in common	UNIF GIFT MIN ACT	Custodian	
			---------		---------
TEN ENT	--	as tenants by the entireties	(Cust)		(Minor)
JT TEN	--	as joint tenants with right of survivorship and not as tenants in common	under Uniform Gifts to Minors Act		
			---------		---------
			(State)		

Additional abbreviations, though not in the above list, may also be used.

ASSIGNMENT OF COMMON UNITS
in
EL PASO ENERGY PARTNERS, L.P.

IMPORTANT NOTICE REGARDING INVESTOR RESPONSIBILITIES
DUE TO TAX SHELTER STATUS OF EL PASO ENERGY PARTNERS, LP.

You have acquired an interest in El Paso Energy Partners, L.P., the El Paso Building, 1001 Louisiana, Houston, Texas 77002, whose taxpayer identification number is 76-0385475. The Internal Revenue Service has issued El Paso Energy Partners, L.P. the following tax shelter registration number: _____. If there is no number in the blank in the preceding sentence, the number will be furnished to the Holder when it is received.

YOU MUST REPORT THIS REGISTRATION NUMBER TO THE INTERNAL REVENUE SERVICE IF YOU CLAIM ANY DEDUCTION, LOSS, CREDIT, OR OTHER TAX BENEFIT OR REPORT ANY INCOME BY REASON OF YOUR INVESTMENT IN EL PASO ENERGY PARTNERS, L.P.

You must report the registration number as well as the name and taxpayer identification number of El Paso Energy Partners, L.P. on Internal Revenue Code Form 8271. FORM 8271 MUST BE ATTACHED TO THE RETURN ON WHICH YOU CLAIM THE DEDUCTION, LOSS, CREDIT, OR OTHER TAX BENEFIT OR REPORT ANY INCOME BY REASON OF YOUR INVESTMENT IN EL PASO ENERGY PARTNERS, L.P.

If you transfer your interest in El Paso Energy Partners, L.P. to another person, you are required by the Internal Revenue Service to keep a list containing (a) that person's name, address and taxpayer identification number, (b) the date on which you transferred the interest and (c) the name, address and tax shelter registration number of El Paso Energy Partners, LP. If you do not want to keep such a list, you must (1) send the information specified above to the General Partner, who will keep the list for this tax shelter and (2) give a copy of this notice to the person to whom you transfer your interest Your failure to comply with any of the above-described responsibilities could result in the imposition of a penalty under Section 6707(b) or 6708(a) of the Internal Revenue Service Code of 1986, as amended, unless such failure is shown to be due to reasonable cause.

ISSUANCE OF A REGISTRATION NUMBER DOES NOT INDICATE THAT THIS INVESTMENT OR THE CLAIMED TAX BENEFITS HAVE BEEN REVIEWED, EXAMINED, OR APPROVED BY THE INTERNAL REVENUE SERVICE.

FOR VALUE RECEIVED, _____ hereby assigns, conveys, sells and transfers unto

- ---

(Please print or typewrite name and address of Assignee)

- ---

(Please insert Social Security or other identifying number of Assignee)

_____ Common Units representing limited partner interests evidenced by this Certificate, subject to the Partnership Agreement, and does hereby irrevocably constitute and appoint _____ as its attorney-in-fact with full power of substitution to transfer the same on the books of El Paso Energy Partners, L.P.

Date: ----------

NOTE: The signature to any endorsement hereon must correspond with the name as written upon the face of this Certificate in every particular, without alteration, enlargement or change.

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN "ELIGIBLE GUARANTOR INSTITUTION" AS DEFINED IN RULE 17AD-15 UNDER THE SECURITIES & EXCHANGE ACT OF 1934, AS AMENDED

(Signature)

SIGNATURE(S) GUARANTEED:

(Signature)

No assignment or transfer of the Preference Units evidenced hereby will be registered on the books of El Paso Energy Partners, L.P. unless the Certificate evidencing the Preference Units to be transferred is surrendered for registration or transfer and an Application for Transfer of Preference Units (a "Transfer Application") has been executed by a transferee either (a) on the form set forth below or (b) on a separate application that the Partnership will furnish on request without charge. A transferor of the Preference Units shall have no duty to the transferee with respect to execution of the Transfer Application in order for such transferee to obtain registration of the transfer of the Preference Units.

APPLICATION FOR TRANSFER OF PREFERENCE UNITS

The undersigned ("Applicant") hereby applies for transfer to the name of the Applicant of the Common Units evidenced hereby.

The Applicant (a) requests admission as a Substituted Limited Partner and agrees to comply with and be bound by, and hereby executes, the Second Amended and Restated Agreement of Limited Partnership of El Paso Energy Partners, L.P., (the "Partnership") as amended, supplemented or restated to the date hereof (the "Partnership Agreement"), (b) represents and warrants that the Applicant has all right, power and authority and, if an individual, the capacity necessary to enter into the Partnership Agreement, (c) appoints the General Partner and, if a Liquidator shall be appointed, the Liquidator of the Partnership as the Applicant's attorney to execute, swear to, acknowledge and file any document, including, without limitation, the Partnership Agreement and any amendment thereto and the Certificate of Limited Partnership of the Partnership and any amendment

thereto, necessary or appropriate for the Applicant's admission as a Substituted Limited Partner and as a party to the Partnership Agreement, (d) gives the powers of attorney provided for in the Partnership Agreement, (e) makes the waivers and gives the consents and approvals contained in the Partnership Agreement and (f) certifies to the Partnership that the Applicant (including, to the best of the Applicant's knowledge, any person for whom the Applicant will hold the Common Units) is an Eligible Citizen. Capitalized terms not defined herein have the meanings assigned to such terms in the Partnership Agreement.

Date:

Signature of Applicant

Name and Address of Applicant

Social Security or other identifying number of Applicant

Purchase Price including commissions, if any

Type of Entity (check one)

[ ] Individual [ ] Partnership [ ] Corporation [ ] Trust [ ] Other (specify)

Nationality (check one)

[ ] United States Citizen, Resident or Domestic Entity [ ] Non-resident Alien
[ ] Foreign Corporation

If the United States Citizen, Resident or Domestic Entity box is checked, the following certification must be completed.

Under Section 1445(c) of the Internal Revenue Code of 1986, as amended (the "Code"), the Partnership must withhold tax with respect to certain transfers of property if a holder of an interest in the Partnership is a foreign person. To inform the Partnership that no withholding is required with respect to the undersigned interest-holders interest in it, the undersigned hereby certifies the following (or, if applicable, certifies the following on behalf of the interest-holder):

Complete either A or B:

A. Individual Interest-Holder

1. I am not a non-resident alien for purposes of United States income taxation.

2. My United States taxpayer identifying number (Social Security Number) is _____ .

3. My home address is _____ .

4. My year end for tax reporting purposes is _____ .

B. Partnership, Corporate or Other Interest-Holder

1.

(Name of Interest-Holder)

is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those- terms are defined in the Code and Treasury Regulations).

2. The interest-holder's U.S. employer identification number is _____ .

3. The interest-holder's office address and place of incorporation (if applicable) is _____ .

4. The interest-holder's year end for tax reporting purposes is _____ .

The interest-holder agrees to notify the Partnership within sixty (60) days of the date the interest-holder becomes a foreign person.

The interest-holder understands that this Certificate may be disclosed to the Internal Revenue Service by the Partnership and that any false statement contained herein could be punishable by fine, imprisonment or both.

Under penalties of perjury, I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct and complete and, if applicable, I further declare that I have authority to sign this document on behalf of

Name of Interest-Holder

Signature and Date

Title (if applicable)

NOTE: If the Applicant is a broker, dealer, bank, trust company, clearing corporation, other nominee holder or an agent of any of the foregoing, and is holding the Common Units for the account of any other person, this application should be completed by an officer thereof or, in the case of a broker or dealer, by a registered representative who is a member of a registered national securities exchange or a member of the National Association of Securities Dealers, Inc. or, in the case of any other nominee holder, a person performing a similar function. If the Applicant is a broker, dealer, bank, trust company, clearing corporation, other nominee owner or an agent of any of the foregoing, the above certification as to any Person for whom the Applicant will hold the Common Units shall be made to the best of the Applicant's knowledge.

EXHIBIT A-3
TO THE SECOND AMENDED AND RESTATED AGREEMENT OF
LIMITED PARTNERSHIP OF
EL PASO ENERGY PARTNERS, L.P.

CERTIFICATE EVIDENCING SERIES B PREFERENCE UNITS
REPRESENTING LIMITED PARTNER INTERESTS

EL PASO ENERGY PARTNERS, L.P.
(A LIMITED PARTNERSHIP FORMED UNDER THE LAWS OF DELAWARE)

No._____ _____ Series B Preference Units

EL PASO ENERGY PARTNERS COMPANY, a Delaware corporation, as the General Partner of EL PASO ENERGY PARTNERS, L.P., a Delaware Limited partnership (the "Partnership"), hereby certifies that _____ (the "Holder") is the registered owner of _____ Series B Preference Units representing limited partner interests in the Partnership (the "Series B Preference Units") transferable on the books of the Partnership, in person or by duly authorized attorney, upon surrender of this Certificate properly endorsed and accompanied by a properly executed application for transfer of the Series B Preference Units represented by this Certificate. The rights, preferences and limitations of the Series B Preference Units are set forth in, and this Certificate and the Series B Preference Units represented hereby are issued and shall in all respects be subject to the terms and provisions of, the Second Amended and Restated Agreement of Limited Partnership of El Paso Energy Partners, L.P., as amended, supplemented or restated from time to time (the "Partnership Agreement"). Copies of the Partnership Agreement are on file at, and will be furnished without charge on delivery of written request to the Partnership at the principal office of the Partnership located at the El Paso Building, 1001 Louisiana, Houston, Texas 77002. Capitalized terms used herein but not defined shall have the meanings given them in the Partnership Agreement.

The Holder, by accepting this Certificate, is deemed to have (a) requested admission as, and agreed to become, a Limited Partner or a Substituted Limited Partner, as applicable, and to have agreed to comply with and be bound by and to have executed the Partnership Agreement, (b) represented and warranted that the Holder has all right, power and authority and, if an individual, the capacity necessary to enter into the Partnership Agreement, (c) appointed the General Partner and, if a Liquidator shall be appointed, the Liquidator of the Partnership as the Holder's attorney to execute, swear to, acknowledge and file any document, including, without limitation, the Partnership Agreement and any amendment thereto and the Certificate of Limited Partnership of the Partnership and any amendment thereto, necessary or appropriate for the Holder's admission as a Limited Partner or a Substituted Limited Partner, as applicable, in the Partnership and as a party to the Partnership Agreement, (d) given the powers of attorney provided for in the Partnership Agreement, (e) made the waivers and given the consents and approvals contained in the Partnership Agreement and (f) certified to the Partnership that the Holder (including, to the best of the Holder's knowledge, any person for whom the Holder holds the Common Units) is an Eligible Citizen.

This Certificate shall not be valid for any purpose unless it has been countersigned and registered by the Transfer Agent and Registrar.

EL PASO ENERGY PARTNERS COMPANY,
as General Partner

By: /s/ James H. Lytal
President

By: /s/ David S. Siddall
Secretary

Dated:

Countersigned and Registered by:

CHASEMELLON SHAREHOLDER SERVICES
as Transfer Agent and Registrar

By:

Authorized Signature

[Reverse of Certificate]

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Certificate, shall be construed as follows according to applicable laws or regulations:

TEN COM	--	as tenants in common	UNIF GIFT MIN ACT	Custodian	
			---------		---------
TEN ENT	--	as tenants by the entireties	(Cust)		(Minor)
JT TEN	--	as joint tenants with right of survivorship and not as tenants in common	under Uniform Gifts to Minors Act		

			(State)		

Additional abbreviations, though not in the above list, may also be used.

ASSIGNMENT OF COMMON UNITS
in
EL PASO ENERGY PARTNERS, L.P.

IMPORTANT NOTICE REGARDING INVESTOR RESPONSIBILITIES DUE TO TAX SHELTER STATUS OF EL PASO ENERGY PARTNERS, LP.

You have acquired an interest in El Paso Energy Partners, L.P., the El Paso Building, 1001 Louisiana, Houston, Texas 77002, whose taxpayer identification number is 76-0385475. The Internal Revenue Service has issued El Paso Energy Partners, L.P. the following tax shelter registration number: _____. If there is no number in the blank in the preceding sentence, the number will be furnished to the Holder when it is received.

YOU MUST REPORT THIS REGISTRATION NUMBER TO THE INTERNAL REVENUE SERVICE IF YOU CLAIM ANY DEDUCTION, LOSS, CREDIT, OR OTHER TAX BENEFIT OR REPORT ANY INCOME BY REASON OF YOUR INVESTMENT IN EL PASO ENERGY PARTNERS, L.P.

You must report the registration number as well as the name and taxpayer identification number of El Paso Energy Partners, L.P. on Internal Revenue Code Form 8271. FORM 8271 MUST BE ATTACHED TO THE RETURN ON WHICH YOU CLAIM THE DEDUCTION, LOSS, CREDIT, OR OTHER TAX BENEFIT OR REPORT ANY INCOME BY REASON OF YOUR INVESTMENT IN EL PASO ENERGY PARTNERS, L.P.

If you transfer your interest in El Paso Energy Partners, L.P. to another person, you are required by the Internal Revenue Service to keep a list containing (a) that person's name, address and taxpayer identification number, (b) the date on which you transferred the interest and (c) the name, address and tax shelter registration number of El Paso Energy Partners, LP. If you do not want to keep such a list, you must (1) send the information specified above to the General Partner, who will keep the list for this tax shelter and (2) give a copy of this notice to the person to whom you transfer your interest Your failure to comply with any of the above-described responsibilities could result in the imposition of a penalty under Section 6707(b) or 6708(a) of the Internal Revenue Service Code of 1986, as amended, unless such failure is shown to be due to reasonable cause.

ISSUANCE OF A REGISTRATION NUMBER DOES NOT INDICATE THAT THIS INVESTMENT OR THE CLAIMED TAX BENEFITS HAVE BEEN REVIEWED, EXAMINED, OR APPROVED BY THE INTERNAL REVENUE SERVICE.

FOR VALUE RECEIVED, _____ hereby assigns, conveys, sells and transfers unto

- ---

(Please print or typewrite name and address of Assignee)

- ---

(Please insert Social Security or other identifying number of Assignee)

_____ Series B Preference Units representing limited partner interests evidenced by this Certificate, subject to the Partnership Agreement, and does hereby irrevocably constitute and appoint _____ as its attorney-in-fact with full power of substitution to transfer the same on the books of El Paso Energy Partners, L.P.

Date: _____

NOTE: The signature to any endorsement hereon must correspond with the name as written upon the face of this Certificate in every particular, without alteration, enlargement or change.

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN "ELIGIBLE GUARANTOR INSTITUTION" AS DEFINED IN RULE 17AD-15 UNDER THE SECURITIES & EXCHANGE ACT OF 1934, AS AMENDED

(Signature)

SIGNATURE(S) GUARANTEED:

(Signature)

No assignment or transfer of the Series B Preference Units evidenced hereby will be registered on the books of El Paso Energy Partners, L.P. unless the Certificate evidencing the Series B Preference Units to be transferred is surrendered for registration or transfer and an Application for Transfer of Series B Preference Units (a "Transfer Application") has been executed by a transferee either (a) on the form set forth below or (b) on a separate application that the Partnership will furnish on request without charge. A transferor of the Series B Preference Units shall have no duty to the transferee with respect to execution of the Transfer Application in order for such transferee to obtain registration of the transfer of the Series B Preference Units.

APPLICATION FOR TRANSFER OF PREFERENCE UNITS

The undersigned ("Applicant") hereby applies for transfer to the name of the Applicant of the Series B Preference Units evidenced hereby.

The Applicant (a) requests admission as a Substituted Limited Partner and agrees to comply with and be bound by, and hereby executes, the Second Amended and Restated Agreement of Limited Partnership of El Paso Energy Partners, L.P., (the "Partnership") as amended, supplemented or restated to the date hereof (the "Partnership Agreement"), (b) represents and warrants that the Applicant has all right, power and authority and, if an individual, the capacity necessary to enter into the Partnership Agreement, (c) appoints the General Partner

and, if a Liquidator shall be appointed, the Liquidator of the Partnership as the Applicant's attorney to execute, swear to, acknowledge and file any document, including, without limitation, the Partnership Agreement and any amendment thereto and the Certificate of Limited Partnership of the Partnership and any amendment thereto, necessary or appropriate for the Applicant's admission as a Substituted Limited Partner and as a party to the Partnership Agreement, (d) gives the powers of attorney provided for in the Partnership Agreement, (e) makes the waivers and gives the consents and approvals contained in the Partnership Agreement and (f) certifies to the Partnership that the Applicant (including, to the best of the Applicant's knowledge, any person for whom the Applicant will hold the Series B Preference Units) is an Eligible Citizen. Capitalized terms not defined herein have the meanings assigned to such terms in the Partnership Agreement.

Date:

---------- ----------

Signature of Applicant

Name and Address of Applicant

Social Security or other identifying number of Applicant

Purchase Price including commissions, if any

Type of Entity (check one)

[ ] Individual [ ] Partnership [ ] Corporation [ ] Trust [ ] Other (specify)

Nationality (check one)

[ ] United States Citizen, Resident or Domestic Entity [ ] Non-resident Alien
[ ] Foreign Corporation

If the United States Citizen, Resident or Domestic Entity box is checked, the following certification must be completed.

Under Section 1445(c) of the Internal Revenue Code of 1986, as amended (the "Code"), the Partnership must withhold tax with respect to certain transfers of property if a holder of an interest in the Partnership is a foreign person. To inform the Partnership that no withholding is required with respect to the undersigned interest-holders interest in it, the undersigned hereby certifies the following (or, if applicable, certifies the following on behalf of the interest-holder):

Complete either A or B:

A. Individual Interest-Holder

1. I am not a non-resident alien for purposes of United States income taxation.

2. My United States taxpayer identifying number (Social Security Number) is _____ .

3. My home address is _____ .

4. My year end for tax reporting purposes is _____ .

B. Partnership, Corporate or Other Interest-Holder

1.

(Name of Interest-Holder)

is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those- terms are defined in the Code and Treasury Regulations).

2. The interest-holder's U.S. employer identification number is _____ .

3. The interest-holder's office address and place of incorporation (if applicable) is _____ .

4. The interest-holder's year end for tax reporting purposes is _____ .

The interest-holder agrees to notify the Partnership within sixty (60) days of the date the interest-holder becomes a foreign person.

The interest-holder understands that this Certificate may be disclosed to the Internal Revenue Service by the Partnership and that any false statement contained herein could be punishable by fine, imprisonment or both.

Under penalties of perjury, I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct and complete and, if applicable, I further declare that I have authority to sign this document on behalf of

Name of Interest-Holder

Signature and Date

Title (if applicable)

NOTE: If the Applicant is a broker, dealer, bank, trust company, clearing corporation, other nominee holder or an agent of any of the foregoing, and is holding the Series B Preference Units for the account of any other person, this application should be completed by an officer thereof or, in the case of a broker or dealer, by a registered representative who is a member of a registered national securities exchange or a member of the National Association of Securities Dealers, Inc. or, in the case of any other nominee holder, a person performing a similar function. If the Applicant is a broker, dealer, bank, trust company, clearing corporation, other nominee owner or an agent of any of the foregoing, the above certification as to any Person for whom the Applicant will hold the Series B Preference Units shall be made to the best of the Applicant's knowledge.

ANNEX A TO THE THIRD AMENDMENT

TO THE SECOND AMENDED AND RESTATED

AGREEMENT OF LIMITED PARTNERSHIP

OF GULFTERRA ENERGY PARTNERS, L.P.

STATEMENT OF RIGHTS, PRIVILEGES AND LIMITATIONS

OF SERIES F CONVERTIBLE UNITS

OF

GULFTERRA ENERGY PARTNERS, L.P.

DATED MAY 16, 2003

TABLE OF CONTENTS

STATEMENT OF RIGHTS, PRIVILEGES AND LIMITATIONS

OF SERIES F CONVERTIBLE UNITS

OF

GULFTERRA ENERGY PARTNERS, L.P.

The following is a Statement of Rights, Privileges and Limitations of Series F Convertible Units (this "STATEMENT") of GulfTerra Energy Partners, L.P., a Delaware limited partnership (the "PARTNERSHIP"). The Partnership has authorized and established a new series of unit that shall be designated as the "Series F Convertible Units" (the "SERIES F CONVERTIBLE UNITS"), which series shall consist of two classes, the Series F1 Convertible Units (the "SERIES F1 CONVERTIBLE UNITS") and the Series F2 Convertible Units (the "SERIES F2 CONVERTIBLE UNITS"), which will each be comprised of eighty (80) units. Each Series F Convertible Unit shall be represented by a certificate in the form of Exhibit A to this Statement. The rights, privileges and limitations of the Series F Convertible Units, including the convertibility into Series A Common Units, are set forth in this Statement. References throughout this Statement to the Series F Convertible Units mean the Series F1 Convertible Units and the Series F2 Convertible Units.

1. DEFINITIONS. As used in this Statement, unless the context otherwise requires, the following terms have the following respective meanings:

1.1 13D GROUP means the syndicate or group contemplated in Section 13(d)(3) of the Exchange Act.

1.2 ACQUIRING PERSON means (i) in connection with any Business Combination in which the Acquisition Consideration is payable in stock or other equity securities, the Person issuing the Acquisition Consideration, and (ii) in connection with any Business Combination in which the Acquisition Consideration is payable in cash, (a) the Person acquiring the Partnership by means of merger, consolidation, share exchange, or other statutory acquisition in which ninety percent (90%) or more of the outstanding Series A Common Units are exchanged for cash, securities or other assets, (b) the Person or 13D Group becoming the beneficial owner of over fifty percent (50%) of the outstanding Series A Common Units, (c) the transferee of all or substantially all of the assets of the Partnership (on a consolidated basis), or (d) at Holder's election, any Person that (i) controls the Acquiring Person directly or indirectly through one or more intermediaries, (ii) is required to include the Acquiring Person in the consolidated financial statements contained in such Parent's Annual Report on Form 10-K (if such Person is required to file such a report) or would be required to so include the Acquiring Person in such Person's consolidated financial statements if they were prepared in accordance with U.S. GAAP and (iii) is not itself included in the consolidated financial statements of any other Person (other than its consolidated subsidiaries).

1.3 ACQUISITION CONSIDERATION is defined in Section 3.3.

1.4 BLACKOUT PERIOD is defined in Section 5.2.

1.5 BLACKOUT VIOLATION is defined in Section 5.5.

1.6 BUSINESS COMBINATION is defined in Section 3.3.

1.7 BUSINESS COMBINATION CASH CONSIDERATION means the value of the cash consideration that a holder of a Series A Common Unit is entitled to receive pursuant to a Business Combination.

1.8 BUSINESS COMBINATION CASH PAYMENT is defined in Section 3.3(c).

1.9 BUSINESS COMBINATION STOCK CONSIDERATION means the value of the Acquiring Person's stock or other non-cash assets that a holder of a Series A Common Units is entitled to receive pursuant to a Business Combination as measured, with respect to the Acquiring Person's stock, using the Daily Market Unit Price of the Acquiring Person's stock on the Business Day immediately preceding the consummation of the Business Combination and, with respect to other non-cash assets, by an independent appraisal firm of established national reputation selected by the Board of Directors of the General Partner (the expenses of which firm shall be paid by the Partnership).

1.10 BUSINESS DAY means any day on which the Series A Common Units may be traded on the Principal Securities Exchange, or if not admitted for trading on any Principal Securities Exchange, on any day other than a Saturday, Sunday or holiday on which banks in New York City are required or permitted to be closed.

1.11 CASH PORTION means the value of (x) the Business Combination Cash Consideration divided by the value of (y) the sum of (A) the Business Combination Cash Consideration and (B) the Business Combination Stock Consideration.

1.12 CASH SETTLEMENT AMOUNT is defined in Section 2.2.

1.13 CASHLESS CONVERSION is defined in Section 2.2(b).

1.14 CASHLESS CONVERSION TRIGGER PRICE means $26.00, subject to adjustment pursuant to Section 3.

1.15 CASHLESS SETTLEMENT is defined in Section 2.2(a).

1.16 CHARTER DOCUMENTS mean the Certificate of Limited Partnership and the Partnership Agreement of the Partnership, as each may be amended from time to time.

1.17 CONTINGENT CONVERSION NOTICE is defined in Section 3.3(b).

1.18 CONVERSION CLOSING DATE is defined in Section 2.4.

1.19 CONVERSION CONSIDERATION means, with respect to each Conversion Notice, the dollar amount that a Holder has a right to designate and has so designated in such Conversion Notice. For a Deemed Conversion, the Conversion Consideration shall be such amount designated in the relevant Conversion Notice, notwithstanding that no

payment is made, or required to be made, to the Partnership in connection with such conversion.

1.20 CONVERSION NOTICE is defined in Section 2.4.

1.21 CONVERSION NOTICE DATE means the Business Day on which the Partnership receives a Conversion Notice from a Holder.

1.22 CONVERSION UNIT PRICE means, with respect to each Conversion Notice, either (i) if the Prevailing Unit Price is equal to or greater than the Measuring Date Unit Price, then the Conversion Unit Price shall be equal to the Prevailing Unit Price; or (ii) if the Prevailing Unit Price is less than the Measuring Date Unit Price, then the Conversion Unit Price shall be equal to the Prevailing Unit Price minus the product of fifty percent (50%) of the positive difference, if any, of the Measuring Date Unit Price less the Prevailing Price; provided that the Conversion Unit Price shall be subject to adjustment or reduction as set forth in Sections 3 and 5.

1.23 DAILY MARKET UNIT PRICE means for any Business Day, the last sale price on such day, regular way, or in case no such sale takes place on such day, the average of the closing bid and asked prices on such Business Day, regular way, in each case as reported by Bloomberg, L.P., if the Series A Common Units are not listed or admitted to trading on the Principal Securities Exchange as reported by Bloomberg, L.P. on the principal National Securities Exchange on which the Series A Common Units are listed or admitted to trading or, if the Series A Common Units are not listed or admitted to trading on any National Securities Exchange, the last quoted price on such Business Day or, if not so quoted the average of the high bid and low asked prices on such Business Day in the over-the-counter market, as reported by the Nasdaq National Market or such other system then in use, or if on any such day the Series A Common Units are not quoted by any such organization, the average of the closing bid and asked price on such Business Day as furnished by a professional market maker making a market in the Series A Common Units selected by the Board of Directors of the General Partner, or if on any such day no market maker is making a market in the Series A Common Units, the fair value of a Series A Common Unit on such Business Day as determined reasonably and in good faith by the Board of Directors of the General Partner.

1.24 DEEMED CONVERSION means any conversion of Series F Convertible Units pursuant to which the Partnership does not receive any cash or Partnership Bonds, specifically any conversion (i) in connection with a Cashless Settlement or a Cashless Conversion, (ii) under Section 2.5(d), (iii) pursuant to which the Holder actually receives Acquisition Consideration in the form of cash net of the relevant Conversion Consideration, or (iv) under Sections 3.3(c), 3.3(d) and 3.3(f).

1.25 DELAWARE ACT means the Delaware Revised Uniform Limited Partnership Act, as amended or replaced.

1.26 DELAYED CLOSING CONVERSION NOTICE is defined in Section 5.4(a).

1.27 EXCHANGE ACT means the Securities Exchange Act of 1934, as amended or replaced.

1.28 GENERAL PARTNER means the General Partner of the Partnership, as such term is defined in the Charter Documents.

1.29 HOLDER means any Person who is listed as a Holder of the Series F Convertible Units in the Unit Register as of any relevant date of determination.

1.30 MAXIMUM NUMBER means 8,329,679, subject to adjustment pursuant to Section 3.

1.31 MEASURING DATE UNIT PRICE means $35.75, subject to adjustment pursuant to Section 3.

1.32 MINIMUM CONVERSION PRICE means the Conversion Unit Price below which the Partnership shall settle a Conversion Notice with the Cash Settlement Amount or Settlement Units in lieu of Series A Common Units on the relevant Conversion Closing Date, such amount as specified by the Partnership with twenty (20) Business Days prior written notice to the Holder and as amended by the Partnership at any time and from time to time with twenty (20) Business Days prior written notice to the Holder pursuant to Section 2.2.

1.33 NATIONAL SECURITIES EXCHANGE shall have the meaning set forth in the Exchange Act.

1.34 PARTIAL STOCK ADJUSTMENT MEASURING PRICE means the Measuring Date Unit Price multiplied by the ratio of the Daily Market Unit Price of the Acquiring Person on the Business Day immediately preceding the consummation of the Business Combination to the Daily Market Unit Price of the Partnership on the Business Day immediately preceding the consummation of the Business Combination.

1.35 PARTIAL STOCK ASSUMPTION AGREEMENT is defined in Section 3.3(d).

1.36 PARTNERSHIP is defined in the introduction.

1.37 PARTNERSHIP AGREEMENT means the Second Amended and Restated Agreement of Limited Partnership effective as of the date hereof of the Partnership, including all exhibits, schedules, annexes and attachments thereto, as amended, supplemented or otherwise modified from time to time, including the amendment creating the Series F Convertible Unit.

1.38 PARTNERSHIP BOND means any of (a) the Partnership's 10?% Senior Subordinated Notes due 2009, 8 1/2% Senior Subordinated Notes due 2010, 8 1/2% Senior Subordinated Notes due 2011, 8 1/2% Senior Subordinated Notes due 2011 and 10?% Senior Subordinated Notes due 2012 and (b) any other note, bond, debenture or similar instrument issued by the Partnership pursuant to an indenture, so long as the exchange of such securities as contemplated by this Statement would be permitted under such

indentures, notes and related documents and the Partnership's other credit arrangements (whether existing or modified or entered into in the future), including the Partnership's Sixth Amended and Restated Credit Agreement, as each may be amended from time to time.

1.39 PARTNERSHIP INTEREST ADJUSTMENT EVENT means any subdivision or combination of the issued Series A Common Units, whether by reason of any dividend or distribution of units, split, recapitalization, reorganization, spinoff, combination or other similar change.

1.40 PERSON means a corporation, an association, a partnership, an organization, a business, an individual, a government or political subdivision thereof or a governmental agency.

1.41 PREVAILING UNIT PRICE means, with respect to any Conversion Notice Date, the lesser of the average Daily Market Unit Price during (a) the sixty (60) consecutive Business Day period ending on and including the fourth Business Day immediately preceding the Conversion Notice Date, (b) the first seven (7) consecutive Business Days of such sixty (60)-Business Day period or (c) the last seven (7) consecutive Business Days of such sixty (60)-Business Day period.

1.42 PRINCIPAL SECURITIES EXCHANGE means the New York Stock Exchange, but if the New York Stock Exchange is not the principal U.S. trading market for the Series A Common Units, the "Principal Securities Exchange" shall be deemed to mean the principal U.S. National Securities Exchange on which the Series A Common Units are traded, or if the Series A Common Units are not then listed or admitted to trading on any National Securities Exchange but are designated as a national market system security or a Nasdaq SmallCap Market Security by the NASD, or any successor thereto, then such market system, or if the Series A Common Units are not listed or quoted on any of the foregoing, then the OTC Bulletin Board.

1.43 PROSPECTUS means the prospectus supplement dated the date hereof, as such may be amended and supplemented from time to time, to the Registration Statement, or any successor or replacement prospectus, or as the Partnership may tender to a Holder in connection with any Conversion Closing Date.

1.44 QIB means qualified institutional buyer as such term is defined in Rule 144A of the Securities Act.

1.45 REGISTRATION STATEMENT means the Partnership's Registration Statement on Form S-3 (Registration No. 333-81772) or any successor or replacement registration statement.

1.46 RESTATEMENT means, with respect to the Partnership's quarterly or annual actual (not pro forma) historical financial statements that have been (i) filed with the SEC, (ii) included in a press release or (iii) made public by any other method, any restatement that materially affects the Partnership's consolidated statement of income or consolidated statement of cash flows; provided, however, that the term Restatement shall

not include any restatement (i) required as a result of a change occurring after the closing date in (x) applicable law or (y) generally accepted accounting principles promulgated by the Financial Accounting Standards Board or the SEC, which change is implemented by the Partnership in the manner and at the time prescribed by such law or promulgation, or (ii) resulting in a change from one generally accepted accounting principle to another; provided, that the Audit Committee of the Board of Directors of the General Partner has made the determination to change to another principle after discussions with the Partnership's external auditors.

1.47 RESTATEMENT FILING DATE means the date on which the Partnership files quarterly or annual actual (not pro forma) historical financial statements that constitute a Restatement on a Form 10-K, Form 10-Q, Form 8-K or any other filing with the SEC (and if the Partnership makes multiple filings of a Restatement with the SEC, the last of such dates).

1.48 SEC means the United States Securities and Exchange Commission.

1.49 SECURITIES ACT means the Securities Act of 1933, as amended.

1.50 SERIES A COMMON UNITS mean the partnership interests of a limited partner in the Partnership representing a fractional part of the partnership interests of all limited partners having the rights and obligations specified with respect to a Series A Common Unit, such term to include any units into which all outstanding Series A Common Units shall have been changed or any units resulting from any Partnership Interest Adjustment Event.

1.51 SERIES F CONVERTIBLE UNITS mean the partnership interests of a limited partner in the Partnership representing a fractional part of the partnership interests of all limited partners having the rights and obligations specified with respect to a Series F Convertible Unit, such term to include any units into which all outstanding Series F Convertible Units shall have been changed (excluding Series A Common Units issued upon conversion of the Series F Convertible Units) or any units resulting from any Partnership Interest Adjustment Event, which term shall refer to the Series F1 Convertible Units and the Series F2 Convertible Units.

1.52 SERIES F1 CONVERSION CONSIDERATION is defined in Section 2.1(a).

1.53 SERIES F1 CONVERTIBLE UNITS mean the partnership interests of a limited partner in the Partnership representing a fractional part of the partnership interests of all limited partners having the rights and obligations specified with respect to a Series F1 Convertible Unit, such term to include any units into which all outstanding Series F1 Convertible Units shall have been changed (excluding Series A Common Units issued upon conversion of the Series F1 Convertible Units) or any units resulting from any Partnership Interest Adjustment Event.

1.54 SERIES F1 EXPIRATION TIME means 4:00 p.m., New York City time, on March 29, 2004, subject to adjustment pursuant to Section 2.3.

1.55 SERIES F2 CONVERSION CONSIDERATION is defined in Section 2.1(b).

1.56 SERIES F2 CONVERTIBLE UNITS mean the partnership interests of a limited partner in the Partnership representing a fractional part of the partnership interests of all limited partners having the rights and obligations specified with respect to a Series F2 Convertible Unit, such term to include any units into which all outstanding Series F2 Convertible Units shall have been changed (excluding Series A Common Units issued upon conversion of the Series F2 Convertible Units) or any units resulting from any Partnership Interest Adjustment Event.

1.57 SERIES F2 EXPIRATION TIME means 4:00 p.m., New York City time, on March 30, 2005, subject to adjustment pursuant to Section 2.3.

1.58 SERIES F2 VESTING AMOUNT means $40,000,000 or more of aggregate Series F1 Conversion Consideration (i) received by the Partnership upon conversion of Series F1 Convertible Units, (ii) designated in any Conversion Notice for which the Holder receives a Cash Settlement Amount or Settlement Units, (iii) designated in any Conversion Notice for which the Holder receives an amount of cash pursuant to Section 2.5(d)(ii), (iv) designated in any Conversion Notice delivered in connection with a Cashless Conversion, and (v) designated in any Conversion Notice or Contingent Conversion Notice pursuant to which the Holder receives Acquisition Consideration in the form of cash net of the relevant Conversion Consideration so long as the conversion contemplated by such Conversion Notice or Contingent Conversion Notice is consummated, but specifically excluding any amounts deemed converted pursuant to Sections 3.3(d) and 3.3(f).

1.59 SETTLEMENT UNITS is defined in Section 2.2(a).

1.60 STATEMENT is defined in the introduction, and includes all exhibits, schedules, annexes, or other attachments, as amended, supplemented or otherwise modified from time to time.

1.61 STOCK ADJUSTMENT MEASURING PRICE means the Measuring Date Unit Price divided by the conversion ratio for each Series A Common Unit as provided by the terms of the Business Combination, where conversion ratio means the number of shares or units of securities of the Acquiring Person issued for each Series A Common Unit pursuant to the Business Combination.

1.62 STOCK ASSUMPTION AGREEMENT is defined in Section 3.3(e).

1.63 STOCK PORTION means the value of (x) the Business Combination Stock Consideration divided by (y) the sum of (A) the Business Combination Cash Consideration and (B) the Business Combination Stock Consideration.

1.64 TERMINATION TIME means the time at which the right of a Holder to convert the Series F Convertible Units terminates being either (i) if the Series F2 Convertible Units do not vest as provided in Section 2.1(b), the Series F1 Expiration Time, or (ii) if the Series F2 Convertible Units do vest as provided in Section 2.1(b), the

Series F2 Expiration Time with respect to the Series F2 Convertible Units and the Series F1 Expiration Time with respect to the Series F1 Convertible Units; in each case, subject to extension as set forth in Section 2.2.

1.65 TRANSFER AGENT is defined in Section 8.

1.66 UNIT REGISTER is defined in Section 8.

2. CONVERSION OF SERIES F CONVERTIBLE UNITS. The convertibility of the Series F Convertible Units, in whole or in part, is subject to the terms and conditions contained in this Statement. The Series F Convertible Units shall expire worthless, and a Holder of such Series F Convertible Units shall have no rights to convert the Series F Convertible Units, and the Partnership shall have no obligations with respect to such rights, on the Termination Time.

2.1 NUMBER OF SERIES A COMMON UNITS; TERM. Subject to the terms, conditions and adjustments set forth in this Statement, each Series F1 Convertible Unit and Series F2 Convertible Unit shall be convertible as provided in this Section 2.1.

(a) SERIES F1 CONVERTIBLE UNITS. On any Business Day after August 12, 2003 (subject to Section 3.3(a)) and from time to time thereafter on or prior to the Series F1 Expiration Time, each Series F1 Convertible Unit shall be convertible into the number of Series A Common Units determined pursuant to Section 3.1; provided that the aggregate Conversion Consideration that the Partnership receives (or is deemed to have received in connection with Deemed Conversions) pursuant to conversions of any Series F1 Convertible Unit (the "SERIES F1 CONVERSION CONSIDERATION"), shall not exceed $1,000,000.

(b) SERIES F2 CONVERTIBLE UNITS. If the Partnership receives Conversion Notices with respect to the Series F1 Convertible Units in the aggregate equal to or greater than the Series F2 Vesting Amount on or prior to the Series F1 Expiration Time, then upon the Partnership's receipt of the Series F2 Vesting Amount (subject to Section 3.3(a)) on any Business Day and at any time and from time to time on or prior to the Series F2 Expiration Time, each Series F2 Convertible Unit shall be convertible into the number of Series A Common Units determined pursuant to Section 3.1; provided that the aggregate Conversion Consideration that the Partnership receives (or is deemed to have received in connection with Deemed Conversions) pursuant to conversions of any Series F2 Convertible Unit (the "SERIES F1 CONVERSION CONSIDERATION"), shall not exceed $500,000.

Notwithstanding anything to the contrary in this Statement, the Partnership shall not be obligated to issue, and the Holder(s) shall not have a right to acquire upon conversion of the Series F Convertible Units, more than the Maximum Number of Series A Common Units.

2.2 CASHLESS SETTLEMENT; CASHLESS CONVERSION.

(a) CASHLESS SETTLEMENT. If the Conversion Unit Price with respect to any Conversion Notice is below the Minimum Conversion Price, then the Partnership shall, in lieu of issuing Series A Common Units upon conversion of Series F Convertible Units covered by such Conversion Notice, take one of the following actions (provided, that the election between clauses (i) and (ii) below shall be in the Partnership's sole discretion):

(i) pay an amount in cash to such Holder equal to the difference of (x) the product of (A) the number of Series A Common Units issuable on the relevant Conversion Closing Date and (B) the Daily Market Unit Price as of the Business Day immediately preceding the Conversion Notice Date and (y) the Conversion Consideration designated in the relevant Conversion Notice (the "CASH SETTLEMENT AMOUNT"), or

(ii) issue to such Holder a number of Series A Common Units equal to the Cash Settlement Amount divided by the Prevailing Unit Price (the "SETTLEMENT UNITS");

provided, that the Holder shall not be required to tender the Conversion Consideration designated in the relevant Conversion Notice (a "CASHLESS SETTLEMENT"). At any time and from time to time with twenty (20) Business Days notice to the Holder, the Partnership shall be entitled to establish a new Minimum Conversion Price

(b) CASHLESS CONVERSION ELECTION. If the Prevailing Unit Price is below the Cashless Conversion Trigger Price, a converting Holder may elect in the Conversion Notice to receive Settlement Units, in lieu of the number of Series A Common Units otherwise issuable upon conversion of the Series F Convertible Units covered by such Conversion Notice, provided, that the Holder shall not be required to tender the Conversion Consideration designated in the relevant Conversion Notice (a "CASHLESS CONVERSION"). Notwithstanding the Holder's election to receive Settlement Units in a Cashless Conversion, the Partnership shall have the sole right to elect no later than the Business Day immediately after the date such Conversion Notice is delivered to the Partnership to consummate such Cashless Conversion with the payment of the Cash Settlement Amount in lieu of the issuance of Settlement Units. In addition, if the Prevailing Unit Price is below the Cashless Conversion Trigger Price and the converting Holder does not elect Cashless Conversion in a Conversion Notice, then the Partnership may, no later than the one Business Day immediately after the date such Conversion Notice is delivered to the Partnership, elect Cashless Conversion (and whether the settlement shall be in the form of the Cash Settlement Amount or the Settlement Units).

(c) CLOSING OF CASHLESS SETTLEMENT OR CASHLESS CONVERSION. The Partnership shall close a Cashless Settlement or a Cashless Conversion on the

relevant Conversion Closing Date. The Partnership shall (i) pay the Cash Settlement Amount, if applicable, in immediately available funds by 5:00 p.m., New York City time, on the relevant Conversion Closing Date, to the account specified in the Holder's Conversion Notice, or (ii) issue and deliver the Settlement Units, if applicable, pursuant to Section 2.8(a) on the relevant Conversion Closing Date. Upon receipt of the Cash Settlement Amount or the Settlement Units in connection with any Cashless Settlement or Cashless Conversion, that number of Series F Convertible Units with aggregate Series F1 Conversion Consideration and Series F2 Conversion Consideration equal to the Conversion Consideration designated in the Conversion Notice shall be deemed converted. If the Conversion Consideration deemed to have been tendered pursuant to Section 2.2(a) or 2.2(b) is less than the remaining, unconverted portion of Series F Convertible Units represented by the certificate(s) tendered to the Partnership on the Conversion Closing Date, the Partnership shall issue a replacement certificate(s) as provided in Section 2.8(b).

(d) CASHLESS CONVERSIONS INITIATED BY HOLDER. In computing the Cash Settlement Amount or the Settlement Units on a Cashless Conversion initiated by a Holder, in no event shall such computation be based on a number of Series A Common Units in excess of the Maximum Number. Further, in determining whether the Maximum Number has been reached, computation shall be made based on the number of Series A Common Units, if any, actually issued in the case of a Cashless Settlement or a Cashless Conversion, provided, that if a Cashless Conversion is initiated by a Holder, then such computation shall be based on the number of Series A Common Units that would have been issued on the relevant Conversion Closing Date without giving effect to such Cashless Conversion and without regard to whether such Cashless Conversion was settled with Settlement Units, all subject to adjustment by Section 3. Notwithstanding the foregoing, nothing in this Section 2.2(d) shall be construed to change the meaning or the intent of the Statement as originally filed as Annex A to the Partnership Agreement with respect to any provision other than as such may relate to Cashless Conversion or, in the case of Cashless Settlement, as specifically provided in this Section 2.2(d).

(e) The Partnership shall, within two (2) Business Days of a Conversion Closing Date pursuant to this Section 2.2, give the Holder written notice if the Partnership is unable to tender the Cash Settlement Amount on such Conversion Closing Date. Within one (1) Business Day after receipt of such notice, Holder shall give the Partnership written notice, at its sole election, of its election to (x) withdraw the Conversion Notice or (y) receive Series A Common Units as determined pursuant to Section 3.1 in lieu of the Cash Settlement Amount, which Conversion Closing Date shall occur within three (3) Business Days of the Partnership's receipt of such Holder's election pursuant to this Section 2.2(e)."

2.3 EXTENSION OF TERM. The Series F1 Expiration Time and the Series F2 Expiration Time, as applicable, shall be extended:

(a) by one Business Day for each Business Day:

(i) that a Blackout Period or a Blackout Violation exists; and

(ii) during the period commencing on the earlier of the day on which the Partnership (x) announces a Restatement and (y) announces its intention to make a Restatement and ending on the Restatement Filing Date; and

(b) to the extent that the Partnership (x) announces a Restatement or (y) announces its intention to make a Restatement, in either case, within 65 Business Days of the Series F1 Expiration Time or Series F2 Expiration Time, as applicable, to a date that is 65 Business Days after the Restatement Filing Date.

Provided, that, if the conditions described in clauses (i) and (ii) of paragraph (a) above both exist on the same Business Day, then the Series F1 Expiration Time or the Series F2 Expiration Time, as applicable, shall be extended by only one Business Day for each Business Day on which these conditions both exist.

2.4 MANNER OF CONVERSION. Subject to and upon compliance with the terms and conditions set forth in this Statement, each Holder shall be entitled to convert each Series F Convertible Unit that such Holder holds, in whole or in part, from time to time, on any Business Day, by receipt by the Partnership of a notice made pursuant to Section 9 in substantially the form of Exhibit B attached to this Statement (or a reasonable facsimile thereof) duly executed by such Holder (a "CONVERSION NOTICE"). The closing of each conversion shall take place at or before 2:00 p.m. New York City time (i) on the third Business Day following and excluding the date the Conversion Notice is received or (ii) on any other date upon which such Holder and the Partnership mutually agree (each, a "CONVERSION CLOSING DATE").

2.5 CONDITIONS TO CLOSING.

(a) HOLDER'S CONDITIONS TO CLOSING. It shall be a condition to each Holder's obligation to close on each Conversion Closing Date that each of the following is satisfied, unless waived by such Holder:

(i) the Registration Statement is effective and no stop order has been issued; and

(ii) all Series A Common Units to be issued upon such Conversion Closing Date shall be duly listed and admitted to trading on the Principal Securities Exchange upon issuance.

(b) THE PARTNERSHIP'S CONDITIONS TO CLOSING. It shall be a condition to the Partnership's obligation to close that each of the following is satisfied, unless waived by the Partnership:

(i) each Holder shall represent and warrant that each of the following is true and correct as of the Conversion Closing Date:

(1) the Holder is a QIB, a large institutional accredited investor, or an insurance company or similar institutional investor whose business is to invest funds entrusted to Holder;

(2) the Holder is acquiring the Series A Common Units issuable upon conversion of the Series F Convertible Units for its own account and in the ordinary course of its business and is not participating in a distribution, and has no arrangement or understanding with any Person to participate in the distribution of the Series A Common Units; and

(3) the Holder is not a registered "broker" or "dealer" as such terms are defined in Section 3 of the Exchange Act;

(ii) there is no Blackout Period in effect; provided that the Partnership has given notice of the commencement of a Blackout Period to each Holder pursuant to Section 9;

(iii) the Partnership shall have received from such Holder a completed Citizenship Certification stating the requirements of the Partnership Agreement; and

(iv) the issuance of the Series A Common Units shall not cause the Partnership to exceed the Maximum Number.

(c) AGREEMENT TO CAUSE CONDITIONS TO BE SATISFIED. The Partnership with respect to Section 2.5(a) and each Holder with respect to Sections 2.5(b)(i) and (iii) shall each use commercially reasonable efforts to cause each of the foregoing conditions to be satisfied at the earliest possible date.

(d) REMEDY OF HOLDER. If the conditions set forth in Section 2.5(a) are not satisfied or waived prior to the third Business Day following the date the Conversion Notice is received and no Blackout Period is in effect, then such Holder's exclusive remedies will be those remedies provided in this Section 2.5(d). Upon satisfaction of the condition set forth in the Section 2.5(a), the Partnership shall deliver written notice to such Holder of such satisfaction. If such condition is not satisfied or waived prior to the second Business Day following, and excluding, the Conversion Notice Date, then such Holder may, at its sole option, and at any time:

(i) withdraw the Conversion Notice by written notice to the Partnership regardless of whether such condition has been satisfied or waived as of the withdrawal date and, after such withdrawal, shall have no further obligations with respect to such Conversion Notice and may submit a Conversion Notice on any future date with respect to any

remaining Series A Common Units underlying any such Series F Convertible Units, including those referenced in the original Conversion Notice, or

(ii) elect not to withdraw its Conversion Notice, in which case, if no Blackout Period is in effect, the Partnership shall pay such Holder, in immediately available federal funds by 5:00 p.m., New York City time, on the third Business Day following such Holder's delivery to the Partnership of evidence of Holder's payment of the amount described in clause (x) below and certificate(s) representing Series F Convertible Units (including Holder's account information to which such payment should be sent) an amount in cash equal to the lesser of (x) the actual cost that such Holder paid to satisfy its obligations to tender Series A Common Units pursuant to an underlying sales contract for Series A Common Units less the Conversion Consideration such Holder would have tendered on such Conversion Closing Date (or, if the Holder discharged its obligations under such underlying sales contract by making a cash payment, the amount of such cash payment), and (y) the number of Series A Common Units that such Holder would receive on such Conversion Closing Date multiplied by the positive difference, if any, between the Daily Market Unit Price on the relevant Conversion Closing Date and the Conversion Unit Price in effect on the Conversion Notice Date. If the Conversion Consideration deemed to have been tendered pursuant to this Section 2.5(d) is less than the remaining, unconverted portion of Series F Convertible Units represented by the certificate(s) tendered to the Partnership, the Partnership shall issue a replacement certificate(s) as provided in Section 2.8(b).

In the case of clause (ii) above, such Holder shall be deemed to have converted a number of Series F Convertible Units with respect to the Conversion Consideration designated in the relevant Conversion Notice, but shall not be required to tender such Conversion Consideration, and the Partnership shall be deemed to have satisfied its obligations with respect to such Conversion Notice.

(e) EFFECT OF CLOSING. If any of the conditions contained in this Section 2.5 are not satisfied prior to the Conversion Closing Date, but any Holder and the Partnership consummate the transaction contemplated by the Conversion Notice, then all unsatisfied conditions shall be deemed to have been waived by the relevant party, and neither any Holder nor the Partnership shall have any further rights or remedies with respect to such unsatisfied condition, except any rights and remedies provided under the Securities Act. Notwithstanding the foregoing, Section 2.5(a)(ii) shall not be deemed to have been waived by the Holder unless the Partnership shall have delivered written notice pursuant to Section 9 of the failure to satisfy the condition described in Section 2.5(a)(ii) at least one (1) Business Day before the Conversion Closing Date.

2.6 WHEN CONVERSION EFFECTIVE. Each conversion under any Series F Convertible Unit shall be deemed to have been effected on the Conversion Closing Date upon receipt of the relevant Conversion Consideration (or deemed to have been received in connection with Deemed Conversions) and surrender of the certificate(s) representing the Series F Convertible Unit(s) (or upon notation on the Transfer Agent's registry if the Series F Convertible Units are in book-entry form), and the Person or Persons in whose name or names any certificate or certificates representing the Series A Common Units shall be issuable upon such conversion as provided in Section 2.7 shall be deemed to have become the holder(s) of record thereof.

2.7 DELIVERY OF SERIES F CONVERTIBLE UNIT AND PAYMENT. On the Conversion Closing Date, a converting Holder shall surrender the certificate(s) representing the Series F Convertible Unit(s) to the Partnership at the address set forth for notices to the Partnership in Section 9 and, except with respect to Deemed Conversions, shall deliver payment:

(a) by wire transfer to an account designated by the Partnership on Schedule A of immediately available federal funds in the dollar amount of the Conversion Consideration,

(b) by tender of Partnership Bonds with an aggregate principal amount plus accrued interest equal to the dollar amount of the Conversion Consideration (with such documentation and certificates as reasonably requested by the Partnership), or

(c) any combination of cash and Partnership Bonds in the dollar amount of the Conversion Consideration.

Upon the Partnership's receipt of the Conversion Consideration, or, in the case of Deemed Conversions, upon delivery of the certificate(s) representing the Series F Convertible Unit(s) subject to the Maximum Number, a converting Holder shall be entitled to receive that number of duly authorized, validly issued, fully paid and non-assessable Series A Common Units upon conversion of a Series F Convertible Unit (except as such non-assessability may be affected by the Delaware Act) as determined pursuant to Section 3.1.

2.8 DELIVERY OF UNIT CERTIFICATES, ETC. On the Conversion Closing Date, the Partnership at its expense (including payment by it of any applicable issue taxes) shall cause to be issued in the name of and delivered to a converting Holder or as such Holder may direct,

(a) at the election of such Holder, (1) at such address specified by such Holder via reputable overnight courier, one or more certificates for, or (2) via the Depository Trust Company's Deposit and Withdrawal at Custodian (or DWAC) system the number of duly authorized, validly issued, fully paid and non-assessable (except as such non-assessability may be affected by the Delaware Act) Series A Common Units to which such Holder shall be entitled upon such

conversion plus, in lieu of any fractional unit to which such Holder would otherwise be entitled, cash in an amount equal to the same fraction of the relevant Conversion Unit Price for such relevant Conversion Closing Date, and

(b) if the Series F Convertible Units are certificated, in case such conversion is in part only, at such address specified by such Holder via reputable overnight courier, a certificate representing the remaining, unconverted portion of the Series F Convertible Unit, setting forth the remainder of Series F1 Conversion Consideration or Series F2 Conversion Consideration, as applicable, for which such Series F Convertible Unit shall be convertible (without giving effect to any adjustment thereof) after giving effect to the Conversion Consideration received by the Partnership, or deemed to have been received in connection with Deemed Conversions, or if the Series F Convertible Units are in book-entry form, with adjustment to the Transfer Agent's register to reflect the amount of Conversion Consideration received by the Partnership, or deemed to have been received in connection with Deemed Conversions.

3. ADJUSTMENT OF UNIT PRICES AND SERIES A COMMON UNITS ISSUABLE UPON CONVERSION.

3.1 GENERAL; CONVERSION UNIT PRICE. The number of Series A Common Units which a Holder shall be entitled to receive upon conversion of Series F Convertible Units shall be determined by dividing the Conversion Consideration for such conversion by the Conversion Unit Price in effect for such conversion, all subject to the adjustments, terms and conditions in this Statement. Notwithstanding the foregoing, upon a Cashless Settlement or a Cashless Conversion, the number of Series A Common Units which a Holder shall be entitled to receive upon conversion of Series F Convertible Units shall be as set forth in Section 2.2(a) or 2.2(b), respectively, subject to the adjustments, terms and conditions in this Statement.

3.2 TREATMENT OF PARTNERSHIP INTEREST ADJUSTING EVENTS. In case the Partnership may effect a Partnership Interest Adjusting Event, including a pro rata distribution of Series A Common Units to all holders of Series A Common Units, or a subdivision or combination of the outstanding Series A Common Units, then (a) in the case of any such distribution, immediately after the close of business on the record date for the determination of holders of any class of securities entitled to receive such distribution, or (b) in the case of any such subdivision or combination, at the close of business on the day immediately prior to the day upon which such partnership action becomes effective, the Maximum Number, the Measuring Date Unit Price, and the Conversion Unit Price, the Prevailing Unit Price, the Cashless Conversion Trigger Price and, to the extent applicable, the Daily Market Unit Price and other price or quantity (but excluding the Series F1 Conversion Consideration and the Series F2 Conversion Consideration) in effect immediately prior to such Partnership Interest Adjusting Event shall be proportionately changed.

3.3 ADJUSTMENTS FOR MERGER, CONSOLIDATION, SALE OF ASSETS.

(a) If after the date of this Statement, (i) the Partnership is acquired by means of merger, consolidation, share exchange, or other statutory acquisition in which ninety percent (90%) or more of the outstanding Series A Common Units are exchanged for cash, securities or other assets, or (ii) pursuant to a tender offer in which over fifty percent (50%) of the outstanding Series A Common Units become beneficially owned by any Person or 13D Group, or (iii) the Partnership sells all or substantially all of the assets of the Partnership (on a consolidated basis) (the transactions listed in (i), (ii) and (iii) above are referred to individually as a "BUSINESS COMBINATION") as part of such Business Combination, (x) (1) each Series F Convertible Unit shall immediately upon announcement by the Partnership that it has entered into definitive agreements relating to a Business Combination described in (i) or (iii) above or entered into a definitive agreement to participate in or to endorse a Business Combination described in (ii) above become convertible (pursuant to Sections 2.1(a) and 2.1(b) regardless of whether the announcement date is on or before August 12, 2003 and regardless of whether the Series F2 Vesting Amount has been received by the Partnership); provided that upon the earlier of the consummation or termination of such Business Combination (if not consummated), all Series F Convertible Units that were not otherwise convertible pursuant to Sections 2.1(a) and 2.1(b) prior to acceleration of the vesting requirements pursuant to this Section 3.3(a) and would not otherwise be convertible pursuant to Sections 2.1(a) and 2.1(b) shall no longer be convertible until the satisfaction of the conditions set forth in Sections 2.1(a) and 2.1(b) as appropriate, or (2) each Series F1 Convertible Unit shall immediately upon announcement by a Person of its intent to effect a Business Combination described in clause (ii) without the participation in or the endorsement of the Partnership become convertible (pursuant to Section 2.1(a) regardless of whether the announcement date is on or before August 12, 2003); provided that upon the earlier of the consummation or termination of such Business Combination (if not consummated), all Series F1 Convertible Units that were not otherwise convertible pursuant to Section 2.1(a) or pursuant to this Section 3.3(a) in connection with a different Business Combination prior to acceleration of the vesting requirements pursuant to this Section 3.3(a) and would not otherwise be convertible pursuant to Section 2.1(a) or pursuant to this Section 3.3(a) in connection with a different Business Combination shall no longer be convertible until the satisfaction of the condition set forth in Section 2.1(a); and (y) proper provision shall be made as follows:

(b) Between the date a Business Combination is announced and the effective date of the Business Combination, each Holder at its sole option shall continue to have the right to submit to the Partnership a Conversion Notice in accordance with the terms and conditions of this Statement. In addition, each Holder at its sole option may elect to submit to the Partnership a special notice (a "CONTINGENT CONVERSION NOTICE") to convert all or part of its unconverted Series F Convertible Units in connection with such Business Combination; in which case, notwithstanding the provisions of Section 2.6:

(i) the effectiveness of such contingent conversion shall be conditional upon the effectiveness of the Business Combination;

(ii) such Holder shall have the right to deliver a notice to withdraw such Contingent Conversion Notice until the earlier of (x) the expiration of any election period (if any) pursuant to the Business Combination and (y) the effective date of such Business Combination; provided that if such Business Combination is not consummated within five (5) Business Days of the expiration of such election period, as such may be extended, Holder shall be entitled to withdraw its Contingent Conversion Notice up to the effective date of such Business Combination; and

(iii) if such Contingent Conversion Notice shall not have been withdrawn, then on the effective date of such Business Combination, the Holder of such Series F Convertible Units shall receive, upon payment of the Conversion Consideration designated in the Conversion Notice or Delayed Conversion Notice, as the case may be, the same consideration, in the form of cash, securities or other assets (the "ACQUISITION CONSIDERATION") per Series A Common Unit issuable to any other holder of Series A Common Units in connection with such Business Combination based upon the number of Series A Common Units into which such Holder's Series F Convertible Units would be convertible if such Holder had converted each Series F Convertible Unit on the Business Day immediately preceding the date on which such Business Combination occurs. Upon receipt of the Conversion Consideration, such Holder's Series F Convertible Units tendered for conversion pursuant to a Conversion Notice or Contingent Conversion Notice shall be fully converted and shall no longer permit such Holder to convert such Series F Convertible Units into Series A Common Units; provided, that if the Acquisition Consideration is in the form of cash, the Holder shall not be required to tender the relevant Conversion Consideration to convert its Series F Convertible Units, but shall receive an amount in connection with such Business Combination equal to the Acquisition Consideration applicable to such Holder based on the number of Series A Common Units into which such Holder's Series F Convertible Units would be convertible if such Holder had converted each Series F Convertible Unit that it owns on the Business Day immediately preceding the date on which such Business Combination occurs, less such Conversion Consideration.

(c) In the case of a Business Combination under clause (i) or (iii) of paragraph (a) above, if the Acquisition Consideration consists solely of cash, (A) the Partnership shall not enter into an agreement with the Acquiring Person resulting in a Business Combination unless such agreement expressly obligates the Acquiring Person to assume the Partnership's obligations under this Section 3.3.(c) and (B) to the extent that any Series F Convertible Unit remains unconverted upon consummation of the Business Combination, the Holder thereof

shall receive from the Partnership or the Acquiring Person an amount in cash equal to ten percent (10%) multiplied by the Acquisition Consideration resulting from such Business Combination to which such Holder would have been entitled in such Business Combination if such Holder had converted each Series F Convertible Unit held immediately before such Business Combination (the "BUSINESS COMBINATION CASH PAYMENT"); provided, that the Holder shall not under any circumstances be obligated to pay any consideration to convert such Series F Convertible Units in order to receive the cash payment specified in this Section 3.3(c); and, provided, further, that all Business Combination Cash Payments shall be wire transferred to such Holder, in accordance with instructions provided, at the earliest time that consideration is transferred to any other holder of Series A Common Units and, at which time, such Series F Convertible Units shall deemed to be fully converted and, accordingly, the Holder thereof shall have no further conversion rights with respect thereto; or

(d) In the case of a Business Combination under clause (i) or (iii) of paragraph (a) above, if the Acquisition Consideration for the Series A Common Units is partially stock or other securities or other non-cash assets and partially cash, then the Partnership shall not enter into an agreement with the Acquiring Person resulting in a Business Combination unless such agreement expressly obligates the Acquiring Person to assume all of the Partnership's obligations under this Section 3.3(d). (x) With respect to the Stock Portion of each unconverted Series F Convertible Unit that would be convertible into Acquisition Consideration in the form of stock or other non-cash assets (the "PARTIAL STOCK ASSUMPTION AGREEMENT") the Holder thereof shall thereafter automatically have equivalent rights with respect to the Acquiring Person and from and after the effective date of the Business Combination and under such Partial Stock Assumption Agreement (A) all references to the Partnership in this Statement shall be references to the Acquiring Person, (B) all references to Series A Common Units in this Statement shall be references to the type of securities for which the Series A Common Units are exchanged in the Business Combination, (C) all references to the Measuring Date Unit Price in this Statement shall be references to the Partial Stock Adjustment Measuring Price, and (D) all references to the Prevailing Unit Price, Cashless Conversion Trigger Price, Daily Market Price and Conversion Unit Price shall be references to such prices with respect to the Acquiring Person and (y) with respect to the Cash Portion of each unconverted Series F Convertible Unit that would have been converted into Acquisition Consideration in the form of cash, the Holder thereof shall be entitled to receive from the Partnership or the Acquiring Person an amount in cash equal to the Business Combination Cash Payment multiplied by the Cash Portion; provided, that the Holder shall not under any circumstances be obligated to pay any consideration to convert any Series F Convertible Unit in order to receive the cash payment specified in this Section 3.3(d); and, provided, further, that all Business Combination Cash Payments shall be wire transferred to such Holder, in accordance with instructions provided, at the earliest time that consideration is transferred to any other holder of Series A Common Units and, at which time, the Cash Portion of each such Series F Convertible Unit shall deemed to be fully

converted and, accordingly, the Holder thereof shall have no further conversion rights with respect thereto; or

(e) In the case of a Business Combination under clause (i) or (iii) of paragraph (a) above, if the Acquisition Consideration for the Series A Common Units consists solely of stock or other non-cash assets of the Acquiring Person, then the Partnership shall not enter into an agreement with the Acquiring Person resulting in a Business Combination unless such agreement expressly obligates the Acquiring Person to assume all of the Partnership's obligations under any unconverted Series F Convertible Units (the "STOCK ASSUMPTION AGREEMENT"). In the event that any Series F Convertible Unit remains unconverted upon consummation of the Business Combination, the Holder thereof shall thereafter automatically have equivalent rights with respect to the Acquiring Person and from and after the effective date of the Business Combination and under such Stock Assumption Agreement (A) all references to the Partnership in this Statement shall be references to the Acquiring Person, (B) all references to Series A Common Units in this Statement shall be references to the securities for which the Series A Common Units are exchanged, (C) all references to the Measuring Date Unit Price in this Statement shall be references to the Stock Adjustment Measuring Price, and (D) all references to the Prevailing Unit Price, Cashless Conversion Trigger Price, Daily Market Price and Conversion Unit Price shall be references to such prices with respect to the Acquiring Person.

(f) In the case of a Business Combination under clause (ii) of paragraph (a) above, if any Series F Convertible Unit remains unconverted upon consummation of the Business Combination, the Holder shall thereafter be entitled, at its election, to receive from the Partnership an amount in cash equal to ten percent (10%) of the product of (x) the number of Series A Common Units into which such Holder's Series F Convertible Units would be convertible if such Holder had converted each Series F Convertible Unit, on the Business Day immediately preceding the date such Business Combination occurs, and (y) the weighted-average price paid per Series A Common Unit (following the announcement of such Business Combination by the Acquiring Person) by the Acquiring Person in connection with such Business Combination; provided that Holder shall be entitled to make such election under this Section 3.3(f) only once and prior to the expiration of the election period applicable to such Business Combination; provided further, that if the election period for such Business Combination is extended or if such Business Combination is not consummated within five (5) Business Days of the expiration of such election period, Holder shall be entitled to withdraw such election up to the effective date of such Business Combination (which shall be deemed to be the date on which the Acquiring Person accepts for purchase fifty percent (50%) or more of the outstanding Series A Common Units). All cash payments under this Section 3.3(f) shall be made by wire transfer of immediately available funds to the relevant Holder, in accordance with instructions provided by such Holder no later than the second (2nd) Business Day following the consummation of such Business Combination. Upon receipt of such payment, such Holder's Series F Convertible

Units shall be deemed to have been fully converted and shall no longer permit such Holder to convert such Series F Convertible Units into Series A Common Units; provided, that unless and until such Holder elects to receive the cash payment set forth in this Section 3.3(f) with respect to each Series F Convertible Unit that such Holder holds, such Series F Convertible Unit shall remain outstanding and may be converted in the manner set forth in Section 2.1.

3.4 NO PROHIBITION FROM ISSUING SERIES A COMMON UNITS. Notwithstanding anything contained in this Statement to the contrary, nothing in this Statement shall prohibit the Partnership from issuing Series A Common Units to any Person, regardless of whether or not such issuance would result in an adjustment under this Section 3.

4. NATURE AND RIGHTS OF SERIES F CONVERTIBLE UNIT.

4.1 NON-VOTING. The Series F Convertible Units shall be non-voting on all matters and no Holder thereof shall be entitled to vote, separately or with all or any series, class or group of Limited Partners, the Series F Convertible Units with respect to any matter (except as set forth in the proviso to this Section 4.1) on which holders of the Series A Common Units are entitled to vote, including, without limitation, mergers, acquisitions, sales of all or substantially all of the Partnership's assets, and similar transactions; provided, that the Partnership shall not, without the affirmative consent of the Holders having a majority-in-interest (based on the unconverted Series F1 Conversion Consideration prior to the vesting of the Series F2 Convertible Units, and on all unconverted Series F Convertible Units after the Series F2 Convertible Units are convertible) as of the date of determination, (i) alter or change the rights, powers or limitations of the Series F Convertible Unit including, without limitation, any changes to the certificate representing the Series F Convertible Unit or the Partnership Agreement that limit any Holder's ability to convert the Series F Convertible Unit under this Statement or affect the enforceability of any Holder's rights under this Statement, (ii) authorize or issue additional Series F Convertible Units or (iii) effect any split or combination of the Series F Convertible Units.

4.2 NO ALLOCATIONS. The Partnership shall not maintain a capital account for any Holder of Series F Convertible Units. Accordingly, the Partnership shall not make any allocations to any Series F Convertible Unit of income, gains, losses or deductions.

4.3 NO DISTRIBUTIONS. The Series F Convertible Units shall not be entitled to receive any distributions, whether regular, special, liquidating or otherwise, of cash, or other assets or securities, but shall be entitled to the adjustments set forth in Section 3.2.

5. REGISTRATION STATEMENT AND BLACKOUT PERIODS.

5.1 The Partnership shall:

(a) subject to the Partnership's ability to amend or supplement the Registration Statement or the Prospectus, use its commercially reasonable efforts to keep the Registration Statement effective until the Termination Time;

(b) prepare and file with the SEC such amendments and supplements to the Registration Statement and the Prospectus as may be necessary to comply with the provisions of the Securities Act with respect to the issuance of Series A Common Units upon conversion of the Series F Convertible Units;

(c) cause all Series A Common Units to be listed on each securities exchange and quoted on each quotation service on which similar securities issued by the Partnership are then listed or quoted;

(d) provide a transfer agent and registrar for all Series A Common Units and a CUSIP number for all Series A Common Units; and

(e) at all times reserve for issuance pursuant to the Registration Statement such number of its Series A Common Units as shall from time to time be sufficient to effect the conversion of all the Series F Convertible Units then outstanding and to satisfy its delivery obligations upon such conversion.

5.2 At any time prior to the Termination Time, the Partnership may, without any liability to the Partnership and upon notice to each Holder pursuant to Section 9, suspend each Holder's rights to convert pursuant to the Registration Statement upon the occurrence of any of the following (each, a "BLACKOUT PERIOD"):

(a) a request by the SEC for amendments or supplements to the Registration Statement or the prospectus included therein for additional information;

(b) the issuance by the SEC of any stop order suspending the effectiveness of the Registration Statement or the initiation of any proceedings for that purpose;

(c) the filing of any post-effective amendments or supplements to the Registration Statement or the prospectus included therein that the Partnership deems necessary or appropriate to maintain or utilize for any purpose the Registration Statement or the prospectus included therein;

(d) the happening of any event that requires the Partnership to make changes to the Registration Statement or the prospectus included therein in order that the Registration Statement or the prospectus do not contain an untrue statement of a material fact nor omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of the prospectus, in light of the circumstances under which they were made) not misleading; and

(e) the Partnership shall deliver to the Holder a certificate signed by any of its Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, General Counsel or Vice President that the Board of Directors of the General Partner has made the determination in good faith and using reasonable judgment that disclosure of information sufficient to ensure that the Registration Statement and related prospectus contain no misstatement or omission would be

premature, could be reasonably expected to be significantly and materially disadvantageous to the Partnership's financial condition, or could be reasonably expected to be injurious to the consummation of any material transaction.

If any of the above conditions or events should occur, the Partnership shall immediately give the Holders written notice that a Blackout Period is in effect; provided that the failure of the Partnership to tender notice of the occurrence of any of the above shall not give rise to any liability in excess of an amount described in Section 5.5.

5.3 Upon the commencement a Blackout Period, the Partnership shall:

(a) with respect to any notice pursuant to paragraph (b) of Section 5.2, use commercially reasonable efforts to obtain the withdrawal at the earliest possible time of any order suspending the effectiveness of the Registration Statement;

(b) with respect to any notice pursuant to paragraphs (a) or (c) of Section 5.2, as promptly as practical prepare and file a post-effective amendment to the Registration Statement or an amendment or supplement to the prospectus included therein and any other required document so that, as thereafter delivered to Holder upon conversion of the Series F Convertible Unit, the Prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; or

(c) with respect to any notice pursuant to paragraphs (d) or (e) of Section 5.2, use commercially reasonable efforts to amend such Registration Statement and/or amend or supplement the prospectus included therein if necessary and to take all other actions necessary to allow the issuance of registered Series A Common Units to take place as promptly as possible, subject, however, to the right of the Partnership in its sole discretion to determine whether to delay further conversion of the Series F Convertible Unit pursuant to the Registration Statement until the conditions or circumstances referred to in the notice have ceased to exist or have been disclosed.

5.4 Upon receipt of notice by the Partnership in accordance with Section 5.1 above that a Blackout Period exists, the Series F Convertible Unit shall immediately become unconvertible until each Holder receives notice from the Partnership that the Blackout Period has ended. Notwithstanding the foregoing, at any time during a Blackout Period, each Holder may:

(a) tender a Conversion Notice providing for a Conversion Closing Date delayed to a date that is three Business Days after the termination of the relevant Blackout Period (a "DELAYED CLOSING CONVERSION NOTICE"); each such Delayed Closing Conversion Notice shall have the effect of preserving the Conversion Unit Price, Prevailing Unit Price, and Daily Market Unit Price that was in effect as of the date of such Delayed Closing Conversion Notice, each

subject to adjustment pursuant to Sections 3 and 5.5; provided, that such Holder may withdraw at any time a Delayed Closing Conversion Notice prior to the relevant delayed Conversion Closing Date; or

(b) tender a Conversion Notice requesting the delivery on the Conversion Closing Date of Series A Common Unit that have not been registered pursuant to the Registration Statement, so long as (i) the offer, sale and issuance of the Series A Common Units shall be exempt from the registration requirements of the Securities Act and shall have been registered or qualified (or exempt from registration or qualification) under the registration, permit or qualification requirements of all applicable state securities laws, and (ii) such Holder delivers to the Partnership an opinion from counsel of national repute reasonably satisfactory in the Partnership's sole discretion to such effect. Any certificate(s) representing unregistered Series A Common Units shall be stamped or otherwise imprinted with a legend in the following form (in addition to any legend required under applicable state securities laws):

"THE SERIES A COMMON UNITS REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT AND MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE AND AN OPINION OF COUNSEL, REASONABLY SATISFACTORY TO GULFTERRA ENERGY PARTNERS, L.P., SHALL HAVE BEEN FURNISHED TO GULFTERRA ENERGY PARTNERS, L.P."

The Partnership shall promptly (a) notify each Holder upon the end of a Blackout Period, and (b) deliver copies of amendments or supplements, if any, to the Registration Statement or the Prospectus.

5.5 The Partnership shall be entitled to exercise its rights to suspend conversion of the Series F Convertible Units as provided in this Section 5 (A) twice in any 12 month period, (B) each such period during which conversion may be suspended at any time shall not exceed 30 days, and (C) no Blackout Period may commence less than 30 days after the end of the preceding Blackout Period; provided, that if any Blackout Period exceeds the duration or frequency limits set forth in clauses (A) and (B) above (a "BLACKOUT VIOLATION"), then the Conversion Unit Price for all unconverted Series F Convertible Units shall be permanently reduced by one and one-half percent (1 1/2%) for each month (or portion thereof) that a Blackout Violation exists. Other than the reduction to the Conversion Unit Price as described in this Section 5.5, the Partnership shall incur

no liability to any Holder in connection with any Blackout Period or Blackout Violation; provided that notwithstanding the foregoing, the Partnership agrees that the provisions of this Section 5 shall be specifically enforceable.

5.6 If a Blackout Period exists for at least four (4) months, the Holders having a majority-in-interest (based on the unconverted Series F1 Conversion Consideration prior to the vesting of the Series F2 Convertible Units, and on all unconverted Series F Convertible Units after the Series F2 Convertible Units are convertible) as of the date of determination shall be entitled to demand that, to the extent required by the securities laws to permit the issuance of Series A Common Units pursuant to Section 5.4(b), the Partnership withdraw the Registration Statement for a period necessary to effectuate a private placement of the Series A Common Units issuable upon conversion of all or part of the Series F Convertible Units. If so demanded, the Partnership shall withdraw the Registration Statement within 5 Business Days of its receipt of such written demand. Within 60 days of the Partnership's receipt of the written demand of the Holders having a majority-in-interest (based on the unconverted Series F1 Conversion Consideration prior to the vesting of the Series F2 Convertible Units, and on all unconverted Series F Convertible Units after the Series F2 Convertible Units are convertible) as of the date of determination, the Partnership shall prepare and file a replacement registration statement pursuant to which the Series F Convertible Units can be converted and shall thereafter use its commercially reasonable efforts to cause such registration statement to be declared effective as promptly as practicable. Promptly after the issuance of unregistered Series A Common Units, and at its own expense, the Partnership shall file a registration statement under the Securities Act covering the resale of all of the Series A Common Units issued pursuant to the private placement exemption, and shall use commercially reasonable efforts to cause such registration statement to be declared effective; provided, that nothing in this Section 5.6 shall prevent the Partnership from filing a registration statement prior to be requested to do so by any Holders. Upon the withdrawal of the Registration Statement, the percentage described in Section 5.5 shall be reduced to 1% for each month (or portion thereof without duplication for any portion of a month prior to the withdrawal of the Registration Statement) that a Blackout Violation exists after the date on which the Partnership withdraws the Registration Statement.

6. TRANSFERABILITY.

6.1 TRANSFERS OF SERIES F CONVERTIBLE UNITS. The Series F Convertible Units shall not be sold, transferred or otherwise disposed of without the prior written consent of the Partnership, which consent shall be within the sole discretion of the Partnership. Sales, transfers or other dispositions of Series F Convertible Units shall be in increments of one whole unit, and not fractions thereof. The provisions applicable to the Series F Convertible Units shall bind and inure to the benefit of and be enforceable by the Partnership, the respective successors of the Partnership, and by any Holder of Series F Convertible Units.

6.2 PAYMENT OF TAX UPON ISSUE OF TRANSFER. The Partnership shall pay all documentary stamp taxes (if any) attributable to the issuance of Series A Common Units upon the conversion of the Series F Convertible Unit; provided, however, that the

Partnership shall not be required to pay any tax or taxes which may be payable in respect of any transfer involved in the registration of any certificates for Series A Common Units in a name other than that of a Holder upon the conversion of Series F Convertible Units, and the Partnership shall not be required to issue or deliver the Series F Convertible Units or certificates for Series A Common Units unless or until the person or persons requesting the issuance thereof shall have paid to the Partnership the amount of such tax or shall have established to the reasonable satisfaction of the Partnership that such tax has been paid.

7. DENIAL OF PREEMPTIVE RIGHTS AND DISSENTERS' RIGHTS. The Series F Convertible Units are not entitled to any preemptive or subscription right in respect of any securities of the Partnership, and do not have dissenters' rights of appraisal.

8. TRANSFER AGENT. Initially, the Partnership (and upon a Business Combination, the Acquiring Person) shall serve as the transfer agent (the "TRANSFER AGENT") for the Series F Convertible Units. The Transfer Agent shall at all times maintain a register (the "UNIT REGISTER") of the Holders of the Series F Convertible Units. The Partnership may deem and treat each Holder of Series F Convertible Units as set forth in the Unit Register as the true and lawful owner thereof for all purposes, and the Partnership shall not be affected by any notice to the contrary.

The Partnership may, at any time and from time to time, appoint another Person to serve as the Transfer Agent, and shall upon acceptance by such Person, give notice to each Holder of the change in Transfer Agent. Such new Transfer Agent shall be a (i) Person doing business and in good standing under the laws of the United States or any state thereof, and having a combined capital and surplus of not less than $50,000,000 or (ii) an affiliate of such a Person. The combined capital and surplus of any such new Transfer Agent shall be deemed to be the combined capital and surplus as set forth in the most recent report of its condition published by such Transfer Agent prior to its appointment; provided that such reports are published at least annually pursuant to law or to the requirements of a federal or state supervising or examining authority. After acceptance in writing of such appointment by the new Transfer Agent, it shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as the Transfer Agent, without any further assurance, conveyance, act or deed; but if for any reason it shall be reasonably necessary or expedient to execute and deliver any further assurance, conveyance, act or deed, the same shall be done at the expense of the Partnership and shall be legally and validly executed and delivered by the Partnership. Any Person into which any new Transfer Agent may be merged or any corporation resulting from any consolidation to which any new Transfer Agent shall be a party or any corporation to which any new Transfer Agent transfers substantially all of its corporate trust or shareholders services business shall be a successor Transfer Agent under this Transfer without any further act; provided that such Person (i) would be eligible for appointment as successor to the Transfer Agent under the provisions of this Section 8 or (ii) is a wholly owned subsidiary of the Transfer Agent. Any such successor Transfer Agent shall promptly cause notice of its succession as Transfer Agent to be delivered via reputable overnight courier to the Holders of the Series F Convertible Units at such Holder's last address as shown on the Unit Register.

9. NOTICES. All notices and other communications under this Statement shall be in writing and shall be delivered by a nationally recognized overnight courier, postage prepaid, addressed as provided below:

(i) If to the Partnership:

GulfTerra Energy Partners, L.P.
4 East Greenway Plaza
Houston, Texas 77046
Attn: Chief Financial Officer
Telephone: (832) 676-5371
Facsimile: (823) 676-1671

with a copy to:

El Paso Corporation
Attn: Alan Bishop
1001 Louisiana Street
Houston, TX 77002
Facsimile: (713) 420-4099

with a copy (which shall not constitute notice) to:

Akin Gump Strauss Hauer & Feld LLP
Attn: J. Vincent Kendrick
1900 Pennzoil Place - Suite 1900
711 Louisiana Street
Houston, Texas 77002
Facsimile: (713) 236-0822

(ii) If to a Holder, at the address of such Holder as listed in the Unit Register, or to such other address as the Holder shall have designated by notice similarly given to the Transfer Agent.

Any such notice or communication shall be deemed received (i) when made, if by hand delivery, and upon confirmation of receipt, if made by facsimile, and in each case if such notice is received on or before 11:59 p.m. New York City time (except with respect to a Conversion Notice, in which case such notice must be received on or before 3:59 p.m. New York City time), otherwise, such notice shall be deemed to be received the following Business Day (ii) one Business Day after being deposited with a next-day courier, return receipt requested, postage prepaid or (iii) three Business Days after being sent certified or registered mail, return receipt requested, postage prepaid, in each case addressed as above (or to such other addresses as the Partnership or each Holder may designate in writing from time to time).

10. CONSTRUCTION. Headings or other titles used in this Statement are for convenience only and neither limit nor amplify the provisions of this Statement, and all references herein to sections or subdivisions thereof will refer to the corresponding section or subdivision thereof of this Statement unless specific reference is made to such sections or subdivisions of another

document or instrument. Unless the context of this Statement clearly requires otherwise, the words "include," "includes" and "including" will be deemed to be followed by the words "without limitation," and the words "hereof," "herein," "hereunder" and similar terms in this Statement will refer to this Statement as a whole and not any particular section or article in which such words appear. Whenever the context may require, any pronoun used in this Statement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice-versa. References in this Statement to any party shall include such party's successor. The word "shall" means will and vice versa.

11. SEVERABILITY OF PROVISIONS. If any right, preference, or limitation of the Series F Convertible Units set forth in this Statement (as such Statement may be amended from time to time) is invalid, unlawful, or incapable of being enforced by reason of any rule of law or public policy, all other rights, preferences, and limitations set forth in this Statement (as so amended) which can be given effect without the invalid, unlawful or unenforceable right, preference, or limitation will, nevertheless, remain in full force and effect, and no right, preference, or limitation set forth in this Statement shall be deemed dependent upon any other such right, preference, or limitation unless so expressed in this Statement.

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EXHIBIT A

CERTIFICATE REPRESENTING SERIES F CONVERTIBLE UNIT

[SEE ATTACHED]

EXHIBIT B

FORM OF CONVERSION NOTICE

(To Be Executed Upon Conversion of the Series F Convertible Unit)

[DATE]

GulfTerra Energy Partners, L.P.
4 East Greenway Plaza
Houston, Texas 77046
Attention: Chief Financial Officer

Re: Statement of Rights, Privileges and Limitations Series F Convertible Unit ("STATEMENT")

Ladies and Gentlemen:

Pursuant to the terms and conditions contained in the Statement, [HOLDER] hereby elects to convert $[_____](1) of Series F(2) Convertible Units into [ ] Series A Common Units, which would be purchased at a Conversion Unit Price of $[____] [, AND SHALL DELIVER ON THE CONVERSION CLOSING DATE SUCH AMOUNT VIA WIRE TRANSFER OF IMMEDIATELY AVAILABLE FUNDS AS PAYMENT FOR SUCH SERIES A COMMON UNITS] [, AND SHALL DELIVER ON THE CONVERSION CLOSING DATE THAT NUMBER OF PARTNERSHIP BONDS WITH AN AGGREGATE PRINCIPAL AMOUNT PLUS ACCRUED INTEREST EQUAL TO SUCH DOLLAR AMOUNT AS PAYMENT FOR SUCH SERIES A COMMON UNITS] [PURSUANT TO A [CASHLESS SETTLEMENT][CASHLESS CONVERSION]] in accordance with the terms of the Statement. All undefined capitalized terms used in this Conversion Notice shall have the meaning set forth in the Statement.

In accordance with the terms of the Statement, the undersigned requests that certificates for such units be registered in the name of and delivered to the undersigned at the following address:

[TO BE ADDED]

Any cash in lieu of fractional shares should be sent to:

[INSERT ACCOUNT INFORMATION OR ADDRESS INFORMATION]

The undersigned shall deliver the original of the certificate(s) representing the Series F Convertible Units no later than the second Business Day after and excluding the date of this

- ----------

(1) Insert the dollar amount of Series F Convertible Units being converted. In the case of partial conversion, a new certificate representing the Series F Convertible Unit shall be issued and delivered, representing the unconverted portion of the Series F Convertible Unit.

(2) Indicate whether Series F1 or Series F2 is being tendered.

notice as well as each document required to be delivered on the Conversion Closing Date by the Statement.

[IF THE EXERCISED AMOUNT IS NOT IN INCREMENTS OF $1,000,000, INSERT THE FOLLOWING: THE UNDERSIGNED REQUESTS THAT A NEW CERTIFICATE SUBSTANTIALLY IDENTICAL TO THE ATTACHED SERIES F CONVERTIBLE UNIT BE ISSUED TO THE UNDERSIGNED EVIDENCING THE RIGHT TO PURCHASE THE DOLLAR AMOUNT OF SERIES A COMMON UNITS EQUAL TO (x) THE SERIES F1/SERIES F2 CONVERSION CONSIDERATION LESS (y) THE TENDERED CONVERSION CONSIDERATION.]

[HOLDER]

By: ----------

Name:

Title:

Agreed to and Acknowledged as of [INSERT DATE].

GULFTERRA ENERGY PARTNERS, L.P.

By: ----------

Name:

Title:

SCHEDULE A

ACCOUNT INFORMATION

Name: GulfTerra Energy Partners
ABA: 021 000 021
Bank: Mellon Bank
Pittsburgh, PA
Acct: 000-0609

EXHIBIT 10.B

EXECUTION COPY

SEVENTH AMENDED AND RESTATED CREDIT AGREEMENT

AMONG

GULFTERRA ENERGY PARTNERS, L.P.,
AS BORROWER

GULFTERRA ENERGY FINANCE CORPORATION,
AS CO-BORROWER

THE SEVERAL LENDERS
FROM TIME TO TIME PARTIES HERETO,

FORTIS CAPITAL CORP.,
AS SYNDICATION AGENT

CREDIT LYONNAIS NEW YORK BRANCH,
BNP PARIBAS, AND WACHOVIA BANK, NATIONAL ASSOCIATION,
AS CO-DOCUMENTATION AGENTS

AND

JPMORGAN CHASE BANK,
AS ADMINISTRATIVE AGENT

DATED AS OF MARCH 23, 1995,
AS AMENDED AND RESTATED
THROUGH SEPTEMBER 26, 2003

J.P. MORGAN SECURITIES INC.,
AS LEAD ARRANGER AND BOOK RUNNER

TABLE OF CONTENTS

This SEVENTH AMENDED AND RESTATED CREDIT AGREEMENT, dated as of March 23, 1995, as amended and restated through September 26, 2003, is among GULFTERRA ENERGY PARTNERS, L.P., a Delaware limited partnership, GULFTERRA ENERGY FINANCE CORPORATION, a Delaware corporation, the several banks and other financial institutions from time to time parties to this Agreement (the "Lenders"), FORTIS CAPITAL CORP., as syndication agent for the Lenders hereunder (in such capacity, the "Syndication Agent"), CREDIT LYONNAIS NEW YORK BRANCH, BNP PARIBAS and WACHOVIA BANK, NATIONAL ASSOCIATION, as co-documentation agents for the Lenders hereunder (in such capacity, the "Co-Documentation Agents"), and JPMORGAN CHASE BANK, a New York banking corporation, as administrative agent for the Lenders hereunder (in such capacity, the "Administrative Agent").

W I T N E S S E T H :

WHEREAS, the Borrower, the Co-Borrower, certain of the Lenders and the Administrative Agent are parties to the Sixth Amended and Restated Credit Agreement, dated as of March 23, 1995, as amended and restated through October 10, 2002, as amended by that certain First Amendment to Sixth Amended and Restated Credit Agreement dated as of November 21, 2002, and as further amended by that certain Second Amendment to Sixth Amended and Restated Credit Agreement dated as of June 13, 2003 (and as further amended prior to the date hereof, the "Existing Credit Agreement");

WHEREAS, the Borrower has requested that the Existing Credit Agreement be amended and restated to amend certain covenants, to extend the maturity date and otherwise to amend the Existing Credit Agreement and restate it in its entirety as more fully set forth herein;

WHEREAS, the Lenders, the Administrative Agent, the Co-Syndication Agents and the Co-Documentation Agents are willing so to amend and restate the Existing Credit Agreement, but only on the terms and subject to the conditions set forth herein;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto hereby agree that on the Restatement Closing Date (as hereinafter defined) the Existing Credit Agreement shall be amended and restated in its entirety as follows:

ARTICLE I
DEFINITIONS

SECTION 1.1 Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

"Acquired Business": as defined in Section 8.8(e).

"Additional Term Loans": as defined in Section 2.1(c).

"Additional Term Loan Commitment": as to any Additional Term Loan Lender, the obligation of such Term Loan Lender to make Additional Term Loans of any series hereunder in an aggregate principal amount not to exceed the amount set forth in any Term Loan Addendum pursuant to which such Additional Term Loan Lender agrees to make Additional Term Loans of

such series as a party hereto or in any assignment and acceptance, as such amount shall be reduced in accordance with the provisions of this Agreement.

"Additional Term Loan Commitment Percentage": as to any Additional Term Loan Lender at any time, a percentage, the numerator of which is such Lender's Additional Term Loan Commitment with respect to a particular series of Additional Term Loans and the denominator of which is the aggregate Additional Term Loan Commitments for such series of Additional Term Loans.

"Additional Term Loan Lenders": any Lender having an Additional Term Loan or, on or prior to the Additional Term Loan Closing Date, an Additional Term Loan Commitment outstanding hereunder.

"Additional Term Loan Closing Date": as to each series of Additional Term Loans created hereunder, the closing date set forth in the Term Loan Addendum creating such Additional Term Loans.

"Additional Term Loan Maturity Date": as to each series of Additional Term Loans created hereunder, the maturity date set forth in the Term Loan Addendum creating such Additional Term Loans.

"Additional Term Loan Note": as defined in Section 2.2(e).

"Administrative Agent": as defined in the introductory paragraph of this Agreement.

"Administrative Questionnaire": an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affiliate": as to any Person, any other Person (other than a Subsidiary) which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" of a Person means the power, directly or indirectly, either to (i) vote 10% or more of the securities having ordinary voting power for the election of directors (or similar authority) of such Person or (ii) direct or cause the direction of the management and policies of such Person, whether by contract or otherwise; provided, that any third Person which also beneficially owns 10% or more of the securities having ordinary voting power for the election of directors (or similar authority) of a Joint Venture or Subsidiary shall not be deemed to be an Affiliate of the Borrower and its Subsidiaries or Joint Ventures merely because of such common ownership.

"Aggregate Outstanding Revolving Credit Extensions of Credit": as to any Revolving Credit Lender at any time, an amount equal to the sum of (a) the aggregate principal amount of all Revolving Credit Loans made by such Lender then outstanding and (b) such Lender's Commitment Percentage of the L/C Obligations then outstanding.

"Agreement": the Existing Credit Agreement, as amended and restated by this Agreement, as further amended, supplemented or otherwise modified from time to time.

"Alternate Base Rate": for any day, a rate per annum (rounded upwards, if necessary, to the next 1/100 of 1%) equal to the greater of (a) the Prime Rate in effect on such day and (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. For purposes hereof: "Prime Rate" shall mean the rate of interest per annum publicly announced from time to time by the Administrative Agent as its prime rate in effect at its principal office in New York City (each change in the Prime Rate to be effective on the date such change is publicly announced); and "Federal Funds Effective Rate" shall mean, for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for the day of such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by it. If for any reason the Administrative Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Federal Funds Effective Rate, for any reason, including the inability or failure of the Administrative Agent to obtain sufficient quotations in accordance with the terms thereof, the Alternate Base Rate shall be determined without regard to clause (b) of the first sentence of this definition, until the circumstances giving rise to such inability no longer exist. Any change in the Alternate Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective on the effective day of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

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

"Applicable Lender": with respect to any borrowing of Revolving Credit Loans, each Revolving Credit Lender; with respect to any borrowing of Initial Term Loans, each Initial Term Loan Lender and with respect to any borrowing of Additional Term Loans of any series, each Additional Term Loan Lender with respect to such series.

"Applicable Margin": on any day and with respect to any (a) Initial Term Loans that are Alternate Base Rate Loans, 2.25% per annum and for any Initial Term Loans that are Eurodollar Loans, 3.50% per annum, subject in each case to adjustment pursuant to the terms of Section 4.4(e), (b) series of Additional Term Loans, the "Applicable Margin" set forth in the Term Loan Addendum establishing such series of Additional Term Loans and (c) Type of Revolving Credit Loan and the Commitment Fee payable pursuant to Section 2.5, the rate per annum specified in Annex I attached hereto, which rate is based on the ratio of Consolidated Total Indebtedness of the Borrower at such time to Consolidated EBITDA for the most recently ended Calculation Period (the "Leverage Ratio") and the ratings by Standard & Poor's Ratings Services (or any successor statistical rating organization) ("S&P"), or Moody's Investors Service, Inc. (or any successor statistical rating organization) ("Moody's") of the senior, long-term unsecured debt of the Borrower in effect at the time of such determination. The Applicable Margin for any Revolving Credit Loan and the Commitment Fee for any date shall be determined by reference to the Leverage Ratio as of the last day of the fiscal quarter most recently ended as of such date and for the Calculation Period ended on such last day, and any change (i) shall become effective upon the delivery to the Administrative Agent of a certificate of a Responsible Officer of the Borrower (which certificate may be delivered prior to delivery of the relevant financial statements or may be incorporated in the certificate delivered pursuant to subsection 7.2(b)) with

respect to the financial statements to be delivered pursuant to Section 7.1 for the most recently ended fiscal quarter (x) setting forth in reasonable detail the calculation of the Leverage Ratio at the end of such fiscal quarter and (y) stating that the signer has reviewed the terms of this Agreement and other Loan Documents and has made, or caused to be made under his or her supervision, a review in reasonable detail of the transactions and condition of the Borrower and the Restricted Subsidiaries during the accounting period, and that the signer does not have knowledge of the existence as at the date of such officers' certificate of any Event of Default or Default, and (ii) shall apply (A) in the case of the Revolving Credit Loans bearing interest based upon the Alternate Base Rate, to such Alternate Base Rate Loans outstanding on such delivery date or made on and after such delivery date and (B) in the case of the Revolving Credit Loans bearing interest based upon the Eurodollar Rate, to such Eurodollar Loans made on and after such delivery date. It is understood that the foregoing certificate of a Responsible Officer shall be permitted to be delivered prior to, but in no event later than, the time of the actual delivery of the financial statements required to be delivered pursuant to Section 7.1. Notwithstanding the foregoing, at any time during which the Borrower has failed to deliver the certificate referred to above in this definition as required under subsection 7.2(b) with respect to a fiscal quarter following the date the delivery thereof is due, the Leverage Ratio shall be deemed, solely for the purposes of this definition, to be greater than 5.0 to 1.0 until such time as Borrower shall deliver such compliance certificate.

"Applicable Percentage": as to any Revolving Credit Lender, such Lender's Revolving Credit Commitment Percentage and as to any Term Loan Lender, its Term Loan Percentage.

"Application": an application, in such form as the Issuing Bank may specify, requesting the Issuing Bank to issue a Letter of Credit.

"Approved Fund": any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Arizona Storage": Arizona Gas Storage, L.L.C., a Delaware limited liability company.

"Atlantis": Atlantis Offshore, L.L.C., a Delaware limited liability company.

"Available Revolving Credit Commitment": as to any Revolving Credit Lender at any time, an amount equal to the excess, if any, of (a) the amount of such Lender's Revolving Credit Commitment over (b) such Lender's Aggregate Outstanding Revolving Credit Extensions of Credit.

"Borrower": GulfTerra Energy Partners, L.P., a Delaware limited partnership (formerly known as El Paso Energy Partners, L.P.).

"Borrower Pledge Agreement": the Amended and Restated Borrower Pledge and Security Agreement made by the Borrower in favor of the Collateral Agent for the benefit of the Lenders and the Marco Polo Lenders, substantially in the form of Exhibit D hereto, as the same may be amended, supplemented or otherwise modified from time to time.

"Borrower Security Agreement": the Amended and Restated Borrower Security Agreement made by the Borrower in favor of the Collateral Agent for the benefit of the Lenders and the Marco Polo Lenders, substantially in the form of Exhibit E hereto, as the same may be amended, supplemented or otherwise modified from time to time.

"Borrowing Date": any Business Day specified in a notice pursuant to Section 2.3 or 3.2 as a date on which the Borrower requests the Revolving Credit Lenders to make Revolving Credit Loans, the Additional Term Loan Lenders of any series to make Additional Term Loans or the Issuing Bank to issue a Letter of Credit hereunder.

"Business": as defined in Section 5.16(b).

"Business Day": a day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to close.

"Calculation Period": each period of four consecutive fiscal quarters of the Borrower.

"Cameron Highway": Cameron Highway Oil Pipeline Company, a Delaware general partnership that owns or will own the Cameron Highway Oil Pipeline.

"Cameron Highway GP": Cameron Highway Pipeline GP, L.L.C., a Delaware limited liability company.

"Cameron Highway I": Cameron Highway Pipeline I, L.P., a Delaware limited partnership.

"Cameron Highway Financing": the loans made to Cameron Highway under the Cameron Highway Financing Documents to finance the construction and operation of the Cameron Highway Oil Pipeline.

"Cameron Highway Financing Documents": means (a) the Credit Agreement, dated as of July 10, 2003, among Cameron Highway, as borrower, the lenders party thereto, JPMorgan, as administrative agent, and the other agents and parties thereto, (b) the Common Agreement, dated as of July 10, 2003, among Cameron Highway Oil Pipeline Company, as borrower, the lenders party thereto, JPMorgan, as administrative agent for the lenders, and the other parties from time to time party thereto, (c) the Note Purchase Agreement, dated as of July 10, 2003, among Cameron Highway, as borrower, the initial noteholders party thereto, and JPMorgan, as initial noteholder agent, (d) the Security and Intercreditor Agreement and Guarantee, dated as of July 10, 2003, among Cameron Highway, as borrower and grantor, the pledgors party thereto, JPMorgan, as administrative agent, and each of the other designated facility agents from time to time party thereto, (e) the Sponsor Agreement, dated as of July 10, 2003, made by the Partnership to JPMorgan, as collateral agent for the secured parties, administrative agent for the lenders, and initial noteholder agent for the noteholders, and (e) all other financing documents and credit arrangements entered into for the construction of the Cameron Highway Oil Pipeline, as each of (a) - (e) is amended, restated, renewed, replaced or otherwise modified from time to time.

"Cameron Highway Oil Pipeline": an oil pipeline system transporting oil from a platform located in Ship Shoal Block 332 in the Gulf of Mexico to multiple delivery points in Texas City, Texas and Port Arthur, Texas.

"Capital Lease": any lease of property, real or personal, the obligations of the lessee in respect of which are required in accordance with GAAP to be capitalized on a balance sheet of the lessee.

"Capital Stock": any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants or options to purchase any of the foregoing. In addition, with respect to the Borrower, "Capital Stock" shall include the Units and the General Partnership Interest.

"Cash Equivalents": (a) marketable direct obligations issued or unconditionally guaranteed by the United States Government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition thereof; (b) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition thereof and, at the time of acquisition, having the highest rating obtainable from either S&P or Moody's; (c) commercial paper maturing no more than one year from the date of creation thereof and, at the time of acquisition, having the highest rating obtainable from either S&P or Moody's; (d) certificates of deposit or banker's acceptances maturing within one year from the date of acquisition thereof issued by (i) any Lender, (ii) any commercial bank organized under the laws of the United States of America or any state thereof or the District of Columbia having combined capital and surplus of not less than $250,000,000 or (iii) any bank which has a short-term commercial paper rating meeting the requirements of clause (c) above (any such Lender or bank, a "Qualifying Lender"); (e) eurodollar time deposits having a maturity of less than one year purchased directly from any Lender (whether such deposit is with such Lender or any other Lender hereunder) or issued by any Qualifying Lender; and (f) repurchase agreements and reverse repurchase agreements with a term of not more than 14 days with any Qualifying Lender relating to marketable direct obligations issued or unconditionally guaranteed by the United States.

"Change of Control": the occurrence of any of the following:

(a) the sale, transfer, lease, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Partnership and its Restricted Subsidiaries taken as a whole to any "person" (as such term is used in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended) other than the El Paso Group;

(b) the adoption of a plan relating to the liquidation or dissolution of the Partnership or the General Partner; or

(c) such time as the El Paso Group ceases to own, directly or indirectly, at least 70% of the general partner interests of the Partnership.

Notwithstanding the foregoing, neither (i) a conversion of the Partnership from a limited partnership to a corporation, limited liability company or other form of entity or an exchange of all of the outstanding limited partnership interests for capital stock in a corporation, for member interests in a limited liability company or for Equity Interests in such other form of entity shall not constitute a Change of Control, so long as following such conversion or exchange the El Paso Group beneficially owns, directly or indirectly, in the aggregate more than 50% of the Capital Voting Stock of such entity, or continues to own a sufficient number of the outstanding shares of Capital Voting Stock of such entity to elect a majority of its directors, managers, trustees or other persons serving in a similar capacity for such entity nor (ii) consummation of the i-share Transactions shall constitute a Change of Control.

"Co-Borrower": GulfTerra Energy Finance Corporation, a Delaware corporation (formerly known as El Paso Energy Partners Finance Corporation).

"Co-Documentation Agents": as defined in the preamble to this Agreement.

"Code": the Internal Revenue Code of 1986, as amended from time to time.

"Collateral": the "Collateral" as defined in the several Security Documents.

"Collateral Agent": JPMorgan, in its capacity as Collateral Agent as appointed by the Lenders, and its successors and assigns.

"Commitment Fee": the commitment fee payable pursuant to Section 2.5.

"Common Unit": a partnership interest of a limited partner of the Borrower representing a fractional part of the partnership interests of all limited partners of the Borrower and having the rights and obligations specified with respect to Series A Common Units in the Partnership Agreement.

"Consolidated EBITDA": for any period and in accordance with Section 4.13, the Consolidated Net Income ((a) including earnings and losses from discontinued operations, except to the extent that any such losses represent reserves for losses attributable to the planned disposition of material assets, (b) excluding extraordinary gains, and gains and losses arising from the sale of material assets, and (c) including other non-recurring losses) for such period, plus (i) the aggregate amount of cash distributions received by the Borrower and its consolidated Subsidiaries (excluding Unrestricted Subsidiaries and Joint Ventures) from Unrestricted Subsidiaries and Joint Ventures (other than cash proceeds funded from the refinancing of the original capital investment by the Borrower and its Subsidiaries in Unrestricted Subsidiaries and Joint Ventures), and (ii) to the extent reflected as a charge in the statement of Consolidated Net Income for such period, the sum of (A) interest expense, amortization of debt discount and debt issuance costs (including the write-off of such costs in connection with prepayments of debt) and commissions, discounts and other fees and charges associated with standby letters of credit, (B) taxes measured by income accrued as an expense during such period, (C) depreciation, depletion, and amortization expense, and (D) non-cash compensation expense resulting from the accounting treatment applied, in accordance with GAAP, to management's equity interest minus the equity of the Borrower and its consolidated Subsidiaries (excluding Unrestricted Subsidiaries and Joint Ventures) in the earnings of Unrestricted Subsidiaries and Joint Ventures.

"Consolidated Interest Expense": for any period, and in accordance with Section 4.13, total cash interest expense (including that attributable to Capital Leases) of the Borrower and its Subsidiaries (excluding Unrestricted Subsidiaries and Joint Ventures) for such period with respect to all outstanding Indebtedness of the Borrower and such Subsidiaries (including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and net costs under Hedge Agreements in respect of interest rates to the extent such net costs are allocable to such period in accordance with GAAP).

"Consolidated Net Income": for any period, and in accordance with Section 4.13, the net income or net loss of the Borrower and its consolidated Subsidiaries (excluding Unrestricted Subsidiaries and Joint Ventures) for such period determined in accordance with GAAP on a consolidated basis.

"Consolidated Net Worth": as of the date of determination, all items which in conformity with GAAP would be included under shareholders' equity on a consolidated balance sheet of the Borrower and its consolidated Subsidiaries (excluding Unrestricted Subsidiaries) at such date.

"Consolidated Tangible Net Worth": as of the date of determination and in accordance with Section 4.13, Consolidated Net Worth after deducting therefrom the following:

(a) goodwill, including any amounts (however designated on the balance sheet) representing the cost of acquisitions of Subsidiaries in excess of underlying tangible assets;

(b) patents, trademarks, copyrights;

(c) leasehold improvements not recoverable at the expiration of a lease; and

(d) deferred charges (including unamortized debt discount and expense, organization expenses and experimental and development expenses, but excluding prepaid expenses).

"Consolidated Total Indebtedness": at any time and in accordance with Section 4.13, all Indebtedness of the Borrower and its consolidated Subsidiaries (excluding Unrestricted Subsidiaries) at such time.

"Consolidated Total Senior Indebtedness": at any time and in accordance with Section 4.13, Consolidated Total Indebtedness less the aggregate outstanding principal amount of any Indebtedness that is expressly subordinate in right of payment to the Loans, including the Senior Subordinated Notes, at such time; provided that any such express right of payment subordination provisions relating to such Indebtedness have a substantially similar effect as the right of payment subordination provisions contained in the Senior Subordinated Note Indentures.

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

"Copper Eagle": Copper Eagle Gas Storage, L.L.C., a Delaware limited liability company.

"Crystal Holding": Crystal Holding, L.L.C., a Delaware limited liability company.

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

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

"El Paso": El Paso Corporation, a Delaware corporation.

"El Paso Group": collectively, (a) El Paso, and (b) each Person which is a direct or indirect Subsidiary of El Paso, including, GTM Energy Company and GTM Management.

"Environmental Laws": any and all foreign, Federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, requirements of any Governmental Authority or other Requirements of Law (including common law) regulating, relating to or imposing liability or standards of conduct concerning protection of human health or the environment or to emissions, discharges, releases or threatened releases of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or wastes into the environment including, without limitation, ambient air, surface water, ground water, or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or wastes, as now or may at any time hereafter be in effect.

"EPEPC Guarantee": the Amended and Restated EPEPC Guarantee dated October 10, 2002 made by El Paso Energy Partners Company, L.L.C. in favor of the Administrative Agent for the benefit of the Lenders and the Marco Polo Lenders, as the same may be amended, supplemented or otherwise modified from time to time.

"ERISA": the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate": any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ERISA Event": (a) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) the existence with respect to any Plan of an "accumulated funding deficiency" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to

terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (g) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

"Eurocurrency Reserve Requirements": for any day as applied to a Eurodollar Loan, the aggregate (without duplication) of the rates (expressed as a decimal) of reserve requirements in effect on such day (including basic, supplemental, marginal and emergency reserves under any regulations of the Board of Governors of the Federal Reserve System or other Governmental Authority having jurisdiction with respect thereto) dealing with reserve requirements prescribed for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of such Board) maintained by a member bank of such System.

"Eurodollar Base Rate": with respect to each day during each Interest Period pertaining to a Eurodollar Loan, the rate appearing on page 3750 of the Telerate Service (or on any successor or substitute page of such Service, or any successor to or substitute for such Service, providing rate quotations comparable to those currently provided on such page of such Service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) at approximately 11:00 A.M., London time, two Working Days prior to the beginning of such Interest Period, as the rate for dollar deposits with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the "Eurodollar Base Rate" with respect to such Eurodollar Loans for such Interest Period shall be the rate at which dollar deposits of a comparable amount to such Eurodollar Loans and for a maturity comparable to such Interest Period are offered by the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 A.M., London time, two Working Days prior to the commencement of such Interest Period.

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

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

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

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

"Excluded Taxes": with respect to the Administrative Agent, any Lender, the Issuing Bank or any other recipient of any payment to be made by or on account of any obligation of the

Borrower hereunder, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America, or by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which the Borrower is located and (c) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Borrower under Section 4.10(b)), any withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party to this Agreement (or designates a new lending office) or is attributable to such Foreign Lender's failure to comply with Section 4.10(e), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from the Borrower with respect to such withholding tax pursuant to Section 4.10(a).

"Existing Credit Agreement": as defined in the recitals hereto.

"Expiry Date": with respect to any Letter of Credit at any time, the then stated expiration date of such Letter of Credit as set forth in such Letter of Credit.

"FERC": the Federal Energy Regulatory Commission and any successor thereto.

"First Reserve": First Reserve Gas, L.L.C., a Delaware limited liability company.

"Flextrend": Flextrend Development Company, L.L.C., a Delaware limited liability company.

"Foreign Lender": any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is located. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"GAAP": generally accepted accounting principles in the United States of America in effect from time to time.

"Gateway": Deepwater Gateway L.L.C., a Delaware limited liability company and a Joint Venture created by the Borrower and Cal Dive International, Inc. to initially develop and construct the Marco Polo Platform by, among other things, building and constructing platforms located in, and providing related services with respect to, the Marco Polo Field.

"General Partner": GulfTerra Energy Company, L.L.C., in its capacity as the general partner of the Borrower, or any other Person acting as general partner of the Borrower.

"General Partner Guarantee": the General Partner Guarantee dated May 5, 2003 made by the General Partner in favor of the Administrative Agent, the Lenders and the Marco Polo Lenders, as the same may be amended, supplemented or otherwise modified from time to time.

"General Partnership Interest": all general partnership interests in the Borrower.

"General Partner Security Agreement (G&A Agreement)": the General Partner Security Agreement (G&A Agreement) dated as of May 5, 2003, by the General Partner in favor of the Collateral Agent for the ratable benefit of the Administrative Agent, the Lenders and the Marco Polo Lenders, as the same may be amended, supplemented or otherwise modified from time to time, which document replaced the Amended and Restated EPEPC Security Agreement (G&A Agreement) dated as of October 10, 2002, by El Paso Energy Partners Company, L.L.C, the former general partner of the Borrower.

"Governmental Approval": any authorization, consent, approval, license, lease, ruling, permit, tariff, rate, certification, exemption, filing, variance, claim, order, judgment, decree, publication, notice to, declaration of or with or registration by or with any Governmental Authority.

"Governmental Authority": any nation or government, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"GTM Alabama": GulfTerra Alabama Intrastate, L.L.C., a Delaware limited liability company.

"GTM Arizona": GulfTerra Arizona Gas, L.L.C., a Delaware limited liability company (formerly known as EPN Arizona Gas, L.L.C.).

"GTM Energy Company": GulfTerra Energy Company, L.L.C., a Delaware limited liability company.

"GTM Field Services": GulfTerra Field Services, L.L.C., a Delaware limited liability company.

"GTM GC": GulfTerra GC, L.P., a Delaware limited partnership.

"GTM Holding I": GulfTerra Holding I, L.L.C., a Delaware limited liability company (formerly known as EPN GP Holding I, L.L.C.).

"GTM Holding II": GulfTerra Holding II, L.L.C., a Delaware limited liability company (formerly known as EPN GP Holding, L.L.C.).

"GTM Holding III": GulfTerra Holding III, L.L.C., a Delaware limited liability company (formerly known as EPN Pipeline GP Holding, L.L.C.).

"GTM Holding IV": GulfTerra Holding IV, L.P., a Delaware limited partnership (formerly known as EPN Holding Company I, L.P.).

"GTM Holding V": GulfTerra Holding V, L.P., a Delaware limited partnership (formerly known as EPN Holding Company, L.P.).

"GTM Intrastate": GulfTerra Intrastate, L.P., a Delaware limited partnership (formerly known as El Paso Energy Intrastate, L.P.).

"GTM Management": GulfTerra Management, L.L.C., a Delaware limited liability company (formerly known as El Paso Energy Partners Management, L.L.C.).

"GTM Management Registration Statements": the Forms S-1 and S-3 (registration numbers 333-97963 and 333-97963-01, respectively) jointly filed with the Securities and Exchange Commission by GulfTerra Management and the Borrower, respectively, as such registration statements are amended and supplemented from time to time.

"GTM NGL Storage": GulfTerra NGL Storage, L.L.C., a Delaware limited liability company (formerly known as EPN NGL Storage, L.L.C.).

"GTM Oil Transport" GulfTerra Oil Transport, L.L.C., a Delaware limited liability company (formerly known as El Paso Energy Partners Oil Transport, L.L.C.).

"GTM Operating Company": GulfTerra Operating Company, L.L.C., a Delaware limited liability company (formerly known as El Paso Energy Partners Operating Company, L.L.C.).

"GTM South Texas": GulfTerra South Texas, L.P., a Delaware limited partnership.

"GTM Texas Pipeline": GulfTerra Texas Pipeline, L.P., a Delaware limited partnership (formerly known as EPGT Texas Pipeline, L.P.).

"Guarantees": means the EPEPC Guarantee, the General Partner Guarantee, and the Subsidiaries Guarantee.

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

such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by the Borrower in good faith.

"Hattiesburg Sales": Hattiesburg Industrial Gas Sales, L.L.C., a Delaware limited liability company.

"Hattiesburg Storage": Hattiesburg Gas Storage Company, a Delaware general partnership.

"Hazardous Materials": any hazardous materials, hazardous wastes, hazardous constituents, hazardous or toxic substances, petroleum products (including crude oil or any fraction thereof), defined or regulated as such in or under any Environmental Law.

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

"High Island": High Island Offshore System, L.L.C., a Delaware limited liability company.

"Indebtedness": of any Person at any date, without duplication, (a) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services (other than current trade liabilities incurred in the ordinary course of business and payable in accordance with customary practices and which in any event are no more than 120 days past due or, if more than 120 days past due, are being contested in good faith and adequate reserves with respect thereto have been made on the books, of such Person), (b) any other indebtedness of such Person which is evidenced by a note, bond, debenture or similar instrument, (c) all Guarantee Obligations of such Person with respect to the Indebtedness of others, (d) all obligations of such Person under Capital Leases, (e) all obligations of such Person in respect of outstanding letters of credit (other than commercial letters of credit with an initial maturity date of less than 90 days), acceptances and similar obligations issued or created for the account of such Person, (f) all liabilities secured by any Lien on any property owned by such Person even though such Person has not assumed or otherwise become liable for the payment thereof and (g) for purposes of the covenants set forth in Section 8.1, the net obligations of such Person under Hedge Agreements.

"Indemnified Taxes": Taxes other than Excluded Taxes.

"Initial Term Loan Date": October 10, 2002.

"Initial Term Loan Lenders": any Lender having an Initial Term Loan outstanding hereunder.

"Initial Term Loan Maturity Date": October 10, 2007.

"Initial Term Loan Note": as defined in Section 2.2(e).

"Initial Term Loans": as defined in Section 2.1(b).

"Intercreditor Agreement": the Amended and Restated Intercreditor Agreement dated as of the Restatement Closing Date, by and among the Administrative Agent, for the benefit of the Lenders, the administrative agent for the lenders in connection with the Marco Polo Financing Documents, for the benefit of the lenders thereunder, and the Collateral Agent and acknowledged by the Borrower, as such agreement may be amended, modified, or supplemented from time to time.

"Interest Payment Date": (a) as to any Alternate Base Rate Loan, the last day of each March, June, September and December, commencing September 30, 2003, (b) as to any Eurodollar Loan having an Interest Period of three months or less, the last day of such Interest Period, and (c) as to any Eurodollar Loan having an Interest Period longer than three months, each day which is three months or a whole multiple thereof, after the first day of such Interest Period and the last day of such Interest Period.

"Interest Period": with respect to any Eurodollar Loan:

(a) initially, the period commencing on the borrowing or conversion date, as the case may be, with respect to such Eurodollar Loan and ending (i) one, two, three or six months thereafter, as selected by the Borrower in its notice of borrowing or notice of conversion, as the case may be, given with respect thereto, or (ii) if available from the applicable Lenders, a period that is not less than 7 days nor longer than 12 months; and

(b) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Eurodollar Loan and ending (i) one, two, three or six months thereafter, as selected by the Borrower by irrevocable notice to the Administrative Agent not less than three Working Days prior to the last day of the then current Interest Period with respect thereto, or (ii) if available from the applicable Lenders, a period that is not less than 7 days nor longer than 12 months;

provided that, all of the foregoing provisions relating to Interest Periods are subject to the following:

(1) if any Interest Period pertaining to a Eurodollar Loan would otherwise end on a day that is not a Working Day, such Interest Period shall be extended to the next succeeding Working Day unless the result of such extension would be to carry such Interest Period into another calendar month in which event such Interest Period shall end on the immediately preceding Working Day;

(2) any Interest Period that would otherwise extend beyond the Revolving Credit Termination Date or the Term Loan Maturity Date, as applicable, shall end on the Revolving Credit Termination Date or the Term Loan Maturity Date, as applicable;

(3) any Interest Period pertaining to a Eurodollar Loan that begins on the last Working Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Working Day of a calendar month; and

(4) the Borrower shall select Interest Periods so as not to require a payment or prepayment of any Eurodollar Loan during an Interest Period for such Loan.

"i-share Transactions": as defined in Section 11.22.

"Issuing Bank": JPMorgan, in its capacity as issuer of any Letter of Credit.

"Joint Venture": any Person in which the Borrower and/or its Subsidiaries hold more than 5% but less than a majority of the equity interests, and which does not constitute a Subsidiary of the Borrower, whether direct or indirect; provided that Atlantis, Cameron Highway, Copper Eagle, Gateway and Poseidon and their respective Subsidiaries shall be deemed a Joint Venture for purpose of the Loan Documents unless any such Person becomes a Subsidiary in accordance with the definition thereof and the Borrower designates such Person as a Subsidiary.

"Joint Venture Charter": with respect to each Joint Venture, the partnership agreement, certificate of incorporation, by-laws, limited liability company agreement or other constitutive documents of such Joint Venture, as each of the same may be further amended, supplemented or otherwise modified in accordance with this Agreement.

"JPMorgan": JPMorgan Chase Bank, a New York banking corporation.

"L/C Commitment Amount": $50,000,000.

"L/C Commitment Percentage": as to any L/C Participant at any time, the percentage determined under paragraph (a) of the definition of "Revolving Credit Commitment Percentage" in this Section 1.1.

"L/C Obligations": at any time, an amount equal to the sum of (a) the aggregate then undrawn and unexpired amount of the Letters of Credit and (b) the aggregate amount of drawings under the Letters of Credit which have not then been reimbursed pursuant to subsection 3.5(a).

"L/C Participants": the collective reference to all Lenders with Revolving Credit Commitments (other than the Issuing Bank).

"Lenders": as defined in the preamble to this Agreement.

"Letters of Credit": as defined in subsection 3.1(a).

"Leverage Ratio": as defined in the definition of "Applicable Margin".

"Lien": any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest or any preference, priority, preferential arrangement or other security agreement of any kind or nature whatsoever (including, any conditional sale or other title retention agreement and any Capital Lease having substantially the same economic effect as any of the foregoing).

"Loan": a Revolving Credit Loan or a Term Loan and "Loans" shall mean collectively the Revolving Credit Loans or the Term Loans or one or more of them.

"Loan Documents": this Agreement, the Notes, the Guarantees, the Security Documents, any confirmation of such Guarantees and Security Documents, any Term Loan Addendum, the Intercreditor Agreement and the Applications.

"Loan Parties": the Borrower, the Co-Borrower, the Subsidiary Guarantors and each other Affiliate of the Borrower that at the applicable time is party to a Loan Document.

"Manta Ray": Manta Ray Gathering Company, L.L.C., a Delaware limited liability company.

"Marco Polo Clawback": the "clawback" and similar obligations incurred by the Borrower and any Restricted Subsidiary under the Marco Polo Financing Documents in an aggregate amount not to exceed $22,500,000 at any one time outstanding.

"Marco Polo Financing": the loans made to Gateway under the Marco Polo Financing Documents.

"Marco Polo Financing Documents": (a) the Credit Agreement dated as of August 15, 2002, among Gateway, as borrower, JPMorgan Chase Bank, individually and as administrative agent, Wachovia Bank, National Association and Bank One, N.A., as syndication agents, Fortis Capital Corp. and BNP Paribas, as documentation agents, and the lenders party thereto, and (b) the other financing documents (as identified therein); in the case of (a) and (b) above, as amended, restated, renewed, replaced, supplemented or otherwise modified from time to time.

"Marco Polo Field": the oil and gas property known as the "Marco Polo Field" located offshore Louisiana, in the Gulf of Mexico Outer Continental Shelf, including Green Canyon Blocks 474, 518-520, 562-564, 606-608, 652, and 830.

"Marco Polo Lenders": shall have the same meaning as the defined term "Lenders" in the Marco Polo Financing Documents.

"Marco Polo Platform": the Moses-type four-column tension leg platform floating hull facility, pipelines, processing facilities, and appurtenances in connection with the development of the Marco Polo Field constructed, installed and owned by Gateway.

"Material Adverse Effect": a material adverse effect on (a) the business, operations, property or condition (financial or otherwise) of the Borrower and its Restricted Subsidiaries taken as a whole, (b) the ability of the Loan Parties, taken as a whole, to perform their collective obligations under this Agreement, any of the Notes or any of the other Loan Documents or (c) the rights of or benefits available to the Lenders, the Administrative Agent or the Collateral Agent under this Agreement, any of the Notes or any of the other Loan Documents.

"Material Environmental Amount": an amount payable by the Borrower and/or its Subsidiaries in excess of $35,000,000 for remedial costs, compliance costs, compensatory damages, punitive damages, fines, penalties or any combination thereof.

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

"MIAGS": Matagorda Island Area Gathering System, a Texas joint venture.

"Multiemployer Plan": a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Non-Putable Debt Securities": debt securities of any Loan Party (excluding any Guarantee Obligations with respect thereto), including the Senior Notes, other than Putable Debt Securities.

"Non-Recourse Obligations": Indebtedness, Guarantee Obligations and other obligations of any type (a) as to which neither the Borrower nor any Restricted Subsidiary (i) is obligated to provide credit support in any form, or (ii) is directly or indirectly liable, and (b) no default with respect to which (including any rights which the holders thereof may have to take enforcement action against an Unrestricted Subsidiary) would permit (upon notice, lapse of time or both) any holder of any Indebtedness or Guarantee Obligation of the Borrower or any Restricted Subsidiary to declare a default on such Indebtedness or Guarantee Obligation of the Borrower or any Restricted Subsidiary or cause the payment of any such Indebtedness to be accelerated or payable prior to its stated maturity or cause any such Guarantee Obligation to become payable, in the case of (a) and (b) above, except for clawbacks and other Guarantee Obligations permitted under this Agreement.

"Notes": the Revolving Credit Notes, the Initial Term Loan Notes and the Additional Term Loan Notes.

"Obligations": the unpaid principal of and interest on (including interest accruing after the maturity of the Loans and reimbursement obligations in respect of Letters of Credit and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Loans and all other obligations and liabilities of the Borrower to the Administrative Agent, the Collateral Agent or to any Lender (or, in the case of Hedge Agreements, any Affiliate of any Lender), whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, any other Loan Document, the Letters of Credit, any Hedge Agreement entered into with any Lender or any Affiliate of any Lender or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including all fees, charges and disbursements of counsel to the Administrative Agent, the Collateral Agent or to any Lender that are required to be paid by the Borrower pursuant hereto) or otherwise.

"Other Taxes": any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement.

"Participants": as defined in subsection 11.6(b).

"Partnership": GulfTerra Energy Partners, L.P., a Delaware limited partnership.

"Partnership Agreement": the Second Amended and Restated Agreement of Limited Partnership of the Borrower among the partners of the Borrower effective as of August 31, 2000 and as in effect on the Restatement Closing Date, as amended, modified and supplemented from time to time in accordance with this Agreement.

"PBGC": the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Person": an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature (the term "Person" shall not be deemed to include, however, any joint tenancy or tenancy-in-common pursuant to which any property or assets may be owned in an undivided interest).

"Petal": Petal Gas Storage, L.L.C., a Delaware limited liability company.

"Petal Facilities" the salt-dome gas storage facilities located in Hattiesburg, Mississippi.

"Petroleum": oil, gas and other liquid or gaseous hydrocarbons, including all liquefiable hydrocarbons and other products which may be extracted from gas and gas condensate by the processing thereof in a gas processing plant.

"Plan": any employee benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Pledge Agreements": collectively, the Borrower Pledge Agreement, the Subsidiary Pledge Agreement and any other pledge agreement executed and delivered pursuant to Section 8.17.

"Poseidon": Poseidon Oil Pipeline Company, L.L.C., a Delaware limited liability company.

"Poseidon Holding": Poseidon Pipeline Company, L.L.C., a Delaware limited liability company.

"Preference Unit": a partnership interest in the Borrower representing a fractional part of the partnership interests of all limited partners of the Borrower and having the rights and obligations specified with respect to Preference Units in the Partnership Agreement.

"Properties": the facilities and properties owned, leased or operated by the Borrower or any of its Restricted Subsidiaries or any Joint Venture.

"Purchasing Lenders": as defined in subsection 11.6(c).

"Putable Debt Securities": debt securities of any Loan Party (excluding any Guarantee Obligations with respect thereto) that provide rights of repurchase or redemption to the holders thereof upon a Change of Control similar to those provided to holders of the Senior Subordinated Notes upon a Change of Control. Putable Debt Securities include the Senior Subordinated Notes but do not include Indebtedness under this Agreement or the Senior Notes.

"Redesignation": any designation of a Restricted Subsidiary as an Unrestricted Subsidiary in accordance with the penultimate sentence of the definition of "Unrestricted Subsidiary"; and any designation of an Unrestricted Subsidiary or a Joint Venture as a Restricted Subsidiary in accordance with the last sentence of the definition of "Restricted Subsidiary".

"Regulation U": Regulation U of the Board of Governors of the Federal Reserve System as in effect from time to time.

"Reimbursement Obligation": the obligation of the Borrower to reimburse the Issuing Bank pursuant to subsection 3.5(a) for amounts drawn under the Letters of Credit.

"Related Parties": with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"Required Lenders": at any time, Lenders the Total Credit Percentages of which aggregate at least 51%.

"Requirement of Law": as to any Person, the Certificate of Incorporation and By-Laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Responsible Officer": the Chief Executive Officer, the Chief Operating Officer, the President, the Chief Financial Officer, the Treasurer or any vice president of the Borrower.

"Restatement Closing Date": the date on which the conditions set forth in Section 6.1 are first satisfied or waived, which shall occur on or prior to September 26, 2003.

"Restricted Payment": as defined in Section 8.7.

"Restricted Subsidiary": any Subsidiary of the Borrower other than an Unrestricted Subsidiary. Subject to the right to redesignate certain Restricted Subsidiaries as Unrestricted Subsidiaries in accordance with the definition of "Unrestricted Subsidiary", all of the Subsidiaries of the Borrower as of the date hereof other than Arizona Storage, GTM Arizona and MIAGS are Restricted Subsidiaries. Notwithstanding the foregoing, any Subsidiary which guarantees the Senior Subordinated Notes or the Senior Notes shall be a Restricted Subsidiary. Any Subsidiary designated as an Unrestricted Subsidiary may be redesignated as a Restricted Subsidiary with the consent of the Required Lenders as long as, immediately after giving effect thereto, no Default or Event of Default has occurred and is continuing and the Borrower would be in pro forma compliance with the covenants set forth in Section 8.1 after giving effect thereto.

"Revolving Credit Commitment": as to any Revolving Credit Lender, the obligation of such Revolving Credit Lender to make Revolving Credit Loans to and/or issue or participate in Letters of Credit issued on behalf of the Borrower hereunder in an aggregate principal and/or face amount at any one time outstanding not to exceed the amount set forth opposite such Revolving Credit Lender's name on Schedule I under the heading "Revolving Credit Commitment" or in any assignment and acceptance pursuant to which such Revolving Credit Lender becomes a party hereto, as such amount may be reduced from time to time in accordance with the provisions of this Agreement.

"Revolving Credit Commitment Percentage": as to any Revolving Credit Lender at any time, with respect to any credit to be extended under, payment or prepayment to be made under, conversion or continuation under, participation in a Letter of Credit issued under, or other matter with respect to, the Revolving Credit Commitments, (a) a percentage, the numerator of which is such Lender's Revolving Credit Commitment and the denominator of which is the aggregate Revolving Credit Commitments then in effect or (b) if the Revolving Credit Commitments have been terminated, as to any Lender at any time, a percentage, the numerator of which is such Lender's Aggregate Outstanding Revolving Credit Extensions of Credit and the denominator of which is the Aggregate Outstanding Revolving Credit Extensions of Credit of all Lenders at such time.

"Revolving Credit Commitment Period": the period from and including the Restatement Closing Date to but not including the Revolving Credit Termination Date or such earlier date on which the Revolving Credit Commitments shall terminate as provided herein.

"Revolving Credit Lender": any Lender having a Revolving Credit Commitment or any Aggregate Outstanding Revolving Credit Extensions of Credit hereunder.

"Revolving Credit Loans": as defined in Section 2.1(a).

"Revolving Credit Note": as defined in Section 2.2(e).

"Revolving Credit Termination Date": the third anniversary of the Restatement Closing Date, as such termination date may from time to time be extended pursuant to Section 2.7, and any other date on which the Revolving Credit Commitments are terminated.

"Security Agreements": collectively, the General Partner Security Agreement (G&A Agreement), the Borrower Security Agreement and the Subsidiary Security Agreement.

"Security Documents": collectively, the Pledge Agreements and the Security Agreements.

"Senior Note Indentures": (a) the Indenture dated July 3, 2003 among the Borrower, the Co-Borrower and certain of their respective Subsidiaries pursuant to which the 6-1/4% Senior Notes due 2010 were issued and (b) any other Indenture pursuant to which Senior Notes are issued, each together with all instruments and other agreements entered into by the Borrower, the Co-Borrower or such Subsidiaries in connection therewith, as each may be amended, supplemented or otherwise modified from time to time in accordance with this Agreement.

"Senior Notes": collectively (a) the 6-1/4% Senior Notes due 2010 of the Borrower and the Co-Borrower issued pursuant to a Senior Note Indenture and (b) any other senior notes issued pursuant to any Senior Note Indenture.

"Senior Subordinated Note Indentures": (a) the Indenture dated as of May 27, 1999 among the Borrower, the Co-Borrower, certain of their respective Subsidiaries and the trustee named therein pursuant to which the 10-3/8% Senior Subordinated Notes due 2009 were issued, (b) the Indenture dated as of May 17, 2001 among the Borrower, the Co-Borrower, certain of their respective Subsidiaries and the trustee named therein pursuant to which the 8-1/2% Senior Subordinated Notes due 2011 were issued, (c) the Indenture dated as of November 27, 2002 among the Borrower, the Co-Borrower, certain of their respective Subsidiaries and the trustee named therein pursuant to which the 10-5/8% Senior Subordinated Notes due 2012 were issued, (d) the Indenture dated March 24, 2003 among the Borrower, the Co-Borrower, certain of their respective Subsidiaries and the trustee named therein pursuant to which the 8-1/2% Senior Subordinated Notes due 2010 were issued, and (e) any other Indenture pursuant to which Senior Subordinated Notes are issued, each together with all instruments and other agreements entered into by the Borrower, the Co-Borrower or such Subsidiaries in connection therewith, as each may be amended, supplemented or otherwise modified from time to time in accordance with this Agreement.

"Senior Subordinated Notes": collectively (a) the 10-3/8% Senior Subordinated Notes due 2009, (b) the 8-1/2% Senior Subordinated Notes due 2011, (c) the 10-5/8% Senior Subordinated Notes due 2012, (d) the 8-1/2% Senior Subordinated Notes due 2012 and (e) any other senior subordinated notes, in each case of the Borrower and the Co-Borrower, issued pursuant to a Senior Subordinated Note Indenture.

"Significant Subsidiary": any Subsidiary, together with its Subsidiaries, the aggregate assets of which constitute 5% or more of the consolidated total assets of the Borrower and its Subsidiaries or for which the Consolidated EBITDA (mutatis mutandis) constitutes 5% or more of Consolidated EBITDA for the previous fiscal year.

"Subsidiaries Guarantee": the Amended and Restated Subsidiaries Guarantee made by the Subsidiary Guarantors in favor of the Administrative Agent, for the benefit of the Lenders and the Marco Polo Lenders, substantially in the form of Exhibit F hereto, as the same may be amended, supplemented or otherwise modified from time to time.

"Subsidiary": as to any Person, a corporation, partnership or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of the Borrower.

"Subsidiary Guarantors": collectively, Cameron Highway GP, Cameron Highway I, Crystal Holding, First Reserve, Flextrend, GTM Alabama, GTM Field Services, GTM GC, GTM Holding I, GTM Holding II, GTM Holding III, GTM Holding IV, GTM Holding V, GTM Intrastate, GTM NGL Storage, GTM Oil Transport, GTM Operating Company, GTM South Texas, GTM Texas Pipeline, Hattiesburg Sales, Hattiesburg Storage, High Island, Manta Ray, Petal and Poseidon Holding, each other Restricted Subsidiary and any other Subsidiary of the Borrower which, from time to time, may become party to the Subsidiaries Guarantee. Notwithstanding anything to the contrary in the Loan Documents, GulfTerra Energy Finance Corporation shall be the Co-Borrower and not a Subsidiary Guarantor.

"Subsidiary Pledge Agreement": the Amended and Restated Subsidiary Pledge Agreement made by each of the Subsidiary Guarantors (including any pledge agreement executed and delivered pursuant to Section 8.17) in favor of the Collateral Agent for the ratable benefit of the Lenders and the Marco Polo Lenders, substantially in the form of Exhibit G hereto, as the same may be amended, supplemented or otherwise modified from time to time.

"Subsidiary Security Agreement": the Amended and Restated Subsidiary Security Agreement made by each of the Subsidiary Guarantors (including any security agreement executed and delivered pursuant to Section 8.17) in favor of the Collateral Agent for the ratable benefit of the Lenders and the Marco Polo Lenders, substantially in the form of Exhibit H hereto, as the same may be amended, supplemented or otherwise modified from time to time.

"Syndication Agent": as defined in the preamble to this Agreement.

"Taxes": any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

"Term Loan": as defined in Section 2.1(c).

"Term Loan Addendum": a Term Loan Addendum substantially in the form attached hereto as Exhibit B.

"Term Loan Lender": any Lender having a Term Loan outstanding hereunder.

"Term Loan Maturity Date": as to any Initial Term Loan, the Initial Term Loan Maturity Date, and as to any Additional Term Loan, the applicable Additional Term Loan Maturity Date.

"Term Loan Percentage": as to any Term Loan Lender at any time, the percentage of the sum of the aggregate Additional Term Loan Commitments and the aggregate Term Loans then constituted by the sum of its Additional Term Loan Commitments and its Term Loans.

"Total Credit Percentage": as to any Lender at any time, the percentage of the sum of the aggregate Revolving Credit Commitments, aggregate Additional Term Loan Commitments and the aggregate Term Loans then constituted by the sum of its Revolving Credit Commitment, Additional Term Loan Commitments and its Term Loans (it being agreed that in the case of the termination or expiration of the Revolving Credit Commitments, the aggregate Revolving Credit Commitment and such Lender's Revolving Credit Commitment shall be determined by reference to the Aggregate Outstanding Revolving Credit Extensions of Credit of all Lenders and such Lender's Aggregate Outstanding Revolving Credit Extensions of Credit).

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

"Transferee": as defined in subsection 11.6(f).

"Type": as to any Loan, its nature as an Alternate Base Rate Loan or a Eurodollar Loan.

"Uniform Customs": the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500, as the same may be amended from time to time.

"Unit": a Common Unit, a Preference Unit, or any other partnership interest of a limited partner of the Borrower representing a fractional part of the partnership interests of all limited partners of the Borrower, including the Series B preference units, Series C units and Series F units issued by the Borrower from time to time.

"Unrestricted Subsidiary": any Subsidiary of the Borrower (a) which becomes a Subsidiary of the Borrower after the date hereof and, at the time it becomes a Subsidiary, is designated as an Unrestricted Subsidiary, in each case pursuant to a written notice from the Borrower to the Administrative Agent, (b) which has acquired assets, including cash, from the Borrower or any Restricted Subsidiary only as permitted pursuant to Section 8.6(a) and Section 8.8; provided that the aggregate amount of non-cash assets that the Borrower and Restricted Subsidiaries have contributed to Unrestricted Subsidiaries shall not exceed $200,000,000, (c) which has no Indebtedness, Guarantee Obligations or other obligations other than Non-Recourse Obligations and (d) which has not guaranteed the Senior Subordinated Notes or the Senior Notes. Any Restricted Subsidiary may be redesignated as an Unrestricted Subsidiary with the consent of the Required Lenders as long as, after giving effect thereto, no Default or Event of Default has occurred and is continuing and the Borrower would be in pro forma compliance with the financial covenants in Section 8.1 after giving effect thereto. Notwithstanding the foregoing, Arizona Storage, GTM Arizona and MIAGS shall each be deemed to be an Unrestricted Subsidiary unless redesignated as a Restricted Subsidiary in accordance with this Agreement.

"Withdrawal Liability": means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

"Working Day": any Business Day on which dealings in foreign currencies and exchange between banks may be carried on in London, England.

SECTION 1.2 Other Definitional Provisions.

(a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the Notes or any certificate or other document made or delivered pursuant hereto.

(b) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (i) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns (subject to any restrictions on assignments set forth herein), (iii) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, and (iv) all references herein to Articles, Sections, subsection, Exhibits, Annexes and Schedules shall be construed to refer to Articles, Sections and subsections of, and Exhibits, Annexes and Schedules to, this Agreement.

(c) Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

ARTICLE II
AMOUNT AND TERMS OF LOANS

SECTION 2.1 Loans and Commitments.

(a) Subject to the terms and conditions hereof, each Revolving Credit Lender severally agrees to make revolving credit loans (the "Revolving Credit Loans") to the Borrower from time to time during the Revolving Credit Commitment Period in an aggregate principal amount at any one time outstanding which, when added to such Lender's Revolving Credit Commitment Percentage of the then outstanding L/C Obligations, does not exceed the amount of such Lender's Revolving Credit Commitment, provided that no such Revolving Credit Loan shall be made if, after giving effect thereto, Section 2.4 would be contravened. During the Revolving Credit Commitment Period the Borrower may use the Revolving Credit Commitments by borrowing, prepaying the Revolving Credit Loans in whole or in part, and reborrowing, all in accordance with the terms and conditions hereof.

(b) The Initial Term Loan Lenders made, on the Initial Term Loan Date, term loans (the "Initial Term Loans") to the Borrower in an aggregate principal amount of $160,000,000. Once repaid, Initial Term Loans may not be reborrowed.

(c) Subject to the terms and conditions hereof, from time to time the Borrower, the Co-Borrower and the Administrative Agent may enter into a Term Loan Addendum with additional financial institutions or Lenders in order to permit the issuance of a series of additional term loans (the "Additional Term Loans" and collectively, with the Initial Term Loans, the "Term Loans") hereunder. Each such Term Loan Addendum shall set forth the following terms with respect to such series of Additional Term Loans: (i) the aggregate principal amount thereof, (ii) the amortization thereof, if any, (iii) the Applicable Margin, (iv) the Additional Term Loan Maturity Date, which date shall be on or after the Initial Term Loan Maturity Date, (v) the Additional Term Loan Closing Date, (vi) the Additional Term Loan Commitment for each Additional Term Loan Lender party to such Term Loan Addendum and (vii) the fees related thereto, if any; provided, however, that on any date the aggregate principal amount of all series of Additional Term Loans shall not exceed an amount equal to $500,000,000 less, as of the date of such determination, the aggregate outstanding principal amount of the Initial Term Loans. Subject to the terms and conditions hereof, upon execution and delivery of the Term Loan Addendum as to Additional Term Loans of any series, each Additional Term Loan Lender in respect of such series severally agrees to make, on the Additional Term Loan Closing Date for such series, Additional Term Loans to the Borrower in an aggregate principal amount not to exceed such Additional Term Loan Lender's Additional Term Loan Commitment for such series. Upon the execution and delivery of each Term Loan Addendum by the Borrower, the Co-Borrower, the Administrative Agent and the Additional Term Loan Lenders in accordance with the terms of this Section 2.1(c), this Agreement shall be supplemented and modified by the terms contained therein and such Term Loan Addendum shall become a Loan Document hereunder and no additional consent or approval shall be required from the Required Lenders for the execution and effectiveness of such Term Loan Addendum. Any series of Additional Term Loans made pursuant to this Section 2.1(c) shall be in a minimum aggregate amount equal to $10,000,000 or a whole multiple of $1,000,000 in excess thereof. No Term Loan Lender shall be obligated to make any Additional Term Loans unless it is a signatory to the Term Loan Addendum relating to such series of Additional Term Loans.

(d) In the event that the Applicable Margin set forth in any Term Loan Addendum with respect to any series of Additional Term Loans is more favorable or beneficial to the Term Loan Lenders for such series of Additional Term Loans than the Applicable Margin with respect to any Term Loans outstanding as of the effective date of such Term Loan Addendum, the Applicable Margin with respect to all outstanding Term Loans, without any further action on the part of the Borrower or any further action or approval required of the Administrative Agent or the Lenders, shall be deemed to be amended automatically to provide that the Applicable Margin in such Term Loan Addendum shall apply to all Term Loans outstanding immediately prior to the effective date of such Term Loan Addendum.

(e) The Loans may from time to time be (i) Eurodollar Loans, (ii) Alternate Base Rate Loans or (iii) a combination thereof, as determined by the Borrower and notified to the Administrative Agent in accordance with Sections 2.3 and 4.2, provided that no Loan shall be made as a Eurodollar Loan after the day that is one month prior to the Revolving Credit Termination Date or Term Loan Maturity Date, as applicable.

(f) The revolving credit loans outstanding on the Restatement Closing Date under the Existing Credit Agreement shall continue to be outstanding and shall be continued as Revolving Credit Loans under this Agreement.

SECTION 2.2. Repayment of Loans; Evidence of Debt.

(a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each (i) Revolving Credit Lender the then unpaid principal amount of each Revolving Credit Loan on the Revolving Credit Termination Date, (ii) Initial Term Loan Lender (x) in semi-annual installments beginning on the date six months following the Initial Term Loan Date and ending on the date six months prior to the Initial Term Loan Maturity Date, an amount equal to $2,500,000 for each installment and (y) the then unpaid principal amount of each Initial Term Loan on the Initial Term Loan Maturity Date and (iii) each Additional Term Loan Lender the amounts indicated in the applicable Term Loan Addendum at such times as therein indicated.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder; the Type thereof; whether such Loan is a Term Loan or a Revolving Credit Loan; for each Term Loan, whether such Term Loan is an Initial Term Loan or Additional Term Loan; for each Additional Term Loan, the series designation for such Additional Term Loan; and the Interest Period applicable to each Loan made hereunder, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section 2.2 shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that the Revolving Credit Loans or the Term Loans made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note substantially in the form of Exhibit A-1 hereto (a "Revolving Credit Note"), or a promissory note substantially in the form of Exhibit A-2 hereto (a "Initial Term Loan Note"), or a promissory note substantially in the form of Exhibit A-3 hereto (a "Additional Term Loan Note"), as applicable, payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns). Thereafter, the Loans evidenced by any such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 11.6) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

SECTION 2.3 Procedure for Borrowing.

(a) The Borrower may borrow under the Revolving Credit Commitments during the Revolving Credit Commitment Period on any Working Day, if all or any part of the requested Revolving Credit Loans are to be initially Eurodollar Loans, or on any Business Day, otherwise, provided that the Borrower shall give the Administrative Agent irrevocable notice (which notice must be received by the Administrative Agent prior to 10:00 A.M., New York City time, (i) three Working Days prior to the requested Borrowing Date, if all or any part of the requested Revolving Credit Loans are to be initially Eurodollar Loans, or (ii) one Business Day prior to the requested Borrowing Date, otherwise), specifying (w) the amount to be borrowed, (x) the requested Borrowing Date, (y) whether the borrowing is to be of Eurodollar Loans, Alternate Base Rate Loans or a combination thereof, and (z) if the borrowing is to be entirely or partly of Eurodollar Loans, the respective amounts of such Type of Revolving Credit Loan and the respective lengths of the initial Interest Periods therefor. Each borrowing under the Revolving Credit Commitments shall be in an amount equal to i. in the case of Alternate Base Rate Loans, $500,000 or a whole multiple thereof (or, if the then Available Revolving Credit Commitments are less than $500,000, such lesser amount) and ii. in the case of Eurodollar Loans, $1,000,000 or a whole multiple of $100,000 in excess thereof. Upon receipt of any such notice from the Borrower, the Administrative Agent shall promptly notify each Revolving Credit Lender thereof. Each Revolving Credit Lender will make the amount of its pro rata share of each borrowing available to the Administrative Agent for the account of the Borrower at the office of the Administrative Agent specified in Section 11.2 prior to 11:00 A.M., New York City time, on the Borrowing Date requested by the Borrower in funds immediately available to the Administrative Agent. Such borrowing will then be made available to the Borrower by the Administrative Agent crediting the account of the Borrower on the books of such office with the aggregate of

the amounts made available to the Administrative Agent by the Revolving Credit Lenders and in like funds as received by the Administrative Agent.

(b) The Borrower may borrow under the Additional Term Loan Commitments for a particular series of Additional Term Loans on the applicable Additional Term Loan Closing Date, provided that the Borrower shall give the Administrative Agent irrevocable notice (which notice must be received by the Administrative Agent prior to 10:00 A.M., New York City time, on the applicable Additional Term Loan Closing Date), specifying (x) the amount to be borrowed, (y) that such Additional Term Loan shall be incurred on the Additional Term Loan Closing Date and (z) that such borrowing is to be of Alternate Base Rate Loans. Upon receipt of any such notice from the Borrower, the Administrative Agent shall promptly notify each Additional Term Loan Lender for such series of Additional Term Loans thereof. Each Additional Term Loan Lender for such series of Additional Term Loans will make the amount of its pro rata share of each borrowing available to the Administrative Agent for the account of the Borrower at the office of the Administrative Agent specified in Section 11.2 prior to 2:00 P.M., New York City time, on the applicable Additional Term Loan Closing Date in funds immediately available to the Administrative Agent. Such borrowing will then be made available to the Borrower by the Administrative Agent crediting the account of the Borrower on the books of such office with the aggregate of the amounts made available to the Administrative Agent by the Additional Term Loan Lenders for such series of Additional Term Loans and in like funds as received by the Administrative Agent.

SECTION 2.4 Limitations on Loans. No requested Revolving Credit Loan shall be made if the sum of the Aggregate Outstanding Revolving Credit Extensions of Credit (after giving effect to such requested Revolving Credit Loan) would exceed the then aggregate Revolving Credit Commitments. The aggregate amount of Additional Term Loans shall not exceed the aggregate of the then-outstanding Additional Term Loan Commitments.

SECTION 2.5 Commitment Fee. The Borrower agrees to pay to the Administrative Agent for the account of each Revolving Credit Lender a commitment fee for the period from and including the date hereof to the Revolving Credit Termination Date, computed at the rate per annum equal to the then Applicable Margin for the Commitment Fee as set forth under the column heading "Applicable Margin for the Commitment Fee" of Annex I on the average daily amount of the Available Revolving Credit Commitment of such Lender, during the period for which payment is made, payable quarterly in arrears on the last day of each March, June, September and December, commencing September 30, 2003, and on the Revolving Credit Termination Date or such earlier date as the Revolving Credit Commitments shall terminate as provided herein, commencing on the first of such dates to occur after the date hereof.

SECTION 2.6 Termination or Reduction of Commitments.

(a) The Borrower shall have the right, upon not less than five Business Days' notice to the Administrative Agent, to terminate the Revolving Credit Commitments or, from time to time, to reduce the amount of the Revolving Credit Commitments, provided that no such termination or reduction shall be permitted if, after giving effect thereto and to any prepayments of the Revolving Credit Loans made on the effective date thereof, the

aggregate principal amount of the Revolving Credit Loans then outstanding, when added to the then outstanding L/C Obligations, would exceed the Revolving Credit Commitments then in effect. Any such reduction shall be in an amount equal to $5,000,000 or a whole multiple thereof.

(b) Any reduction of Revolving Credit Commitments pursuant to subsection 2.6(a) above or 4.1(b) shall reduce permanently the Revolving Credit Commitments then in effect.

(c) Any or all of the Additional Term Loan Commitments for any series of Additional Term Loans remaining unused shall automatically terminate at 5:00 P.M., New York City time, on the applicable Additional Term Loan Closing Date.

SECTION 2.7 Extensions of Revolving Credit Termination Date. The Borrower may, by irrevocable written notice to the Administrative Agent received no later than 120 days prior to the Revolving Credit Termination Date then in effect, request the Revolving Credit Lenders to extend such Revolving Credit Termination Date to the date 364 days following such then scheduled Revolving Credit Termination Date. Upon receipt of any such notice, the Administrative Agent shall promptly notify each Revolving Credit Lender thereof. Each Revolving Credit Lender may consent or refuse to consent to such change, in its sole discretion, at any time on or prior to the date which is 60 days prior to the Revolving Credit Termination Date then in effect. Upon the receipt by the Administrative Agent of the written consent of each of the Revolving Credit Lenders to such change in the Revolving Credit Termination Date on or prior to 2:00 p.m., New York time, on the date which is 60 days prior to the Revolving Credit Termination Date then in effect, the Revolving Credit Termination Date shall be changed to such subsequent date 364 days following the Revolving Credit Termination Date then in effect, and the term "Revolving Credit Termination Date" for all purposes of this Agreement and the other Loan Documents shall thereupon be deemed to refer to such subsequent date. Any failure of a Revolving Credit Lender to provide any such consent shall be deemed to be a refusal to consent to such change.

SECTION 2.8 Co-Borrower's Obligations. The Co-Borrower is a party hereto for purposes of providing co-extensive obligors (on a joint and several basis) for the Obligations, although the parties acknowledge that the Co-Borrower shall not have any substantial assets or other property. All references in this Agreement and the other Loan Documents to the "Borrower" shall be deemed to include a reference to the Co-Borrower, mutatis mutandis, whether or not actual reference is made thereto; provided, that, without limiting the generality of the foregoing, any obligations of any of the parties hereto to the Borrower shall be deemed fulfilled with respect to the Co-Borrower when fulfilled with respect to the Borrower.

ARTICLE III
LETTERS OF CREDIT

SECTION 3.1 Issuance of Letters of Credit.

(a) Subject to the terms and conditions hereof, the Issuing Bank, in reliance on the agreements of the other Revolving Credit Lenders set forth in subsection 3.3(a),

agrees to issue letters of credit (the "Letters of Credit") for the account of the Borrower on any Business Day during the Revolving Credit Commitment Period in such form as may be approved from time to time by the Issuing Bank; provided that the Issuing Bank shall have no obligation to issue any Letter of Credit if, after giving effect to such issuance, i. the L/C Obligations would exceed the L/C Commitment or ii. the Available Revolving Credit Commitment would be less than zero or iii. the Aggregate Outstanding Revolving Credit Extensions of Credit would exceed the then aggregate Revolving Credit Commitments.

(b) Each Letter of Credit shall:

(i) be denominated in Dollars and shall be either (A) a standby letter of credit issued to support obligations of the Borrower or any Restricted Subsidiary, contingent or otherwise, in connection with the working capital and business needs of the Borrower or such Restricted Subsidiary, as the case may be, in the ordinary course of business, or (B) a commercial letter of credit issued in respect of the purchase of goods or services by the Borrower or any Restricted Subsidiary in the ordinary course of business; and

(ii) expire no later than the earlier of (A) one year after the date of issuance or renewal thereof in accordance with the term of such Letter of Credit; provided that any Letter of Credit with an expiry date occurring one year after its issuance may be renewed for additional one-year periods and (B) five Business Days prior to the Revolving Credit Termination Date.

(c) Each Letter of Credit shall be subject to the Uniform Customs and, to the extent not inconsistent therewith, the laws of the State of New York.

(d) The Issuing Bank shall not at any time be obligated to issue any Letter of Credit hereunder if such issuance would conflict with, or cause the Issuing Bank or any L/C Participant to exceed any limits imposed by, any applicable Requirement of Law.

(e) Letters of Credit issued under the Existing Credit Agreement that are outstanding on the Restatement Closing Date shall be deemed to be Letters of Credit issued under this Agreement on the Restatement Closing Date.

SECTION 3.2 Procedure for Issuance of Letters of Credit. The Borrower may from time to time request that the Issuing Bank issue a Letter of Credit by delivering to the Issuing Bank at its address for notices specified herein an Application therefor, completed to the satisfaction of the Issuing Bank, and such other certificates, documents and other papers and information as the Issuing Bank may reasonably request. Upon receipt of any Application, the Issuing Bank will process such Application and the certificates, documents and other papers and information delivered to it in connection therewith in accordance with its customary procedures and shall promptly issue the Letter of Credit requested thereby (but in no event shall the Issuing Bank be required to issue any Letter of Credit earlier than three Business Days after its receipt of the Application therefor and all such other certificates, documents and other papers and information relating thereto) by issuing the original of such Letter of Credit to the beneficiary thereof or as

otherwise may be agreed by the Issuing Bank and the Borrower. The Issuing Bank shall furnish a copy of such Letter of Credit to the Borrower promptly following the issuance thereof.

SECTION 3.3 Participations and Payments in Respect of the Letters of Credit.

(a) The Issuing Bank irrevocably agrees to grant and hereby grants to each L/C Participant, and, to induce the Issuing Bank to issue Letters of Credit hereunder, each L/C Participant irrevocably agrees to accept and purchase and hereby accepts and purchases from the Issuing Bank, on the terms and conditions hereinafter stated, for such L/C Participant's own account and risk an undivided interest equal to such L/C Participant's L/C Commitment Percentage in the Issuing Bank's obligations and rights under each Letter of Credit issued hereunder and the amount of each draft paid by the Issuing Bank thereunder.

(b) Each L/C Participant unconditionally and irrevocably agrees with the Issuing Bank that, if a draft is paid under any Letter of Credit for which the Issuing Bank is not reimbursed on the day of such payment in full by the Borrower in immediately available funds, such Revolving Credit Lender shall pay to the Issuing Bank upon demand at the Issuing Bank's address for notices specified herein an amount equal to such L/C Participant's L/C Commitment Percentage of the amount of such draft, or any part thereof, which is not so reimbursed. Each L/C Participant's obligation to make each such payment to the Issuing Bank, and the Issuing Bank's right to receive the same, are absolute and unconditional and shall not be affected by any circumstance whatsoever, including, without limiting the effect of the foregoing, the occurrence or continuance of a Default or Event of Default or the failure of any other L/C Participant to make any payment under this Section 3.3, and each L/C Participant further agrees that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each L/C Participant shall indemnify and hold harmless the Issuing Bank from and against any and all losses, liabilities (including, without limitation, liabilities for penalties), actions, suits, judgments, demands, costs and expenses (including reasonable attorneys' fees) resulting from any failure of such L/C Participant to provide, or from any delay in providing, the Issuing Bank with such L/C Participant's L/C Commitment Percentage of such payment in accordance with the provisions of this Section 3.3, but no L/C Participant shall be so liable for any such failure on the part of any other L/C Participant.

(c) If any amount required to be paid by any L/C Participant to the Issuing Bank pursuant to subsection 3.3(a) in respect of any unreimbursed portion of any payment made by the Issuing Bank under any Letter of Credit is paid to the Issuing Bank within two Business Days after the date such payment is due, such L/C Participant shall pay to the Issuing Bank on demand an amount equal to the product of (i) such amount, times (ii) the daily average Federal funds rate, as quoted by the Issuing Bank, during the period from and including the date such payment is required to the date on which such payment is immediately available to the Issuing Bank, times (iii) a fraction the numerator of which is the number of days that elapse during such period and the denominator of which is 360. If any such amount required to be paid by any L/C Participant pursuant to subsection 3.3(a) is not in fact made available to the Issuing Bank by such L/C

Participant within two Business Days after the date such payment is due, the Issuing Bank shall be entitled to recover from such L/C Participant, on demand, such amount with interest thereon calculated from such due date at the rate per annum applicable to Alternate Base Rate Loans hereunder. A certificate of the Issuing Bank submitted to any L/C Participant with respect to any amounts owing under this Section 3.3 shall be conclusive in the absence of manifest error.

(d) Whenever, at any time after the Issuing Bank has made payment under any Letter of Credit and has received from any L/C Participant its pro rata share of such payment in accordance with subsection 3.3(a), the Issuing Bank receives any payment related to such Letter of Credit (whether directly from the Borrower or otherwise, including proceeds of collateral applied thereto by the Issuing Bank), or any payment of interest on account thereof, the Issuing Bank will distribute to such L/C Participant its pro rata share thereof; provided, however, that in the event that any such payment received by the Issuing Bank shall be required to be returned by the Issuing Bank, such L/C Participant shall return to the Issuing Bank the portion thereof previously distributed by the Issuing Bank to it.

SECTION 3.4 Fees, Commissions and Other Charges.

(a) The Borrower shall pay to the Administrative Agent, for the account of the Issuing Bank, a fronting fee with respect to each Letter of Credit for the period from and including the date of issuance thereof to but not including the Expiry Date thereof, computed at the rate of 0.15% per annum on the average daily amount of the undrawn and unexpired amount of such Letter of Credit. Such fronting fee shall be payable quarterly in advance on the date of issuance of each Letter of Credit and on the last day of each March, June, September and December thereafter, commencing September 30, 2003. Such fee shall be nonrefundable.

(b) The Borrower shall pay to the Administrative Agent, for the account of the Issuing Bank and the L/C Participants, a letter of credit commission with respect to each Letter of Credit for the period from and including the date of issuance thereof to but not including the Expiry Date thereof, computed at the rate of the then Applicable Margin for Eurodollar Loans per annum on the average daily amount of the undrawn and unexpired amount of such Letter of Credit. Such commission shall be payable to the L/C Participants to be shared ratably among them in accordance with their respective L/C Commitment Percentages. Such commission shall be payable quarterly in advance on the date of issuance of each Letter of Credit and on the last day of each March, June, September and December thereafter, commencing September 30, 2003. Such fee shall be nonrefundable.

(c) In addition to the foregoing fees and commissions, the Borrower shall pay or reimburse the Issuing Bank for such normal and customary costs and expenses as are incurred or charged by the Issuing Bank in issuing, effecting payment under, amending or otherwise administering any Letter of Credit.

(d) The Administrative Agent shall, promptly following its receipt thereof, distribute to the Issuing Bank and the L/C Participants all fees and commissions received by the Administrative Agent for their respective accounts pursuant to this Section 3.4.

(e) The fees and commissions described in the preceding paragraphs (a) and (b) shall be based on a 360 day year. If any amounts in the preceding paragraphs (a) and (b) shall be payable on a day that is not a Working Day, such amount shall be extended to the next succeeding Working Day unless the result of such extension would be to carry such amount into another calendar month in which event such amount shall be payable on the immediately preceding Working Day.

SECTION 3.5 Reimbursement Obligation of the Borrower.

(a) The Borrower agrees to reimburse the Issuing Bank on each date on which the Issuing Bank notifies the Borrower of the date and amount of a draft presented under any Letter of Credit and paid by the Issuing Bank for the amount of (i) such draft so paid and (ii) any taxes, fees, charges or other costs or expenses incurred by the Issuing Bank in connection with such payment. Each such payment shall be made to the Issuing Bank at its address for notices specified herein in lawful money of the United States of America and in immediately available funds.

(b) Unless otherwise notified by the Borrower, each drawing under a Letter of Credit shall constitute a request by the Borrower to the Administrative Agent for a borrowing pursuant to Section 2.3 of Revolving Credit Loans which are Alternate Base Rate Loans in the amount of such drawing, subject to satisfaction of the conditions set forth in Section 6.2. The Borrowing Date with respect to such borrowing shall be the date of such drawing.

(c) Interest shall be payable on any and all amounts remaining unpaid by the Borrower under this Section 3.5 from the date such amounts become payable (whether at stated maturity, by acceleration or otherwise) until payment in full at the rate which would be payable on any outstanding Revolving Credit Loans which are Alternate Base Rate Loans which were then overdue.

SECTION 3.6 Obligations Absolute.

(a) The Borrower's obligations under this Article III shall be absolute and unconditional under any and all circumstances and irrespective of any set-off, counterclaim or defense to payment which the Borrower may have or have had against the Issuing Bank or any beneficiary of any Letter of Credit.

(b) The Borrower also agrees with the Issuing Bank that the Issuing Bank shall not be responsible for, and the Borrower's Reimbursement Obligations under subsection 3.5(a) shall not be affected by, among other things, (i) the validity or genuineness of documents or of any endorsements thereon, even though such documents shall in fact prove to be invalid, fraudulent or forged, or (ii) any dispute between or among the Borrower and any beneficiary of any Letter of Credit or any other party to

which such Letter of Credit may be transferred or (iii) any claims whatsoever of the Borrower against any beneficiary of any Letter of Credit or any such transferee.

(c) The Issuing Bank shall not be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit, except for errors or omissions caused by the Issuing Bank's gross negligence or willful misconduct.

(d) The Borrower agrees that any action taken or omitted by the Issuing Bank under or in connection with any Letter of Credit or the related drafts or documents, if done in the absence of gross negligence of willful misconduct and in accordance with the standards of care specified in the Uniform Commercial Code of the State of New York, shall be binding on the Borrower and shall not result in any liability of the Issuing Bank to the Borrower.

SECTION 3.7 Letter of Credit Payments. If any draft shall be presented for payment under any Letter of Credit, the Issuing Bank shall promptly notify the Borrower of the date and amount thereof. The responsibility of the Issuing Bank to the Borrower in connection with any draft presented for payment under any Letter of Credit shall, in addition to any payment obligation expressly provided for in such Letter of Credit, be limited to determining that the documents (including each draft) delivered under such Letter of Credit in connection with such presentment are in conformity with such Letter of Credit.

SECTION 3.8 Applications. To the extent that any provision of any Application related to any Letter of Credit is inconsistent with the provisions of this Article III, the provisions of this Article III shall apply.

ARTICLE IV
GENERAL PROVISIONS FOR LOANS

SECTION 4.1 Optional and Mandatory Prepayments.

(a) The Borrower may on the last day of any Interest Period with respect thereto (or at other times with the payment of applicable breakage costs), in the case of Eurodollar Loans, or at any time and from time to time, in the case of Alternate Base Rate Loans, prepay the Revolving Credit Loans, the Initial Term Loans, the Additional Term Loans of any series, or any combination thereof, in whole or in part, without premium or penalty (except as set forth in Section 4.1(e) below), upon at least four Business Days' irrevocable notice to the Administrative Agent, specifying (i) the date and amount of prepayment, (ii) whether the prepayment is of Eurodollar Loans, Alternate Base Rate Loans or a combination thereof, and, if of a combination thereof, the amount allocable to each, (iii) whether the prepayment is of Revolving Credit Loans, Initial Term Loans, the Additional Term Loans of any series, or any combination thereof, and, if of a combination thereof, the amount allocable to each and (iv) if the prepayment includes Term Loans, the amount allocable, if any, to the Initial Term Loans or the Additional Term Loans of each series. Upon receipt of any such notice the Administrative Agent shall promptly notify each Applicable Lender thereof. If any such notice is given, the

amount specified in such notice shall be due and payable on the date specified therein, with accrued interest to such date on the amount prepaid in the case of prepayment of Term Loans. Partial prepayments (x) of Revolving Credit Loans shall be in an aggregate principal amount of $1,000,000 or a whole multiple thereof and (y) of any Term Loans shall be in an aggregate principal amount of $5,000,000 or a whole multiple thereof.

(b) If on any date (including any date on which a certificate of a Responsible Officer of the Borrower is delivered pursuant to subsection 7.2(b)) the sum of the Aggregate Outstanding Revolving Credit Extensions of Credit then outstanding exceeds the then aggregate Revolving Credit Commitments, then, without notice or demand, the Borrower shall promptly prepay the Revolving Credit Loans in an amount equal to such excess. The Borrower may, subject to the terms and conditions of this Agreement, reborrow the amount of any prepayment made under this subsection 4.1(b).

(c) The application of any prepayment of Initial Term Loans or Additional Term Loans of any series pursuant to subsection 4.1(a) shall be made to the remaining installments of such Initial Term Loans or Additional Term Loans of such series, as applicable, in the inverse order of their maturity.

(d) The application of any prepayment pursuant to subsection 4.1(b) shall be made first to Alternate Base Rate Loans and second to Eurodollar Loans. Each prepayment of the Loans under subsection 4.1(b) (other than Alternate Base Rate Loans) shall be accompanied by accrued interest to the date of such prepayment on the amount prepaid.

(e) With respect to any optional prepayment made by the Borrower in connection with the Initial Term Loans on or before the first anniversary of the Initial Term Loan Date, the Borrower shall pay to the Administrative Agent, for the account of the applicable Initial Term Loan Lenders, a prepayment in an amount (including principal and premium) equal to 101% of the aggregate principal amount of the Initial Term Loans to be prepaid as set forth pursuant to the notice of prepayment provided to the Administrative Agent pursuant to Section 4.1(a) above plus all accrued, unpaid interest to the date of such prepayment.

SECTION 4.2 Conversion and Continuation Options.

(a) The Borrower may elect from time to time to convert Eurodollar Loans to Alternate Base Rate Loans by giving the Administrative Agent at least two Business Days' prior irrevocable notice of such election, provided that any such conversion of Eurodollar Loans may only be made on the last day of an Interest Period with respect thereto. The Borrower may elect from time to time to convert Alternate Base Rate Loans to Eurodollar Loans by giving the Administrative Agent at least three Working Days' prior irrevocable notice of such election. Any such notice of conversion to Eurodollar Loans shall specify the length of the initial Interest Period or Interest Periods therefor. Upon receipt of any such notice the Administrative Agent shall promptly notify each Applicable Lender thereof. All or any part of outstanding Eurodollar Loans and Alternate Base Rate Loans may be converted as provided herein, provided that (i) no

Loan may be converted into a Eurodollar Loan when any Default or Event of Default has occurred and is continuing and the Administrative Agent has or the Required Lenders have determined that such a conversion is not appropriate, (ii) any such conversion may only be made if, after giving effect thereto, Section 4.3 shall not have been contravened and (iii) no Loan may be converted into a Eurodollar Loan after the date that is one month prior to the Revolving Credit Termination Date or applicable Term Loan Maturity Date, as applicable.

(b) Any Eurodollar Loans may be continued as such upon the expiration of the then current Interest Period with respect thereto by the Borrower giving notice to the Administrative Agent, in accordance with the applicable provisions of the term "Interest Period" set forth in Section 1.1, of the length of the next Interest Period to be applicable to such Loans, provided that no Eurodollar Loan may be continued as such (i) when any Default or Event of Default has occurred and is continuing and the Administrative Agent has or the Required Lenders have determined that such a continuation is not appropriate, (ii) if, after giving effect thereto, Section 4.3 would be contravened or (iii) after the date that is one month prior to the Revolving Credit Termination Date or applicable Term Loan Maturity Date, as applicable, and provided, further, that if the Borrower shall fail to give any required notice as described above in this paragraph or if such continuation is not permitted pursuant to the preceding proviso such Loans shall be automatically converted to Alternate Base Rate Loans on the last day of such then expiring Interest Period.

SECTION 4.3 Minimum Amounts of Tranches. All borrowings, conversions and continuations of Loans hereunder and all selections of Interest Periods hereunder shall be in such amounts and be made pursuant to such elections so that, after giving effect thereto, (a) the aggregate principal amount of the Loans comprising each Tranche shall be equal to $2,000,000 or a whole multiple of $100,000 in excess thereof, and (b) the number of Tranches then outstanding shall not exceed eight.

SECTION 4.4 Interest Rates and Payment Dates.

(a) Each Eurodollar Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the Eurodollar Rate determined for such day plus the Applicable Margin.

(b) Each Alternate Base Rate Loan shall bear interest at a rate per annum equal to the Alternate Base Rate plus the Applicable Margin.

(c) If all or a portion of (i) the principal amount of any Loan, (ii) any interest payable thereon or (iii) any commitment fee or other amount payable hereunder shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum which is the higher of (A) the rate that would otherwise be applicable thereto pursuant to the foregoing provisions of this Section 4.4 plus 2% and (B) the Alternate Base Rate plus 1%, in each case from the date of such non-payment until such amount is paid in full (as well after as before judgment).

(d) Interest shall be payable in arrears on each Interest Payment Date, provided that interest accruing pursuant to paragraph (c) of this Section 4.4 shall be payable from time to time on demand.

(e) With respect to any Initial Term Loan, whether an Alternate Base Rate Loan or a Eurodollar Loan, in the event that, on any date, (i) the Borrower's senior, long-term unsecured debt rating issued by S&P is less than BB+ and (ii) the Borrower's senior, long-term unsecured debt rating issued by Moody's is less than Ba2 or the Borrower's senior secured debt rating issued by Moody's is less than Ba1, then on such date the Applicable Margin with respect to Initial Term Loans that are Alternate Base Rate Loans shall be 3.25% per annum and the Applicable Margin for Initial Term Loans that are Eurodollar Loans shall be 4.50% per annum, which adjustment to the Applicable Margin for Initial Term Loans shall become effective on the date that such event occurs and the increase shall continue until the date upon which (x) the Borrower's senior, long-term unsecured debt rating issued by S&P is equal to or greater than BB+ and (y) the Borrower's senior, long-term unsecured debt rating issued by Moody's is equal to or greater than Ba2 or the Borrower's senior secured debt rating issued by Moody's is equal to or greater than Ba1, on which date the Applicable Margin for Initial Term Loans will return to 2.25% per annum for Alternate Base Rate Loans and 3.50% per annum for Eurodollar Loans.

SECTION 4.5 Computation of Interest and Fees.

(a) Interest on Alternate Base Rate Loans, commitment fees and interest on overdue interest, commitment fees and other amounts payable hereunder shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed. Interest on Eurodollar Loans shall be calculated on the basis of a 360-day year for the actual days elapsed. The Administrative Agent shall as soon as practicable notify the Borrower and the Lenders of each determination of a Eurodollar Rate. Any change in the interest rate on a Loan resulting from a change in the Alternate Base Rate or the Eurocurrency Reserve Requirements shall become effective as of the opening of business on the day on which such change becomes effective. The Administrative Agent shall as soon as practicable notify the Borrower and the Lenders of the effective date and the amount of each such change in interest rate.

(b) Each determination of an interest rate by the Administrative Agent pursuant to any provision of this Agreement shall be conclusive and binding on the Borrower and the Lenders in the absence of manifest error. The Administrative Agent shall, at the request of the Borrower, deliver to the Borrower a statement showing the quotations used by the Administrative Agent in determining any interest rate pursuant to subsection 4.4(a).

SECTION 4.6 Inability to Determine Interest Rate. If prior to the first day of any Interest Period:

(a) the Administrative Agent shall have determined (which determination shall be conclusive and binding upon the Borrower) that, by reason of circumstances

affecting the relevant market, adequate and reasonable means do not exist for ascertaining the Eurodollar Rate for such Interest Period, or

(b) the Administrative Agent shall have received notice from the Required Lenders that the Eurodollar Rate determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to such Lenders (as conclusively certified by such Lenders) of making or maintaining their affected Loans during such Interest Period,

the Administrative Agent shall give telecopy or telephonic notice thereof to the Borrower and the Lenders as soon as practicable thereafter. If such notice is given (x) any Eurodollar Loans requested to be made on the first day of such Interest Period shall be made as Alternate Base Rate Loans, (y) any Loans that were to have been converted on the first day of such Interest Period to Eurodollar Loans shall be converted to or continued as Alternate Base Rate Loans and (z) any outstanding Eurodollar Loans shall be converted, on the first day of such Interest Period, to Alternate Base Rate Loans. Until such notice has been withdrawn by the Administrative Agent, no further Eurodollar Loans shall be made or continued as such, nor shall the Borrower have the right to convert Loans to Eurodollar Loans.

SECTION 4.7 Pro Rata Treatment and Payments.

(a) Each borrowing by the Borrower from the Revolving Credit Lenders hereunder, each payment by the Borrower on account of any commitment fee payable pursuant to Section 2.5 hereunder and any reduction of the Revolving Credit Commitments of the Lenders shall be made pro rata according to the respective Revolving Credit Commitment Percentages of the Revolving Credit Lenders. Each borrowing by the Borrower from the Term Loan Lenders hereunder with respect to the Additional Term Loans of any series shall be made pro rata according to the respective Additional Term Loan Percentages applicable to such Additional Term Loans of such Term Loan Lenders. Each payment (including each prepayment) by the Borrower on account of principal of and interest on (i) the Initial Term Loans or Additional Term Loans of any series shall be made pro rata according to the respective outstanding principal amounts of the Initial Terms Loans or the Additional Term Loans of such series then held by the Term Loan Lenders, or (ii) the Revolving Credit Loans shall be made pro rata according to the respective outstanding principal amounts of the Revolving Credit Loans then held by the Revolving Credit Lenders. All payments (including prepayments) to be made by the Borrower hereunder and under the Notes, whether on account of principal, interest, fees or otherwise, shall be made without set off or counterclaim and shall be made prior to 12:00 Noon, New York City time, on the due date thereof to the Administrative Agent, for the account of the Lenders, at the Administrative Agent's office specified in Section 11.2, in Dollars and in immediately available funds. The Administrative Agent shall distribute such payments to the Applicable Lenders promptly upon receipt in like funds as received. If any payment hereunder (other than payments on the Eurodollar Loans) becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day, and, with respect to payments of principal, interest thereon shall be payable at the then applicable rate during such extension and with respect to payments of

fees, such fees accruing during such extension shall be payable on the next succeeding Business Day. If any payment on a Eurodollar Loan becomes due and payable on a day other than a Working Day, the maturity thereof shall be extended to the next succeeding Working Day unless the result of such extension would be to extend such payment into another calendar month, in which event such payment shall be made on the immediately preceding Working Day.

(b) Unless the Administrative Agent shall have been notified in writing by any Lender prior to a Borrowing Date that such Lender will not make the amount that would constitute its Applicable Percentage of the borrowing on such date available to the Administrative Agent, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent on such Borrowing Date, and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower a corresponding amount. If such amount is made available to the Administrative Agent on a date after such Borrowing Date, such Lender shall pay to the Administrative Agent on demand an amount equal to the product of (i) the daily average Federal Funds Effective Rate during such period, times (ii) the amount of such Lender's Applicable Percentage of such borrowing, times (iii) a fraction the numerator of which is the number of days that elapse from and including such Borrowing Date to the date on which such Lender's Applicable Percentage of such borrowing shall have become immediately available to the Administrative Agent and the denominator of which is 360. A certificate of the Administrative Agent submitted to any Lender with respect to any amounts owing under this Section 4.7 shall be conclusive in the absence of manifest error. If such Lender's Applicable Percentage of such borrowing is not in fact made available to the Administrative Agent by such Lender within three Business Days of such Borrowing Date, the Administrative Agent shall be entitled to recover such amount with interest thereon at the rate per annum applicable to Alternate Base Rate Loans hereunder, on demand, from the Borrower.

SECTION 4.8 Illegality. Notwithstanding any other provision herein, if the adoption of or any change in any Requirement of Law or in the interpretation or application thereof shall make it unlawful for any Lender to make or maintain Eurodollar Loans as contemplated by this Agreement, (a) the commitment of such Lender hereunder to make Eurodollar Loans, continue Eurodollar Loans as such and convert Alternate Base Rate Loans to Eurodollar Loans shall forthwith be cancelled and (b) such Lender's Loans then outstanding as Eurodollar Loans, if any, shall be converted automatically to Alternate Base Rate Loans on the respective last days of the then current Interest Periods with respect to such Loans or within such earlier period as required by law. If any such conversion of a Eurodollar Loan occurs on a day which is not the last day of the then current Interest Period with respect thereto, the Borrower shall pay to such Lender such amounts, if any, as may be required pursuant to Section 4.11.

SECTION 4.9 Requirements of Law.

(a) If the adoption of or any change in any Requirement of Law or in the interpretation or application thereof or compliance by any Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority made subsequent to the date hereof:

(i) shall subject any Lender to any tax of any kind whatsoever with respect to this Agreement, any Note, any Letter of Credit, any Application or any Eurodollar Loan made by it, or change the basis of taxation of payments to such Lender in respect thereof (except for taxes covered by Section 4.10 and changes in the rate of tax on the overall net income of such Lender);

(ii) shall impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by, any office of such Lender which is not otherwise included in the determination of the Eurodollar Rate hereunder; or

(iii) shall impose on such Lender any other condition;

and the result of any of the foregoing is to increase the cost to such Lender, by an amount which such Lender deems to be material, of making, converting into, continuing or maintaining Eurodollar Loans or issuing or participating in the Letters of Credit or to reduce any amount receivable hereunder in respect thereof, then, in any such case, the Borrower shall promptly pay such Lender, upon its demand, any additional amounts necessary to compensate such Lender for such increased cost or reduced amount receivable. If any Lender becomes entitled to claim any additional amounts pursuant to this Section 4.9, it shall promptly notify the Borrower, through the Administrative Agent, of the event by reason of which it has become so entitled. A certificate as to any additional amounts payable pursuant to this Section 4.9 submitted by such Lender, through the Administrative Agent, to the Borrower shall be conclusive in the absence of manifest error. This covenant shall survive the termination of this Agreement and the payment of the Notes and all other amounts payable hereunder.

(b) If any Lender shall have determined that the adoption of or any change in any Requirement of Law regarding capital adequacy or in the interpretation or application thereof or compliance by such Lender or any corporation controlling such Lender with any request or directive regarding capital adequacy (whether or not having the force of law) from any Governmental Authority made subsequent to the date hereof does or shall have the effect of reducing the rate of return on such Lender's or such corporation's capital as a consequence of its obligations hereunder or under any Letter of Credit to a level below that which such Lender or such corporation could have achieved but for such change or compliance (taking into consideration such Lender's or such corporation's policies with respect to capital adequacy) by an amount deemed by such Lender to be material, then from time to time, after submission by such Lender to the Borrower (with a copy to the Administrative Agent) of a written request therefor, the Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender for such reduction.

SECTION 4.10 Taxes.

(a) Any and all payments by or on account of any obligation of the Borrower hereunder shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if the Borrower shall be required to deduct any

Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 4.10) the Administrative Agent, Lender or Issuing Bank (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The Borrower shall indemnify the Administrative Agent, each Lender and the Issuing Bank, within 10 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by the Administrative Agent, such Lender or the Issuing Bank, as the case may be, on or with respect to any payment by or on account of any obligation of the Borrower hereunder (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 4.10) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender or the Issuing Bank, or by the Administrative Agent on its own behalf or on behalf of a Lender or the Issuing Bank, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law, such properly completed and executed documentation prescribed by applicable law or reasonably requested by the Borrower as will permit such payments to be made without withholding or at a reduced rate.

(f) If the Administrative Agent or a Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 4.10, it shall pay over such refund to the Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section 4.10 with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender and without interest (other than any interest paid by the relevant Governmental

Authority with respect to such refund); provided, that the Borrower, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. This Section shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Borrower or any other Person.

(g) The agreements in this Section 4.10 shall survive the termination of this Agreement and the payment of the Notes and all other amounts payable hereunder. Each Person that shall become a Lender or a Participant pursuant to Section 11.6 shall, upon the effectiveness of the related transfer, be required to provide all of the forms and statements required pursuant to this Section 4.10, provided that in the case of a Participant such Participant shall furnish all such required forms and statements to the Lender from which the related participation shall have been purchased.

SECTION 4.11 Indemnity. The Borrower agrees to indemnify each Lender and to hold each Lender harmless from any loss or expense which such Lender may sustain or incur as a consequence of (a) default by the Borrower in payment when due of the principal amount of or interest on any Eurodollar Loan, (b) default by the Borrower in making a borrowing of, conversion into or continuation of Eurodollar Loans after the Borrower has given a notice requesting the same in accordance with the provisions of this Agreement, (c) default by the Borrower in making any prepayment after the Borrower has given a notice thereof in accordance with the provisions of this Agreement or (d) the making of a prepayment of Eurodollar Loans on a day which is not the last day of an Interest Period with respect thereto, including, without limitation, in each case, any such loss or expense arising from the reemployment of funds obtained by it or from fees payable to terminate the deposits from which such funds were obtained. This covenant shall survive the termination of this Agreement and the payment of the Notes and all other amounts payable hereunder.

SECTION 4.12 Lenders Obligation to Mitigate. Each Lender agrees that, as promptly as practicable after it becomes aware that it has been or will be affected by the occurrence of an event or the existence of a condition described under Section 4.8 or subsection 4.9(a) or 4.10(a), it will, to the extent not inconsistent with such Lender's internal policies, use its best efforts (a) to provide written notice to the Borrower describing such condition and the anticipated effect thereof and (b) to make, fund or maintain the affected Eurodollar Loans of such Lender through another lending office of such Lender if as a result thereof the additional moneys which would otherwise be required to be paid in respect of such Loans pursuant to Section 4.8 or subsection 4.9(a) or 4.10(a) would be materially reduced or the illegality or other adverse circumstances which would otherwise require such payment pursuant to Section 4.8 or subsection 4.9(a) or 4.10(a) would cease to exist and if, as determined by such Lender, in its sole discretion, the making, funding or maintaining of such Loans through such other lending office would not otherwise adversely affect such Loans or such Lender. The Borrower hereby agrees to pay all reasonable expenses incurred by any Lender in utilizing another lending office of such Lender pursuant to this Section 4.12.

SECTION 4.13 Acquisition; Disposition; Redesignation. If the Borrower or any of its Restricted Subsidiaries acquires any Acquired Business or makes any sale or disposition of any assets or property having a value in excess of $20,000,000 permitted by this Agreement or there is a Redesignation of any Subsidiary during any Calculation Period, Consolidated EBITDA, Consolidated Tangible Net Worth, Consolidated Interest Expense, Consolidated Total Senior Indebtedness and Consolidated Total Indebtedness for such Calculation Period will be determined on a pro forma basis as if such Acquired Business were acquired, such assets or property was sold or disposed of or such Redesignation occurred, on the first day thereof. Such pro forma adjustments will be subject to delivery to the Administrative Agent of a certificate of a Responsible Officer of the Borrower. Such certificate may be delivered at any time with respect to any Redesignation and at any time after the last day of the first fiscal quarter of the Borrower to end after the related acquisition date with respect to any Acquired Business or the related disposition date with respect to any such sale or disposition. Each such certificate shall be accompanied by supporting information and calculations with respect to each such Acquired Business, sale or disposition or Redesignation and such other information as any Lender, through the Administrative Agent, may reasonably request. For purposes of determining satisfaction of Section 6.2(c), effect shall be given on the date of determination to pro forma adjustments as described in this Section 4.13 with respect to any Acquired Business that has been acquired as of such date.

SECTION 4.14 Redesignated Senior Indebtedness. The Borrower and the Co-Borrower hereby designate all Obligations of the Borrower and its Subsidiaries (including the Co-Borrower) under this Agreement and the other Loan Documents as Designated Senior Debt, as such term is defined in the Senior Subordinated Note Indentures.

ARTICLE V
REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent and the Lenders to enter into this Agreement and to make the Loans and issue or participate in the Letters of Credit, the Borrower hereby represents and warrants to the Administrative Agent and each Lender that:

SECTION 5.1 Financial Condition. The consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at December 31, 2002, and the related consolidated statements of operations and of cash flows for the fiscal year ended December 31, 2002, reported on by PricewaterhouseCoopers LLP, copies of which have heretofore been furnished to each Lender, present fairly the consolidated financial condition of the Borrower and its consolidated Subsidiaries as at such date, and the consolidated results of their operations and their consolidated cash flows for the year then ended. The consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at June 30, 2003 and the related consolidated statements of operations and of cash flows for the six months ended June 30, 2003, copies of which have heretofore been furnished to each Lender, present fairly the consolidated financial condition of the Borrower and its consolidated Subsidiaries as at such date, and the consolidated results of their operations and their consolidated cash flows for the six-month period then ended. All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as approved by such accountants and as disclosed therein and, with respect to the June 30, 2003

financial statements, for the absence of footnotes and year-end adjustments). Except as set forth on Schedule 5.1 or as permitted by subsection 8.4(c), neither the Borrower nor any of its consolidated Subsidiaries had, at June 30, 2003, any material Guarantee Obligation, contingent liability or liability for taxes, or any long-term lease or unusual forward or long-term commitment, including any interest rate or foreign currency swap or exchange transaction, which is not reflected in the foregoing statements or in the notes thereto. Except as set forth on Schedule 5.1, during the period from June 30, 2003 to and including the Restatement Closing Date there has been no sale, transfer or other disposition by the Borrower or any of its Restricted Subsidiaries of any material part of its business or property and no purchase or other acquisition of any business or property (including any capital stock of any other Person) material in relation to the consolidated financial condition of the Borrower and its consolidated Subsidiaries at June 30, 2003.

SECTION 5.2 No Change. Since December 31, 2002 there has been no development or event having, or that could reasonably be expected to have, a Material Adverse Effect.

SECTION 5.3 Existence; Compliance with Law. Each of the Borrower and its Restricted Subsidiaries is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has the power and authority, and the legal right, to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is currently engaged, (c) is duly qualified as a foreign corporation, limited partnership or limited liability company, as the case may be, and, where applicable, in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification and is in compliance with all Requirements of Law except, with respect to (a) - (d) above, to the extent that the failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

SECTION 5.4 Power; Authorization; Enforceable Obligations.

(a) The Borrower has the power and authority, and the legal right, to make, deliver and perform this Agreement, the Notes and the other Loan Documents to which it is a party and to borrow hereunder and has taken all necessary action to authorize the borrowings on the terms and conditions of this Agreement and the Notes and to authorize the execution, delivery and performance of this Agreement, the Notes and the other Loan Documents to which it is a party. No consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required in connection with the borrowings hereunder or with the execution, delivery, performance, validity or enforceability of this Agreement or the Notes or the Applications. This Agreement has been, and each Note and the Applications will be, duly executed and delivered on behalf of the Borrower. This Agreement constitutes, and each Note and each other Loan Document to which the Borrower is a party when executed and delivered will constitute, a legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

(b) Each of the Subsidiary Guarantors has the power and authority, and the legal right, to make, deliver and perform the Loan Documents to which it is a party and has taken all necessary action to authorize the execution, delivery and performance of the Loan Documents to which it is a party. No consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required in connection with the borrowings hereunder or with the execution, delivery, performance, validity or enforceability of the Loan Documents to which such Subsidiary Guarantor is a party. Each of the Loan Documents to which such Subsidiary Guarantor is a party will be duly executed and delivered on behalf of such Subsidiary Guarantor. Each Loan Document to which such Subsidiary Guarantor is a party will, when executed and delivered, constitute a legal, valid and binding obligation of such Subsidiary Guarantor enforceable against such Subsidiary Guarantor in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

SECTION 5.5 No Legal Bar. The execution, delivery and performance of this Agreement, the Notes and the other Loan Documents, the borrowings hereunder and the use of the proceeds thereof will not violate any Requirement of Law or material Contractual Obligation of any Loan Party, or, to the best knowledge of the Borrower, any Joint Venture of which any Capital Stock is directly owned by any Loan Party, and will not result in, or require, the creation or imposition of any Lien on any properties or revenues of any Loan Party pursuant to any such Requirement of Law or Contractual Obligation.

SECTION 5.6 No Material Litigation. Except as set forth on Schedule 5.6, no litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of the Borrower, threatened by or against the Borrower or any of its Subsidiaries, or, to the best knowledge of the Borrower, any Joint Venture of which any Capital Stock is owned directly by any Loan Party, or against any of its or their respective properties or revenues (a) with respect to this Agreement, the Notes or any of the other Loan Documents or any of the transactions contemplated hereby or thereby or (b) which could reasonably be expected to have a Material Adverse Effect.

SECTION 5.7 No Default. Neither any Loan Party nor, to the best knowledge of the Borrower, any Joint Venture of which any Capital Stock is directly owned by any Loan Party, is in default under or with respect to any of its Contractual Obligations in any respect which could reasonably be expected to have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing.

SECTION 5.8 Ownership of Property; Liens. The Loan Parties have good record and marketable title in fee simple to, or a valid leasehold interest in, all their real property necessary for their operations as then conducted, taken as a whole, and good title to, or a valid leasehold interest in, all their other property necessary for their operations as then conducted, taken as a whole, and none of such property necessary for their operations as then conducted, taken as a whole, is subject to any Lien, except as permitted by this Agreement.

SECTION 5.9 Intellectual Property. The Borrower and each of its Restricted Subsidiaries owns, or is licensed to use, all trademarks, tradenames, copyrights, technology, know-how and processes necessary for the conduct of its business as currently conducted except for those the failure to own or license which could not reasonably be expected to have a Material Adverse Effect (the "Intellectual Property"). The use of such Intellectual Property by the Borrower and its Restricted Subsidiaries does not infringe on the rights of any Person, except for such claims and infringements that, in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

SECTION 5.10 Taxes. (a) Each of the Borrower and its Subsidiaries has timely filed or caused to be filed all Tax returns and reports which, to the knowledge of the Borrower, are required to be filed and has paid all Taxes required to have been paid by it, except (i) Taxes that are being contested in good faith by appropriate proceedings and for which the Borrower or such Subsidiary, as applicable, has set aside on its books adequate reserves or (ii) to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect; (b) no Tax Lien has been filed, and (c) to the knowledge of the Borrower, no claim is being asserted, with respect to any such Tax.

SECTION 5.11 Federal Regulations. No part of the proceeds of any Loans will be used for "purchasing" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U of the Board of Governors of the Federal Reserve System as now and from time to time hereafter in effect or for any purpose which violates the provisions of the Regulations of such Board of Governors. If requested by any Lender or the Administrative Agent, the Borrower will furnish to the Administrative Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form U-1 referred to in said Regulation U.

SECTION 5.12 ERISA. No ERISA Event has occurred or is reasonably expected to occur, that when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to have a Material Adverse Effect.

SECTION 5.13 Investment Company Act; Other Regulations. The Borrower 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. The Borrower is not subject to regulation under any Federal or State statute or regulation which limits its ability to incur Indebtedness.

SECTION 5.14 Subsidiaries. As of the Restatement Closing Date, (a) the Persons set forth on Schedule 5.14 constitute all of the Subsidiaries of the Borrower, all Joint Ventures in which the Borrower owns any interest, and the percentage of the equity interests owned by the Borrower in each such Person as of such date and (b) except for Arizona Storage, GTM Arizona and MIAGS, each of the Subsidiaries listed on Schedule 5.14 is a Restricted Subsidiary.

SECTION 5.15 Purpose of Loans, Letters of Credit. The proceeds of the Revolving Credit Loans shall be used by the Borrower (a) to refinance Indebtedness under the Existing Credit Agreement and (b) for general corporate purposes. No part of the proceeds of any Loan will be used, whether directly or indirectly, for any purpose that entails a violation of any of the

Regulations of the Board of Governors of the Federal Reserve System, including Regulations T, U, and X. The Letters of Credit shall be used for the purposes described in subsection 3.1(b). The proceeds of any series of Additional Term Loans shall be used for general corporate purposes, including the refinancing of any existing Indebtedness of the Borrower.

SECTION 5.16 Environmental Matters. Except as set forth on Schedule 5.16:

(a) To the best knowledge of the Borrower, the Properties do not contain, and have not previously contained, any Materials of Environmental Concern in amounts or concentrations which (i) constitute or constituted a violation of, or (ii) give rise to liability under, any Environmental Law, except in either case insofar as such violation or liability, or any aggregation thereof, could not reasonably be expected to result in the payment by a Loan Party of a Material Environmental Amount.

(b) To the best knowledge of the Borrower, the Properties and all operations at the Properties are in compliance, and have in the period commencing six months prior to the date hereof been in compliance, in all material respects with all applicable Environmental Laws, and there is no contamination at, under or about the Properties or violation of any Environmental Law with respect to the Properties or the business operated by the Borrower or any of its Subsidiaries or any Joint Venture (the "Business") which could materially interfere with the continued operation of any material Property or which could reasonably be expected to have a Material Adverse Effect.

(c) Neither the Borrower nor any of its Subsidiaries nor, to the best knowledge of the Borrower, any Joint Venture has received any notice of violation, alleged violation, non-compliance, liability or potential liability regarding environmental matters or compliance with Environmental Laws with regard to any of the Properties or the Business, nor does the Borrower have knowledge or reason to believe that any such notice will be received or is being threatened except insofar as such notice or threatened notice, or any aggregation thereof, does not involve a matter or matters that is or could reasonably be expected to result in the payment by a Loan Party of a Material Environmental Amount.

(d) To the best knowledge of the Borrower, Materials of Environmental Concern have not been transported or disposed of from the Properties in violation of, or in a manner or to a location which could reasonably be expected to give rise to liability under, any Environmental Law, nor have any Materials of Environmental Concern been generated, treated, stored or disposed of at, on or under any of the Properties in violation of, or in a manner that could reasonably be expected to give rise to liability under, any applicable Environmental Law except insofar as any such violation or liability referred to in this paragraph, or any aggregation thereof, could not reasonably be expected to result in the payment by a Loan Party of a Material Environmental Amount.

(e) No judicial proceeding or governmental or administrative action is pending or, to the knowledge of the Borrower, threatened, under any Environmental Law to which the Borrower or any Subsidiary, or, to the best knowledge of the Borrower, any Joint Venture, is or will be named as a party with respect to the Properties or the

Business, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any Environmental Law with respect to the Properties or the Business except insofar as such proceeding, action, decree, order or other requirement, or any aggregation thereof, could not reasonably be expected to result by a Loan Party in the payment of a Material Environmental Amount.

(f) To the best knowledge of the Borrower, there has been no release or threat of release of Materials of Environmental Concern at or from the Properties, or arising from or related to the operations of the Borrower or any Subsidiary or any Joint Venture, in connection with the Properties or otherwise in connection with the Business, in violation of or in amounts or in a manner that could give rise to liability under Environmental Laws except insofar as any such violation or liability referred to in this paragraph, or any aggregation thereof, could not reasonably be expected to result in the payment by a Loan Party of a Material Environmental Amount.

(g) There are no Liens arising under or pursuant to any Environmental Laws on any of the real properties or properties owned or leased by any Loan Party, and no government actions have been taken or are in process which could subject any of such properties to such Liens and no Loan Party would be required to place any notice or restriction relating to the presence of Hazardous Materials at any properties owned by it in any deed to such properties, except, in each case, for Liens permitted by this Agreement.

(h) There have been no environmental investigations, studies, audits, tests, reviews or other analyses conducted by or which are in the possession of any Loan Party in relation to any properties or facility now or previously owned or leased by any Loan Party that indicate facts that reasonably could be expected to cause a Material Adverse Effect and have not been made available to the Lenders.

SECTION 5.17 Accuracy and Completeness of Information. The factual statements contained in the financial statements (other than financial projections) referred to in Section 5.1, the Loan Documents, the Confidential Information Memorandum dated July 2003 and any other certificates or documents furnished or to be furnished (but only, with respect to documents furnished after the Restatement Closing Date, documents provided pursuant to Section 7.2(d)) to the Administrative Agent or the Lenders from time to time in connection with this Agreement, taken as a whole, do not and will not, to the knowledge of the Borrower, as of the date when made, contain any untrue statement of a material fact or omit to state a material fact (other than omissions that pertain to matters of a general economic nature, matters generally known to the Administrative Agent or matters of public knowledge that generally affect any of the industry segments included in the businesses of the Loan Parties or any Joint Venture) necessary in order to make the statements contained therein not misleading in light of the circumstances in which the same were made, such knowledge qualification being given only with respect to factual statements made by Persons other than the Borrower, and all financial projections contained in any such document or certificate have been prepared in good faith based upon assumptions believed by the Borrower to be reasonable.

SECTION 5.18 Security Documents. The Pledge Agreements are each effective to create in favor of the Collateral Agent, for the ratable benefit of the Lenders and the Marco Polo Lenders, a legal, valid and enforceable security interest in the respective Interests described therein and proceeds thereof, and the Pledge Agreements each constitute a fully perfected first Lien on, and security interest in, all right, title and interest of the Borrower and the Subsidiary Guarantors, respectively, in such Interests and Pledged Certificates described therein and in proceeds thereof superior in right to any other Person (subject to the Liens permitted pursuant to Section 8.3). Each Security Agreement is effective to create in favor of the Collateral Agent, for the ratable benefit of the Lenders and the Marco Polo Lenders, a legal, valid and enforceable security interest in the respective collateral described therein and proceeds thereof, and the Security Agreements constitute fully perfected, first priority Liens on, and security interests in (subject to the Liens permitted pursuant to Section 8.3), all right, title and interest of the Borrower and the Subsidiary Guarantors in such collateral and the proceeds thereof superior in right to any other Person other than Liens permitted hereby.

SECTION 5.19 Partnership Agreement.

(a) As of the Restatement Closing Date, the Administrative Agent has received a complete copy of the Partnership Agreement, and all amendments thereto, waivers, relating thereto and other side letters or agreements affecting the terms thereof, which has not been amended or supplemented, nor have any of the provisions thereof been waived, except (i) pursuant to a written agreement or instrument which has heretofore been consented to in writing by the Required Lenders or (ii) in accordance with the provisions of this Agreement.

(b) The Partnership Agreement has been duly executed and delivered, to the Borrower's knowledge, by each of the other parties thereto, is in full force and effect and constitutes a legal, valid and binding enforceable obligation of each party thereto. The General Partner is not in default in the performance of any of its obligations thereunder in any material respect that would give any other party to such Partnership Agreement a right to terminate such Partnership Agreement.

SECTION 5.20 Senior Debt. The Obligations constitute "Senior Debt" of the Borrower under and as defined in the Senior Subordinated Note Indentures. The obligations of each Subsidiary Guarantor under the Loan Documents to which it is a party constitute "Guarantor Senior Debt" of such Subsidiary Guarantor under and as defined in the Senior Subordinated Note Indentures.

ARTICLE VI
CONDITIONS PRECEDENT

SECTION 6.1 Conditions to Initial Extensions of Revolving Credit. The agreement of each Revolving Credit Lender to make the initial extension of revolving credit requested to be made by it was subject to the satisfaction, immediately prior to or concurrently with the making of such extension of credit on the Restatement Closing Date, of the following conditions precedent:

(a) Loan Documents. The Administrative Agent shall have received (i) this Agreement, executed and delivered by a duly authorized officer of the Borrower and the Co-Borrower, (ii) for the account of each Revolving Credit Lender which requests the same, a Revolving Credit Note executed and delivered by a duly authorized officer of the Borrower and the Co-Borrower, and (iii) a confirmation of each of the Guarantee and Security Documents, executed and delivered by a duly authorized officer of each Loan Party thereto and satisfactory in form to the Administrative Agent.

(b) Related Documents. The Administrative Agent shall have received such documents and certificates as the Administrative Agent or it counsel may reasonably request relating to the organization and existence of the Borrower and the other Loan Parties, the authorization of the Loans and any other legal matter relating to any Loan Party, this Agreement, the other Loan Documents or the transactions contemplated by this Agreement, all in form and substance satisfactory to the Administrative Agent and its counsel.

(c) Borrowing Certificate. The Administrative Agent shall have received a certificate of the Borrower, dated as of the Restatement Closing Date, substantially in the form of Exhibit I hereto, with appropriate insertions and attachments, satisfactory in form and substance to the Administrative Agent, executed by the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, President, Treasurer or any Vice President of the Borrower and the Secretary or any Assistant Secretary of the Borrower.

(d) Fees. The Administrative Agent and each Revolving Credit Lender shall have received the fees to be received on the Restatement Closing Date as separately agreed to between each of them and the Borrower.

(e) Legal Opinions. The Administrative Agent shall have received, with a counterpart for each Revolving Credit Lender, the executed legal opinions of Akin Gump, Strauss Hauer & Feld LLP, counsel to the Borrower and the other Loan Parties, and Gregory W. Jones, in-house counsel to the Borrower and the other Loan Parties, each addressed to the Administrative Agent and each Revolving Credit Lender in form and substance reasonably satisfactory to the Administrative Agent.

(f) Pledged Stock; Stock Powers. The Administrative Agent shall have received the certificates, if any, representing the shares, limited partner interests, and limited liability company interests pledged pursuant to each of the Pledge Agreements, together with an undated stock power for each such certificate executed in blank by a duly authorized officer of the pledgor thereof. Each Instruction to Register Pledge referred to in such Pledge Agreements shall have been delivered to the Borrower and its applicable Subsidiaries, and each Initial Transaction Statement referred to in such Pledge Agreements shall have been delivered to the Administrative Agent, as are required by any of the Pledge Agreements.

(g) Actions to Perfect Liens. The Administrative Agent shall have received evidence in form and substance satisfactory to it that all filings, recordings, registrations and other actions, including, without limitation, the filing of duly completed financing

statements on form UCC-1 and amendments to financing statements on form UCC-3, necessary or, in the opinion of the Administrative Agent, desirable to perfect the Liens created by the Security Documents shall have been completed.

(h) Good Standing Certificates. The Administrative Agent shall have received copies of certificates dated as of a recent date from the Secretary of State or other appropriate authority of such jurisdiction, evidencing the good standing of the Borrower and each other Loan Party in each state where the ownership, lease or operation of property or the conduct of business requires it to qualify as a foreign corporation, partnership or limited liability company, as the case may be.

(i) Litigation, Etc. No suit, action, investigation, inquiry or other proceeding (including the enactment or promulgation of a statute or rule) by or before any arbitrator or any Governmental Authority shall be pending and no preliminary or permanent injunction or order by a state or federal court shall have been entered (i) in connection with any Loan Document or any of the transactions contemplated hereby or thereby or (ii) which, in any such case could reasonably be expected to have a Material Adverse Effect.

(j) Consents. All material governmental and third party approvals (or arrangements satisfactory to the Revolving Credit Lenders in lieu of such approvals) necessary or advisable in connection with the transactions and financings contemplated hereby and by the other Loan Documents and the continuing operations of the Borrowers and the Restricted Subsidiaries shall have been obtained and be in full force and effect.

(k) Material Adverse Effect. No event which has or could reasonably be expected to have a Material Adverse Effect shall have occurred.

(l) Financial Statements. The Administrative Agent shall have received and shall have made available to the Lenders in an electronic format (posted on Intralinks or other similar service), complete copies of the financial statements described in Section 5.1.

(m) Accrued Interest and Fees. The Borrower shall have paid to the Administrative Agent all unpaid interest, commitment fees and letter of credit commissions accrued under the Existing Credit Agreement through the Restatement Closing Date.

(n) Reallocation of Revolving Credit Loans; Assignments. The Revolving Credit Lenders shall have reallocated the Revolving Credit Loans outstanding under the Existing Credit Agreement immediately prior to the Restatement Closing Date, and the Revolving Credit Lenders and the lenders under this Agreement shall be deemed to have made such assignments of the Revolving Credit Commitments among themselves, as directed by the Administrative Agent in order to reflect the Revolving Credit Commitments under this Agreement.

(o) Additional Matters. All corporate, company, partnership and other proceedings, and all documents, instruments and other legal matters in connection with

the transactions contemplated by this Agreement and the other Loan Documents shall be reasonably satisfactory in form and substance to the Revolving Credit Lenders, and the Revolving Credit Lenders shall have received such other documents and legal opinions in respect of any aspect or consequence of the transactions contemplated hereby or thereby as any of them shall reasonably request.

SECTION 6.2 Conditions to Each Extension of Revolving Credit. The agreement of each Revolving Credit Lender to make any extension of revolving credit (including the renewal or extension of a Letter of Credit) requested to be made by it on any date (including, without limitation, its initial extension of revolving credit) is subject to the satisfaction of the following conditions precedent:

(a) Representations and Warranties. Each of the representations and warranties made by the Borrower and the other Loan Parties in or pursuant to the Loan Documents shall be true and correct in all material respects on and as of such date as if made on and as of such date (unless such representations and warranties are stated to relate to a specific earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date).

(b) No Default. No Default or Event of Default shall have occurred and be continuing on such date or after giving effect to the extensions of credit requested to be made on such date.

(c) Financial Covenants. At the time of and immediately after giving effect to such extension of credit, the Borrower shall be in compliance on a pro forma basis with Section 8.1.

Each borrowing of a Revolving Credit Loan by the Borrower hereunder, and each issuance or renewal or extension of a Letter of Credit hereunder, shall constitute a representation and warranty by the Borrower as of the date of such extension of credit that the conditions contained in this Section 6.2 have been satisfied; provided that with respect to paragraph (c) above, such representation and warranty shall be made by the Borrower in good faith based upon assumptions believed by the Borrower to be reasonable.

SECTION 6.3 Conditions Precedent to Making the Additional Term Loans. The agreement of each Additional Term Loan Lender to make on any Additional Term Loan Closing Date any Additional Term Loans pursuant to a Term Loan Addendum is subject to the satisfaction, immediately prior to or concurrently with the making of such Additional Term Loans, of the following conditions precedent:

(a) Term Loan Addendum. The Administrative Agent shall have received (i) a Term Loan Addendum, executed and delivered by a duly authorized officer of the Borrower and the Co-Borrower, (ii) for the account of each Additional Term Loan Lender which requests the same, an Additional Term Loan Note executed and delivered by a duly authorized officer of the Borrower, (iii) a confirmation of each of the Guarantees and Security Documents substantially in the form of Exhibit C hereto,

executed and delivered by a duly authorized officer of each Loan Party and (iv) such additional security documents reasonably requested by the Administrative Agent.

(b) Borrowing Certificate. The Administrative Agent shall have received a certificate of the Borrower, dated the Additional Term Loan Closing Date, substantially in the form of Exhibit I hereto, with appropriate insertions and attachments, satisfactory in form and substance to the Administrative Agent, executed by the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, President, Treasurer or any Vice President of the Borrower and the Secretary or any Assistant Secretary of the Borrower.

(c) Related Documents. The Administrative Agent shall have received such documents and certificates as the Administrative Agent or it counsel may reasonably request relating to the organization and existence of the Borrower and the other Loan Parties, the authorization of the Loans and any other legal matter relating to any Loan Party, this Agreement, the applicable Term Loan Addendum, the other Loan Documents or the transactions contemplated by this Agreement and such Term Loan Addendum, all in form and substance satisfactory to the Administrative Agent and its counsel.

(d) Fees. The Borrower shall have paid to (i) the Administrative Agent and each Additional Term Loan Lender the fees to be received on the closing date for such series of Additional Term Loans, as separately agreed to between each of them and the Borrower and (ii) the Administrative Agent all unpaid interest, commitment fees and letter of credit commissions accrued under this Agreement through the closing date for such series of Additional Term Loans.

(e) Good Standing Certificates. The Administrative Agent shall have received copies of certificates dated as of a recent date from the Secretary of State or other appropriate authority of such jurisdiction, evidencing the good standing of the Borrower and each other Loan Party in each state where the ownership, lease or operation of property or the conduct of business requires it to qualify as a foreign corporation, partnership or limited liability company, as the case may be.

(f) No Default. No Default or Event of Default shall have occurred and be continuing on such date or after giving effect to the extensions of credit requested to be made on such date.

(g) Additional Matters. The Administrative Agent shall have received such other documents and legal opinions in respect of any aspect or consequence of the transactions contemplated by the applicable Term Loan Addendum or by the other Loan Documents as it shall reasonably request.

ARTICLE VII
AFFIRMATIVE COVENANTS

The Borrower hereby agrees that, so long as the Revolving Credit Commitments or Additional Term Loan Commitments remain in effect, any Term Loan, Note or any Letter of Credit remains outstanding and unpaid or any other amount is owing to any Lender or the

Administrative Agent hereunder, the Borrower shall and (except in the case of delivery of financial information, reports, and notices) shall cause each of its Restricted Subsidiaries and, with respect to Section 7.11, each of its Unrestricted Subsidiaries, to:

SECTION 7.1 Financial Statements. Furnish to the Administrative Agent, with copies for the Lenders and the Collateral Agent:

(a) as soon as available, but in any event within 90 days after the end of each fiscal year of the Borrower, a copy of the consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such year and the related consolidated statements of income and retained earnings and of cash flows for such year, setting forth in each case in comparative form the figures for the previous year, reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by PricewaterhouseCoopers LLP or other independent certified public accountants of nationally recognized standing;

(b) as soon as available, but in any event not later than 45 days after the end of each of the first three quarterly periods of each fiscal year of the Borrower, the unaudited consolidated and consolidating balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such quarter and the related unaudited consolidated and consolidating statements of income and retained earnings and of cash flows of the Borrower and its consolidated Subsidiaries for such quarter and the portion of the fiscal year through the end of such quarter, setting forth in each case in comparative form the figures for the previous year, certified by a Responsible Officer as being fairly stated in all material respects when considered in relation to the consolidated and consolidating financial statements of the Borrower and its consolidated Subsidiaries (subject to normal year-end audit adjustments);

(c) concurrently with the delivery of the financial statements for any fiscal year described in paragraph (a) of this Section 7.1, the unaudited consolidating balance sheets of the Borrower and its consolidated Subsidiaries as at the end of such fiscal year and the related unaudited consolidating statements of income and retained earnings and of cash flows of the Borrower and its consolidated Subsidiaries for such fiscal year, setting forth in each case in comparative form the figures for the previous year, certified by a Responsible Officer as being fairly stated in all material respects when considered in relation to the consolidating financial statements of the Borrower and its consolidated Subsidiaries;

(d) as soon as available, but in any event within 120 days after the end of each fiscal year of each Joint Venture for which the Borrower is required to file an audited balance sheet with the Securities and Exchange Commission, a copy of such audited balance sheet of such Joint Venture, as at the end of such year and the related unaudited statements of income and retained earnings and of cash flows of such Joint Venture, for such year, setting forth in each case in a comparative form the figures for the previous year, reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by independent certified public accountants of nationally recognized standing; and

(e) upon the request of any Lender, the unaudited balance sheet of each Joint Venture whose distributions to Loan Parties or Consolidated EBITDA (mutatis mutandis) constituted more than 15% of Consolidated EBITDA for the previous quarter, as at the end of each such quarter of such Joint Venture, and the related unaudited consolidated statements of income and retained earnings and of cash flows of such Joint Venture, for such month and the portion of the fiscal year through the end of such month, setting forth in each case in comparative form the figures for the previous year, in each case received by the Borrower or any of its Subsidiaries during such fiscal quarter;

all such financial statements shall be complete and correct in all material respects and shall be prepared in reasonable detail and (except for any financial statements of a Joint Venture) in accordance with GAAP applied consistently throughout the periods reflected therein and with prior periods (except as approved by such accountants or officer, as the case may be, and disclosed therein and, with respect to unaudited interim financial statements, for the absence of footnotes and year-end adjustments).

SECTION 7.2 Certificates; Other Information. Furnish to the Administrative Agent, with copies for the Lenders and the Collateral Agent:

(a) concurrently with the delivery of the financial statements referred to in subsection 7.1(a), a certificate of the independent certified public accountants reporting on such financial statements stating that in making the examination necessary therefor no knowledge was obtained of any Default or Event of Default relating to accounting issues, except as specified in such certificate;

(b) concurrently with the delivery of the financial statements referred to in subsections 7.1(a) and 7.1(b), a certificate of a Responsible Officer of the Borrower, (i) stating that, to the best of such Officer's knowledge, the Borrower and its Subsidiaries during such period have observed or performed all of their respective covenants and other agreements, and satisfied every condition, contained in this Agreement, the Notes and the other Loan Documents to be observed, performed or satisfied by them, and that such Officer has obtained no knowledge of any Default or Event of Default except as specified in such certificate, and (ii) setting forth in reasonable detail the calculation of the covenants set forth in Section 8.1 for the Calculation Period ending on the last day of such fiscal quarter;

(c) not later than thirty days after the beginning of each fiscal year of the Borrower, a copy of the projections by the Borrower of the operating budget and cash flow budget of the Borrower for such fiscal year, such projections to be accompanied by a certificate of a Responsible Officer to the effect that such projections have been prepared on the basis of sound financial planning practice and that such Officer has no reason to believe they are incorrect or misleading in any material respect;

(d) within five days after the same are sent, copies of all financial statements and reports which the Borrower sends to the holders of its Capital Stock, and within five days after the same are filed, copies of all financial statements and reports which the

Borrower may make to, or file with, the Securities and Exchange Commission or any successor or analogous Governmental Authority;

(e) upon the request of any Lender, and to the extent the same have been received by the Borrower or any of its Subsidiaries, a copy of the projections by each Joint Venture whose distributions to Loan Parties or Consolidated EBITDA (mutatis mutandis) constituted more than 15% of Consolidated EBITDA for the previous quarter and any of the interests in which is directly owned by the Borrower or a Restricted Subsidiary, as the case may be, of the operating budget and cash flow budget of such Joint Venture for the succeeding fiscal year; and

(f) promptly, such additional financial and other information concerning any Loan Party or (to the extent the Borrower or any of its Restricted Subsidiaries has the legal right to provide such information) any Unrestricted Subsidiary or Joint Venture as any Lender may from time to time reasonably request.

SECTION 7.3 Payment of Obligations. Pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its obligations of whatever nature, except where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided on the books of the Borrower or its Subsidiaries, as the case may be, and except where the failure to so pay, discharge or satisfy such obligations could not reasonably be expected to have a Material Adverse Effect.

SECTION 7.4 Conduct of Business and Maintenance of Existence. Except as permitted by this Agreement, preserve, renew and keep in full force and effect its entity existence; take all reasonable action to maintain all rights, privileges and franchises material to the Business; comply with all Contractual Obligations and Requirements of Law except to the extent that failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

SECTION 7.5 Maintenance of Property; Insurance. (a) Keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted and (b) maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations; and furnish to any Lender, upon written request, full information as to the insurance carried.

SECTION 7.6 Inspection of Property; Books and Records; Discussions. Keep proper books of records and accounts in which full, true and correct entries in conformity with GAAP and all Requirements of Law shall be made of all dealings and transactions in relation to its business and activities; and permit representatives of any Lender to visit and inspect any of its properties and examine and make abstracts from any of its books and records at any reasonable time and as often as may reasonably be desired and to discuss the business, operations, properties and financial and other condition of the Borrower and its Restricted Subsidiaries with officers and employees of the Borrower and its Restricted Subsidiaries and with its independent certified public accountants.

SECTION 7.7 Notices. Promptly give notice to the Administrative Agent, the Collateral Agent and each Lender of:

(a) the occurrence of any Default or Event of Default;

(b) the filing or commencement of any action, suit, or proceeding by or before any arbitrator or Governmental Authority against or affecting the Borrower or any of its Subsidiaries that, if adversely determined, could reasonably be expected to have a Material Adverse Effect;

(c) as soon as possible and in any event within 30 days after the Borrower knows or has reason to know thereof, the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in liability of the Borrower and its Subsidiaries in an aggregate amount exceeding $35,000,000; and

(d) any development or event which could reasonably be expected to have a Material Adverse Effect or cause the incurrence of an environmental liability of any Loan Party in excess of the Material Environmental Amount.

Each notice pursuant to this Section shall be accompanied by a statement of a Responsible Officer setting forth details of the occurrence referred to therein and stating what action the Borrower proposes to take with respect thereto.

SECTION 7.8 Environmental Laws.

(a) Comply with, and ensure compliance by all tenants and subtenants, if any, with, all applicable Environmental Laws and obtain and comply with and maintain, and ensure that all tenants and subtenants obtain and comply with and maintain, any and all licenses, approvals, notifications, registrations or permits required by applicable Environmental Laws, in each case except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect;

(b) Conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions required under Environmental Laws and promptly comply with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws except to the extent that the same are being contested in good faith by appropriate proceedings and, if adversely determined, could not reasonably be expected to have a Material Adverse Effect; and

(c) Defend, indemnify and hold harmless the Administrative Agent, the Collateral Agent and the Lenders, and their respective employees, agents, officers and directors, from and against any and all claims, demands, penalties, fines, liabilities, settlements and damages, and reasonable costs and expenses, of whatever kind or nature known or unknown, contingent or otherwise, arising out of, or in any way relating to the violation of, noncompliance with or liability under, any Environmental Law applicable to the operations of the Borrower, any of its Subsidiaries or the Properties, or any orders, requirements or demands of Governmental Authorities related thereto, including

attorney's and consultant's fees, investigation and laboratory fees, response costs, court costs and litigation expenses, REGARDLESS OF WHETHER OR NOT SUCH INDEMNIFIED LIABILITIES ARE IN ANY WAY OR TO ANY EXTENT CAUSED, IN WHOLE OR IN PART, BY ANY NEGLIGENT ACT OR OMISSION OF THE PARTY SEEKING INDEMNIFICATION THEREFORE; provided that the Borrower shall have no obligation hereunder to the extent that any of the foregoing arise out of the gross negligence or willful misconduct of the party seeking indemnification therefor. The agreements in this paragraph shall survive repayment of the Notes and all other amounts payable hereunder.

SECTION 7.9 Maintenance of Liens of the Security Documents. Promptly, upon the request of the Collateral Agent, at the Borrower's expense, execute, acknowledge and deliver, or cause the execution, acknowledgement and delivery of, and thereafter register, file or record, or cause to be registered, filed or recorded, in an appropriate governmental office, any document or instrument supplemental to or confirmatory of the Security Documents or otherwise deemed by the Collateral Agent necessary or desirable for the continued validity, perfection and priority of the Liens on the collateral covered thereby.

SECTION 7.10 Pledge of After-Acquired Property.

(a) With respect to any right, title or interest of any Loan Party in any Capital Stock or other property of a type subject to the Security Documents and acquired after the Restatement Closing Date, promptly grant or cause to be granted to the Collateral Agent, for the ratable benefit of the Lenders and the Marco Polo Lenders, a first Lien of record on all such Capital Stock and property (other than such Capital Stock and property subject to (i) prior Liens in existence at the time of acquisition thereof and not created in anticipation of such acquisition, in which case the Lien of the Lenders shall be of such priority as is permitted by such prior Lien and (ii) other Liens that are expressly permitted by this Agreement), upon terms substantially the same as those set forth in the Security Documents, and satisfy the conditions with respect thereto set forth in Section 6.1. The Borrower, at its own expense, shall execute, acknowledge and deliver, or cause its Restricted Subsidiaries to execute, acknowledge and deliver, and thereafter register, file or record, or cause its Restricted Subsidiaries to register, file or record, in an appropriate governmental office, any document or instrument deemed by the Collateral Agent to be necessary or desirable for the creation and perfection of the foregoing Liens and deliver Uniform Commercial Code searches in jurisdictions requested by the Collateral Agent with respect to such Capital Stock and other property and legal opinions requested by the Collateral Agent and shall pay, or cause to be paid, all taxes and fees related to such registration, filing or recording.

(b) With respect to any new Restricted Subsidiary created or acquired after the Restatement Closing Date by the Borrower, promptly cause such Restricted Subsidiary to execute and deliver to the Administrative Agent the Subsidiaries Guarantee, and, if requested by the Administrative Agent, deliver to the Administrative Agent legal opinions relating to such Restricted Subsidiary and the Subsidiaries Guarantee, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent.

(c) Notwithstanding anything to the contrary in any Loan Document, neither the Borrower nor any Restricted Subsidiary shall be obligated to (i) pledge under the Loan Documents any of its equity interest in any Joint Venture if such pledge is prohibited by any Contractual Obligation or (ii) pledge under the Loan Documents any of its real property except to the extent of any fixtures as and to the extent specified in the Security Agreements.

(d) Notwithstanding anything to the contrary in any Loan Document, if the Borrower or any Restricted Subsidiary has pledged its interest in any Joint Venture and the Borrower or such Restricted Subsidiary desires to make a contribution of or investment with such interest to or in a second Joint Venture in accordance with subsection 8.8(f), the Lien held by the Lenders upon such interest shall terminate as long as the interest held by the Borrower or Restricted Subsidiary in the second Joint Venture shall be subject to a Lien under the Loan Documents in accordance with subsection 8.8(f) unless otherwise agreed by the Required Lenders.

SECTION 7.11 Agreements Respecting Unrestricted Subsidiaries.

(a) Operate each Unrestricted Subsidiary in such a manner as to make it apparent to all creditors of such Unrestricted Subsidiary that such Unrestricted Subsidiary is a legal entity separate and distinct from the Borrower or any Restricted Subsidiary and as such is solely responsible for its debts.

(b) In connection with any Indebtedness or Guarantee Obligations incurred by each Unrestricted Subsidiary, (i) incur such Indebtedness only on a basis which does not permit, allow or provide for recourse to the Borrower or any Restricted Subsidiary, and (ii) incur any such Indebtedness or Guarantee Obligations in excess of $500,000 only under a loan agreement, note, lease, instrument or other agreement that expressly states that such Indebtedness is being incurred by such Unrestricted Subsidiary on a basis which is non-recourse to the Borrower and its Restricted Subsidiaries, provided that no such agreement, note, lease, instrument or other agreement shall be required to include such statement if such agreement, note, lease, instrument or other agreement was in effect on the date such Subsidiary became an Unrestricted Subsidiary.

(c) Notwithstanding any provision of the Loan Documents to the contrary, the Borrower and the Restricted Subsidiaries may incur Guarantee Obligations consisting of guarantees of performance obligations of Unrestricted Subsidiaries as long as such guarantees do not constitute guarantees of payment.

SECTION 7.12 Amendments to Partnership Agreement. Deliver to the Administrative Agent any amendments to the Partnership Agreement, written waivers and consents relating thereto and other side letters or agreements in writing affecting the terms thereof.

ARTICLE VIII
NEGATIVE COVENANTS

The Borrower hereby agrees that, so long as the Revolving Credit Commitments or any Additional Term Loan Commitments remain in effect, any Loan, Note or Letter of Credit

remains outstanding and unpaid or any other amount is owing to any Lender or the Administrative Agent hereunder, the Borrower shall not, and (except with respect to Section 8.1) shall not permit any of its Restricted Subsidiaries to, directly or indirectly:

SECTION 8.1 Financial Condition Covenants.

(a) Interest Coverage Ratio. Permit for any Calculation Period the ratio of (i) Consolidated EBITDA for such period to (ii) Consolidated Interest Expense for such period to be less than 2.0 to 1.0;

(b) Senior Leverage Ratio. Permit, on the last day of any fiscal quarter of the Borrower, the ratio of (x) Consolidated Total Senior Indebtedness at such date to (y) the Consolidated EBITDA for the Calculation Period ending on such date to exceed 3.25 to 1.0; or

(c) Leverage Ratio. Permit, on the last day of any fiscal quarter of the Borrower, the ratio of (x) the Consolidated Total Indebtedness at such date to (y) the Consolidated EBITDA for the Calculation Period ending on such date to exceed 5.25 to 1.0.

SECTION 8.2 Limitation on Indebtedness. Create, incur, assume or suffer to exist any Indebtedness, unless (a) no Default shall have occurred and be continuing at the time of or immediately after giving effect to the creation, incurrence, assumption or existence of such Indebtedness and (b) immediately after giving effect to the creation, incurrence or assumption of such Indebtedness and the application of the proceeds thereof, the Borrower would be in pro forma compliance with the covenants set forth in Section 8.1.

SECTION 8.3 Limitation on Liens. Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, except for:

(a) Liens for taxes not yet due or which are being contested in good faith by appropriate proceedings, provided that adequate reserves with respect thereto are maintained on the books of the Borrower or its Restricted Subsidiaries, as the case may be, in conformity with GAAP;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business which are not overdue for a period of more than 60 days or which are being contested in good faith by appropriate proceedings;

(c) pledges or deposits in connection with workers' compensation, unemployment insurance and other social security legislation and deposits securing liability to insurance carriers under insurance or self-insurance arrangements;

(d) deposits to secure the performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(e) easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business which, in the aggregate, are not substantial in amount and which do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the Borrower or such Restricted Subsidiary;

(f) Liens created pursuant to construction, operating, farmout and maintenance agreements, space lease agreements, Joint Venture Charters and related documents (to the extent requiring a Lien on the equity interest of the Borrower or any Restricted Subsidiary, as the case may be, in the applicable Joint Venture is required thereunder), division orders, contracts for sale, transportation or exchange of oil and natural gas, unitization and pooling declarations and agreements, area of mutual interest agreements and other similar agreements, in each case having ordinary and customary terms and entered into in the ordinary course of business by the Borrower and its Restricted Subsidiaries;

(g) additional Liens securing Indebtedness and other obligations not to exceed $10,000,000 at any one time outstanding;

(h) the Borrower and its Restricted Subsidiaries may pledge on a non-recourse basis (i) their equity interest in Gateway to secure Indebtedness of Gateway under the Marco Polo Financing Documents and (ii) their equity interest in Cameron Highway to secure Indebtedness of Cameron Highway under the Cameron Highway Financing Documents;

(i) Liens on the Collateral securing the Guarantee Obligations permitted by Section 8.4(e) on a pari passu basis with the Liens on the Collateral securing the Obligations and guarantees thereof, subject to the terms and provisions of the Intercreditor Agreement;

(j) Liens created pursuant to the Loan Documents;

(k) Liens securing Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of the Borrower or any Restricted Subsidiary or to which any asset is subject existing at the time such asset is acquired by the Borrower or any Restricted Subsidiary; provided that (A) such Liens are not created in contemplation of or in connection with i. any Person being merged with or into or becoming a Subsidiary of the Borrower or any Restricted Subsidiary as described in clause (i) above, or ii. any asset being acquired by the Borrower or any Restricted Subsidiary as described in clause (ii) above, as the case may be, (B) such Liens shall secure only those obligations which such Liens secure on the date on which i. such Person merges into or becomes a Subsidiary of the Borrower or any Restricted Subsidiary or ii. such asset is acquired by the Borrower or any Restricted Subsidiary, as the case may be, and any refinancing, refunding or replacement of such obligations (provided that such refinancing, refunding or replacement does not result in an increase in the amount of such obligations), and (C) such Liens shall not apply to any property or assets of the Borrower or any of its Subsidiaries or any Restricted Subsidiary other than property or assets as to

which a Lien has been granted prior to the date on which i. such Person merges into or becomes a Subsidiary or the Borrower or any Restricted Subsidiary or ii. such asset is acquired by the Borrower or any Restricted Subsidiary, as the case may be, and the proceeds thereof;

(l) Liens securing sale/leaseback transactions permitted by Section 8.11;

(m) Liens securing Indebtedness or other obligations of (i) any Restricted Subsidiary to the Borrower or Co-Borrower or (ii) any Restricted Subsidiary to any other Restricted Subsidiary; or

(n) In connection with its obligations pursuant to any construction management agreement, operating agreement or other similar agreement entered into with a Joint Venture, each Restricted Subsidiary may grant, on a non-recourse basis, a Lien on any of its easements, rights of way, access permits or other similar rights located in the Gulf of Mexico that have been granted to such Restricted Subsidiary by the Minerals Management Service of the United States Department of the Interior.

This Section 8.3 shall not restrict the ability of any Joint Venture or Unrestricted Subsidiary to create, incur, assume or suffer to exist any Lien on any of its property.

SECTION 8.4 Limitation on Guarantee Obligations. Create, incur, assume or suffer to exist any Guarantee Obligation except:

(a) Guarantee Obligations created pursuant to the Loan Documents in respect of the Obligations;

(b) Guarantee Obligations of any Loan Party with respect to the Indebtedness of any Unrestricted Subsidiary or Joint Venture, incurred after the Restatement Closing Date in an aggregate amount not to exceed $100,000,000 at any one time outstanding;

(c) Guarantee Obligations of the Borrower and its Restricted Subsidiaries supporting obligations of the Borrower and/or Restricted Subsidiaries;

(d) Guarantee Obligations of any Subsidiary Guarantor in respect of the Senior Subordinated Notes, provided that such Guarantee Obligations are subordinated to such Subsidiary Guarantor's obligations under the Loan Documents to the same extent as the obligations of the Borrower in respect of the Senior Subordinated Notes;

(e) Guarantee Obligations, in addition to those described in clauses (f) and (g) of this Section 8.4, of up to $22,500,000 in the aggregate incurred pursuant to the Marco Polo Clawback;

(f) Guarantee Obligations of any Subsidiary Guarantor in respect of the Senior Notes; and

(g) Guarantee Obligations permitted by Section 7.11(c).

SECTION 8.5 Limitations on Fundamental Changes. Enter into any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or make any material change in its present method of conducting business, except:

(a) any Restricted Subsidiary may be merged or consolidated with or into the Borrower (as long as the Borrower is the surviving entity) or any one or more Restricted Subsidiaries which is a Subsidiary Guarantor (provided that, if any of such Restricted Subsidiaries is not wholly owned by the Borrower, the Restricted Subsidiary or Restricted Subsidiaries in which the Borrower owns the greatest interest shall be the continuing or surviving corporation);

(b) any Restricted Subsidiary may sell, lease, transfer or otherwise dispose of any or all of its assets (upon voluntary liquidation or otherwise) to the Borrower or any other Restricted Subsidiary which is a Subsidiary Guarantor and in which, if not wholly owned by the Borrower, the Borrower owns at least the same percentage interests as the Borrower owns in the transferor Restricted Subsidiary; and

(c) the Borrower or any Restricted Subsidiary may enter into a merger, consolidation or share exchange with any other Person so long as:

(i) such transaction is permitted under Section 8.8;

(ii) such transaction shall be effected in such manner so that (A) if the Borrower is a party to such transaction, the Borrower is the surviving entity and (B) otherwise, the Restricted Subsidiary shall be the continuing or surviving entity or the continuing or surviving entity shall become a Restricted Subsidiary;

(iii) at the time of such acquisition and after giving effect thereto, no Default or Event of Default shall have occurred and shall be continuing; and

(d) solely to effect any transaction permitted by subsection 8.6(b).

The transactions permitted under this Section 8.5 shall be permitted notwithstanding anything to the contrary in subsection 4(j) of the Borrower Pledge Agreement and subsection 4(j) of the Subsidiary Pledge Agreement.

SECTION 8.6 Limitation on Sale of Assets. Convey, sell, lease, assign, transfer or otherwise dispose of any of its property, business or assets (including receivables and leasehold interests), whether now owned or hereafter acquired, except:

(a) as permitted by Section 8.5;

(b) as long as no Default or Event of Default has occurred and is continuing or would result therefrom the Borrower and the Restricted Subsidiaries may sell or otherwise dispose of property having an aggregate value not in excess of $200,000,000;

(c) the Borrower and its Restricted Subsidiaries may enter into customary farmout and operating agreements and customary agreements for exchanges of working interests;

(d) the Borrower and its Restricted Subsidiaries may sell or otherwise dispose of any or all of their oil and gas interests;

(e) the Borrower and its Restricted Subsidiaries may during the period commencing on the Restatement Closing Date to and including the Revolving Credit Termination Date exchange assets with El Paso (or a Subsidiary thereof) having a fair market value not to exceed $50,000,000 in the aggregate for other assets as long as (i) each such exchange is for fair market value and is on fair and reasonable terms no less favorable to the Borrower or the applicable Restricted Subsidiary, as the case may be, than it would obtain in an arm's length transaction and (ii) the assets received in each such exchange become Collateral to the extent required by the Loan Documents;

(f) the Borrower and its Restricted Subsidiaries may sell or otherwise dispose of any Unrestricted Subsidiary;

(g) as permitted by Section 8.8; and

(h) the Borrower and its Restricted Subsidiaries may sell or otherwise dispose of any equity interest in Cameron Highway, provided that following any such sale or other disposition, the Borrower and its Restricted Subsidiaries, in the aggregate, continue to hold at least 30% of the outstanding equity interest in Cameron Highway.

The transactions permitted under this Section 8.6 shall be permitted notwithstanding anything to the contrary in subsection 4(j) of the Borrower Pledge Agreement and subsection 4(j) of the Subsidiary Pledge Agreement.

SECTION 8.7 Limitation on Dividends. Declare or pay any dividend or distribution on (other than dividends, including splits, payable solely in non-mandatorily redeemable Capital Stock or mandatorily redeemable Capital Stock that does not require redemption prior to the first anniversary of the Revolving Credit Termination Date), or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement or other acquisition of, any shares of any class of Capital Stock of the Borrower or any warrants or options to purchase any such Capital Stock, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of the Borrower or any Restricted Subsidiary (such declarations, payments, setting apart, purchases, redemptions, defeasances, retirements, acquisitions and distributions being herein called "Restricted Payments"), except that:

(a) as long as no Default or Event of Default has occurred and is continuing or would result therefrom, the Borrower may make Restricted Payments (i) as permitted under the Partnership Agreement on its Capital Stock, including its Series F Units and the General Partnership Interest, or (ii) out of the net cash proceeds of an issuance of Common Units or out of the net cash proceeds of an issuance of Senior Notes or Senior Subordinated Notes, in each case occurring within 120 days of such Restricted Payment;

(b) the Borrower may exchange or convert Series C Units for or into Common Units in accordance with the terms of the Series C Units;

(c) the Borrower may issue Common Units in exchange for Senior Notes, Senior Subordinated Notes or other debt securities in connection with the conversion of any Series F Units in accordance with the terms of the Series F Units; and

(d) acquisitions by officers, directors and other representatives of the Borrower or the General Partner of Capital Stock of the Borrower through cashless exercise of options pursuant to a common unit option plan will not constitute a Restricted Payment.

SECTION 8.8 Limitation on Investments, Loans and Advances. Make any advance, loan, extension of credit or capital contribution to, or purchase any stock, bonds, notes, debentures or other securities of or any assets constituting a business unit of, or make any other investment in, any Person, except:

(a) extensions of trade credit in the ordinary course of business;

(b) investments in Cash Equivalents;

(c) capital contributions, loans or other investments made by the Borrower to any Restricted Subsidiary which is a Subsidiary Guarantor and by any Restricted Subsidiary to the Borrower or any Restricted Subsidiary which is a Subsidiary Guarantor;

(d) capital contributions, loans or other investments by Subsidiaries of the Borrower or any Joint Venture to or in the Borrower or any Restricted Subsidiary, provided that no Default or Event of Default shall have occurred and be continuing, or would occur as a result of such investment;

(e) other non-hostile acquisitions of equity securities of, or assets constituting a business unit of, any Person (an "Acquired Business"), provided that (i) immediately prior to and after giving effect to any such acquisition, no Default or Event of Default shall have occurred or be continuing (whether under Section 8.17 or otherwise), (ii) such acquisition is consummated in accordance with applicable law, (iii) if such acquisition is of equity securities of a Person, such Person becomes a Restricted Subsidiary, (iv) the Borrower shall be in pro forma compliance with the covenants set forth in Section 8.1 after giving effect to such acquisition and (v) the Acquired Business shall not be subject to any material liabilities which would be expressly prohibited by this Agreement after such acquisition;

(f) the contribution by the Borrower or any Restricted Subsidiary of the equity interests owned by it in a Joint Venture to another Joint Venture or the investment by the Borrower or any Restricted Subsidiary in another Joint Venture to the extent made with equity interests in a Joint Venture owned by it as long as (i) the Borrower or such Restricted Subsidiary receives in exchange equity interests in such transferee Joint Venture and (ii) unless otherwise agreed by the Required Lenders, if the transferred

equity interests are subject to a Lien under the Loan Documents, the equity interests received in exchange become subject to a Lien under the Loan Documents;

(g) capital contributions, loans, or other investments to or in Gateway consisting of up to $55,000,000, in the aggregate, of cash and other assets related to the Marco Polo Platform;

(h) capital contributions, loans, or other investments to or in Cameron Highway consisting of up to $95,000,000, in the aggregate, of cash and other assets related to the Cameron Highway Oil Pipeline;

(i) capital contributions, loans or other investments in Joint Ventures or Unrestricted Subsidiaries, in addition to those otherwise permitted by subsections 8.8(a) through 8.8(h), in an aggregate amount not to exceed $100,000,000 during any fiscal year of the Borrower beginning with the fiscal year commencing on January 1, 2002, less the aggregate amount of Guarantee Obligations incurred pursuant to Section 8.4(b) then outstanding; and

(j) capital contributions, loans or other investments in a Person other than a Joint Venture or Unrestricted Subsidiary, in addition to those otherwise permitted by Section 8.8(a) through (i) above, in an aggregate amount not to exceed $5,000,000 for all such Persons during any fiscal year of the Borrower beginning with the fiscal year commencing on January 1, 2004.

SECTION 8.9 Limitation on Optional Payments and Modifications of Debt Instruments and Other Agreements. Except to the extent no Default or Event of Default has occurred and is continuing or could reasonably be expected to result therefrom and it could not reasonably be expected to cause a Material Adverse Effect:

(a) make any optional payment or prepayment on, redemption of or purchase of, or voluntarily defease, or directly or indirectly voluntarily or optionally purchase, redeem, retire or otherwise acquire, the Senior Subordinated Notes, the Senior Notes or any other Indebtedness or Guarantee Obligations (other than the Obligations);

(b) amend, modify or change, or consent or agree to any amendment, modification or change to, any of the right of payment subordination terms of the Senior Subordinated Notes or the Senior Subordinated Note Indentures;

(c) amend, modify, or change, or consent to any amendment, modification or change to, any of the terms of the Partnership Agreement or the Borrower's certificate of limited partnership; or

(d) waive or otherwise relinquish any of its rights or causes of action arising out of the Partnership Agreement or the Borrower's certificate of limited partnership.

SECTION 8.10 Limitation on Transactions with Affiliates. Subject to the rights set forth in Section 8.13, enter into any transaction, including, without limitation, any purchase, sale, lease or exchange of property or the rendering of any service, with any Affiliate unless such

transaction is (a) otherwise permitted under this Agreement, and (b) upon fair and reasonable terms no less favorable to the Borrower or such Restricted Subsidiary, as the case may be, than it would obtain in a comparable arm's length transaction with a Person which is not an Affiliate.

SECTION 8.11 Limitation on Sales and Leasebacks. Except for sales or dispositions permitted under Section 8.6(b), enter into any arrangement with any Person providing for the leasing by the Borrower or any Restricted Subsidiary of real or personal property which has been or is to be sold or transferred by the Borrower or such Restricted Subsidiary to such Person or to any other Person to whom funds have been or are to be advanced by such Person on the security of such property or rental obligations of the Borrower or such Restricted Subsidiary.

SECTION 8.12 Limitation on Changes in Fiscal Year. Permit the fiscal year of the Borrower to end on a day other than December 31.

SECTION 8.13 Limitation on Lines of Business. Enter into any business, either directly or through any Restricted Subsidiary or Joint Venture, except for (a) gathering, transporting (by barge, pipeline, ship, truck or other modes of hydrocarbon transportation), terminalling, storing, producing, acquiring, developing, exploring for, processing, dehydrating, fractionating and otherwise handling hydrocarbons, including constructing pipeline, platform, dehydration, processing and other energy-related facilities, activities or services reasonably related or ancillary thereto and any other business that generates "qualifying income" as defined in section 7704(d) of the Code, as amended and (b) other businesses as long as the consolidated total assets principally relating to such other businesses, taken together, would not constitute a "significant subsidiary" of the Borrower under Regulation S-X as promulgated under the Securities Act of 1933, as amended.

SECTION 8.14 Corporate Documents. Permit the amendment or modification of the limited liability company agreement or certificate of formation or incorporation of any Restricted Subsidiary if such amendment could reasonably be expected to have a Material Adverse Effect, or would authorize or issue any Capital Stock not authorized or issued on the Restatement Closing Date, except to the extent such authorization or issuance would have the same substantive effect as any transaction permitted by Section 8.5 or 8.6.

SECTION 8.15 Compliance with ERISA. (a) Terminate any Plan, (b) engage in any "prohibited transaction" (as defined in Section 4975 of the Code) involving any Plan, or (c) incur or suffer to exist any "accumulated funding deficiency" (as defined in Section 302 of ERISA), whether or not waived involving any Plan, except where such action or condition listed in (a) through (c) above could not reasonably be expected to cause a Material Adverse Effect.

SECTION 8.16 Limitation on Restrictions Affecting Subsidiaries. Enter into, or suffer to exist, any agreement with any Person, other than the Lenders pursuant hereto and other than the arrangements described in Section 8.2, Section 8.3, Section 8.4(d), and Section 8.8 or which exist on the Restatement Closing Date, which prohibits or limits the ability of any Restricted Subsidiary to (a) pay dividends or make other distributions or pay any Indebtedness owed to the Borrower or any Restricted Subsidiary, (b) make loans or advances to or make other investments in the Borrower or any Restricted Subsidiary, (c) transfer any of its properties or assets to the

Borrower or any Restricted Subsidiary, (d) create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired.

SECTION 8.17 Creation of Restricted Subsidiaries. Create or acquire any new Restricted Subsidiary of the Borrower or any of its Restricted Subsidiaries, unless, immediately upon the creation or acquisition of any such Restricted Subsidiary, (a) such Restricted Subsidiary shall become party to the Subsidiaries Guarantee as a Subsidiary Guarantor pursuant to an addendum thereto or other documentation in form and substance reasonably satisfactory to the Administrative Agent, (b) such Restricted Subsidiary shall become party to the Subsidiary Security Agreement as a grantor pursuant to an addendum thereto or other documentation in form and substance reasonably satisfactory to the Collateral Agent, and all actions required to perfect the Liens granted thereby, all filings required thereunder and all consents necessitated thereby shall have been taken, made or obtained, (c) all Capital Stock issued by such Restricted Subsidiary owned by the Borrower or any other Restricted Subsidiary shall have been pledged to the Collateral Agent pursuant to an addendum or amendment to the Borrower Pledge Agreement, the Subsidiary Pledge Agreement or other documentation in form and substance satisfactory to the Collateral Agent, (d) all corporate, company, partnership or other proceedings, and all documents, instruments and other legal matters in connection with the creation of such Restricted Subsidiary and the transactions contemplated by this Section 8.17 shall be reasonably satisfactory in form and substance to the Administrative Agent, and the Administrative Agent and the Collateral Agent shall have received such other documents and legal opinions in respect of any aspect or consequence of such creation or such transactions as it shall reasonably request and (e) no Default or Event of Default shall have occurred and be continuing after giving effect thereto.

SECTION 8.18 Hazardous Materials. Except to the extent that the same could not reasonably be expected to have a Material Adverse Effect, permit the manufacture, storage, transmission or presence of any Hazardous Materials over or upon any of its properties except in accordance with all applicable Requirements of Law or release, discharge or otherwise dispose of any Hazardous Materials on any of its properties except that the Borrower and its Restricted Subsidiaries may treat, store and transport petroleum, its derivatives, by-products and other hydrocarbons, hydrogen sulfide and sulfur dioxide in the ordinary course of their business.

SECTION 8.19 Actions by Joint Ventures. (a) Consent or agree to or acquiesce in any Joint Venture the interests in which are owned directly by the Borrower or a Restricted Subsidiary adversely changing its policy of making distributions of available cash to partners, or (b) so long as any interest therein is owned directly by the Borrower or a Restricted Subsidiary, consent or agree to or acquiesce in any Joint Venture's taking any actions that could reasonably be expected to have a Material Adverse Effect.

SECTION 8.20 Hedging Transactions. Enter into any interest rate, cross-currency, commodity, equity or other security, swap, collar or similar hedging agreement or purchase any option to purchase or sell or to cap any interest rate, cross-currency, commodity, equity or other security, in any such case, other than to hedge risk exposures in the operation of its business, ownership of assets or the management of its liabilities.

ARTICLE IX
EVENTS OF DEFAULT

If any of the following events shall occur and be continuing:

(a) The Borrower shall fail to pay any principal of any Note or any Reimbursement Obligation which is not funded by a Loan when due in accordance with the terms thereof or hereof; or the Borrower shall fail to pay any interest on any Note, or any other amount payable hereunder, within five days after any such interest or other amount becomes due in accordance with the terms thereof or hereof; or

(b) Any representation or warranty made or deemed made by the Borrower or any other Loan Party herein or in any other Loan Document or which is contained in any certificate, document or financial or other statement furnished at any time under or in connection with this Agreement shall prove to have been incorrect in any material respect on or as of the date made or deemed made; or

(c) The Borrower shall default in the observance or performance of any agreement contained in Article VIII or in Section 7.11; or any Loan Party that is a party thereto shall default in the observance or performance of any agreement contained in Section 5(h), (i), (j) or (o) of the Borrower Security Agreement or the Subsidiary Security Agreement, or Section 4(b) of the Borrower Pledge Agreement or Section 4(b) of the Subsidiary Pledge Agreement; or

(d) The Borrower or any other Loan Party shall default in the observance or performance of any other agreement contained in this Agreement or any other Loan Document (other than as provided in paragraphs (a) through (c) of this Article IX), and such default shall continue unremedied for a period of 30 days after the earlier of receipt of written notice thereof from the Administrative Agent or any Lender and the date upon which the Borrower was required to give notice of such default as contained in Section 7.7(a); or

(e) Any Loan Party or any Restricted Subsidiary of the Borrower shall (i) default in any payment of principal of or interest on any Indebtedness (other than the Loans) or in the payment of any Guarantee Obligation, beyond the period of grace (not to exceed 30 days), if any, provided in the instrument or agreement under which such Indebtedness or Guarantee Obligation was created; or (ii) default in the observance or performance of any other agreement or condition relating to any such Indebtedness or Guarantee Obligation or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Indebtedness or beneficiary or beneficiaries of such Guarantee Obligation (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to become due prior to its stated maturity or such Guarantee Obligation to become payable; provided, however, that the aggregate principal amount of Indebtedness and Guarantee Obligations with respect to which such defaults shall have occurred shall equal or exceed $35,000,000; or

(f) (i) Any Loan Party shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or any Loan Party shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against any Loan Party any case, proceeding or other action of a nature referred to in clause (i) above which (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of 60 days; or (iii) there shall be commenced against any Loan Party any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) any Loan Party shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) any Loan Party shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(g) an ERISA Event shall have occurred that, in the reasonable opinion of the Required Lenders, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect; or

(h) One or more judgments or decrees shall be entered against the Borrower or any of its Restricted Subsidiaries involving in the aggregate a liability (not paid or fully covered by insurance) of $35,000,000 or more, and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 60 days from the entry thereof; or

(i) Except with respect to matters disclosed on Schedule 5.16, which matters shall not, in the aggregate, incur remediation and/or environmental compliance expenses and/or fines, penalties or other charges in excess of $55,000,000, if at any time any Loan Party shall become liable for remediation and/or environmental compliance expenses and/or fines, penalties or other charges which, in the aggregate, are in excess of the Material Environmental Amount for any Loan Party; or

(j) For any reason (other than any act on the part of the Administrative Agent, the Collateral Agent or the Lenders or as permitted by Section 11.18(d)) (i) any Security Document ceases to be in full force and effect or any party thereto (other than the Administrative Agent, the Collateral Agent or the Lenders) shall so assert in writing or the Lien intended to be created by any Security Document ceases to be or is not a valid and perfected Lien having the priority contemplated thereby or (ii) any Guarantee ceases to be in full force and effect or any party thereto (other than the Administrative Agent, the Collateral Agent or the Lenders) shall so assert in writing; or

(k) A Change of Control shall occur, unless (i) at the time of such Change of Control, for the 90-day period immediately prior to such Change of Control, and immediately after such Change of Control, the Borrower's senior unsecured debt rating is, or is reconfirmed as applicable, at least Baa3 (or the equivalent) by Moody's Investors Service, Inc. (or any successor to the rating agency business thereof) and BBB- (or the equivalent) by Standard & Poor's Ratings Group (or any successor to the rating agency business thereof), (ii) the aggregate principal amount of Putable Debt Securities outstanding at such time is less than the greater of (A) $250 million and (B) 30% of the aggregate principal amount of Non-Putable Debt Securities outstanding at such time, and (iii) no Default or Event of Default has occurred and is then continuing; or

(l) Any Person that owns an equity interest in any Joint Venture shall exercise its rights and remedies (other than dilution of the equity interests owned by the Borrower and its Restricted Subsidiaries in any Joint Venture pursuant to contractual dilution provisions existing with respect to the Joint Ventures) with respect to its Lien on any equity interest in such Joint Venture the equity interest in which has been pledged to such Person; provided that the amount of claims secured by such Lien shall equal or exceed $35,000,000 and such claim shall not have been vacated, discharged, stayed or bonded pending appeal within 30 days from the entry thereof; or

(m) The General Partner shall default in the observance or performance of any provision of the Partnership Agreement and such default could reasonably be expected to result in a Material Adverse Effect; or

(n) the Senior Subordinated Notes or the guarantees thereof shall cease, for any reason, to be validly subordinated to the Obligations or the obligations of the Subsidiary Guarantors under the Loan Documents to which they are parties, as the case may be, as provided in the Senior Subordinated Note Indentures, or any Loan Party, any Affiliate of any Loan Party, the trustee in respect of the Senior Subordinated Notes or the holders of at least 25% in aggregate principal amount of a series of such Senior Subordinated Notes shall so assert;

then, and in any such event, (A) if such event is an Event of Default specified in clause (i) or (ii) of paragraph (f) above with respect to the Borrower, automatically the Revolving Credit Commitments shall immediately terminate and the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement (including, without limitation, all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) and the Notes shall immediately become due and payable, and (B) if such event is any other Event of Default, either or both of the following actions may be taken: (i) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower declare the Revolving Credit Commitments to be terminated forthwith, whereupon the Revolving Credit Commitments shall immediately terminate; and (ii) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower, declare the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement (including, without limitation, all amounts of L/C Obligations,

whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) and the Notes to be due and payable forthwith, whereupon the same shall immediately become due and payable. If presentment for honor under any Letter of Credit shall not have occurred at the time of an acceleration pursuant to the preceding sentence, the Borrower shall at such time deposit in a cash collateral account opened by the Collateral Agent an amount equal to the aggregate then undrawn and unexpired amount of the Letters of Credit. The Borrower hereby grants to the Collateral Agent, for the benefit of the Issuing Bank and the Lenders, a security interest in such cash collateral to secure all obligations of the Borrower under this Agreement and the other Loan Documents. Amounts held in such cash collateral account shall be applied by the Collateral Agent to the payment of drafts drawn under such Letters of Credit, and the unused portion thereof after all such Letters of Credit shall have expired or been fully drawn upon, if any, shall be applied to repay other obligations of the Borrower hereunder and under the Notes. After all such Letters of Credit shall have expired or been fully drawn upon, all Reimbursement Obligations shall have been satisfied and all other obligations of the Borrower hereunder and under the Notes shall have been paid in full, the balance, if any, in such cash collateral account shall be returned to the Borrower. The Borrower shall execute and deliver to the Collateral Agent, for the account of the Issuing Bank and the Lenders, such further documents and instruments as the Collateral Agent may request to evidence the creation and perfection of the within security interest in such cash collateral account. Except as expressly provided above in this Section, presentment, demand, protest, notice of intent to accelerate, notice of acceleration and all other notices of any kind are hereby expressly waived.

ARTICLE X
THE ADMINISTRATIVE AGENT

SECTION 10.1 Appointment. Each Lender hereby irrevocably designates and appoints JPMorgan as the Administrative Agent of such Lender under this Agreement and the other Loan Documents, and each such Lender irrevocably authorizes JPMorgan, as the Administrative Agent for such Lender, to take such action on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement and the other Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Administrative Agent.

SECTION 10.2 Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement and the other Loan Documents by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys in-fact selected by it with reasonable care.

SECTION 10.3 Exculpatory Provisions. Neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be (i) liable for any

action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or any other Loan Document (except for its or such Person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by the Borrower or any officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or any other Loan Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement, the Notes or any other Loan Document or for any failure of the Borrower to perform its obligations hereunder or thereunder. The Administrative Agent shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the properties, books or records of the Borrower.

SECTION 10.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any Note, writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Borrower), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the Required Lenders as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement, the Notes and the other Loan Documents in accordance with a request of the Required Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Notes.

SECTION 10.5 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless the Administrative Agent has received notice from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders; provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

SECTION 10.6 Non-Reliance on Administrative Agent and Other Lenders. Each Lender expressly acknowledges that neither the Administrative Agent nor any of its officers, directors,

employees, agents, attorneys-in-fact or Affiliates has made any representations or warranties to it and that no act by the Administrative Agent hereafter taken, including any review of the affairs of the Borrower, shall be deemed to constitute any representation or warranty by the Administrative Agent to any Lender. Each Lender represents to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Borrower and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Borrower. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of the Borrower which may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates.

SECTION 10.7 Indemnification. The Lenders agree to indemnify the Administrative Agent in its capacity as such (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), ratably according to their respective Total Credit Percentages in effect on the date on which indemnification is sought under this Section, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time (including, without limitation, at any time following the payment of the Notes) be imposed on, incurred by or asserted against the Administrative Agent in any way relating to or arising out of this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Administrative Agent under or in connection with any of the foregoing; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Administrative Agent's gross negligence or willful misconduct. The agreements in this Section 10.7 shall survive the payment of the Notes and all other amounts payable hereunder.

SECTION 10.8 Administrative Agent in Its Individual Capacity. The Administrative Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Borrower as though the Administrative Agent were not the Administrative Agent hereunder and under the other Loan Documents. With respect to its Loans made or renewed by it and any Note issued to it and with respect to the Letters of Credit, the Administrative Agent shall have the same rights and powers under this Agreement and the other Loan Documents as any Lender and may exercise the same as though it were not the Administrative Agent. The terms "Lender," "Lenders," "Revolving Credit Lenders," "Term Loan Lenders," and similar terms shall include the Administrative Agent in its individual capacity as applicable.

SECTION 10.9 Successor Administrative Agent. The Administrative Agent may resign as Administrative Agent upon 10 days' written notice to the Lenders. If the Administrative Agent shall resign as Administrative Agent under this Agreement and the other Loan Documents, then the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders, which successor agent shall be approved by the Borrower, whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent, and the term "Administrative Agent" shall mean such successor agent effective upon such appointment and approval, and the former Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Agreement or any holders of the Notes. After any retiring Administrative Agent's resignation as Administrative Agent, the provisions of this Section shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement and the other Loan Documents.

SECTION 10.10 Other Agents. None of the Lenders identified on the cover page or the preamble of this Agreement as a "co-syndication agent" or a "co-documentation agent" shall have any right, power, obligation, liability, responsibility or duty under this Agreement other than those applicable to all Lenders as such. Without limiting the foregoing, none of the Lenders so identified as a "co-syndication agent" or a "co-documentation agent" shall have or be deemed to have any fiduciary relationship with any Lender. Each Lender acknowledges that it has not relied, and will not rely, on any of the Lenders so identified in deciding to enter into this Agreement or in taking or not taking any action hereunder.

ARTICLE XI
MISCELLANEOUS

SECTION 11.1 Amendments and Waivers. Neither this Agreement, any Revolving Credit Note, any other Loan Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 11.1. The Required Lenders may, or, with the written consent of the Required Lenders, the Administrative Agent may, from time to time, (a) enter into with the Borrower or the Loan party thereto written amendments, supplements or modifications hereto and to the Revolving Credit Notes and the other Loan Documents for the purpose of adding any provisions to this Agreement or the Revolving Credit Notes or the other Loan Documents or changing in any manner the rights of the Lenders or of the Borrower or any other Loan Party hereunder or thereunder or waive in writing, on such terms and conditions as the Required Lenders or the Administrative Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement, the Notes or the other Loan Documents or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall reduce the amount or extend the scheduled date of maturity of any Revolving Credit Note or of any installment thereof, or reduce the stated rate of any interest or fee payable hereunder or extend the scheduled date of any payment thereof or increase the amount or extend the expiration date of any Lender's Revolving Credit Commitment, in each case without the consent of each Lender affected thereby, or (ii) amend, modify or waive any provision of this Section 11.1 or reduce the percentage specified in the definition of Required Lenders, or consent to the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement and the other Loan Documents (except in a transaction permitted by Section 8.5), in each case without the

written consent of all the Lenders, or (iii) amend, modify or waive any provision of Article X without the written consent of the then Administrative Agent, (iv) release the Lenders' Liens on all or substantially all of the Collateral under the Security Documents without the consent of each Lender or except to the extent relating to the Redesignation of any Restricted Subsidiary, the sale or other disposition of any Restricted Subsidiary as otherwise permitted by this Agreement or any other transaction permitted by this Agreement, release any Guarantee. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Lenders and shall be binding upon the Borrower, the Lenders, the Administrative Agent and all future holders of the Revolving Credit Notes. In the case of any waiver, the Borrower, the Lenders and the Administrative Agent shall be restored to their former position and rights hereunder and under the outstanding Revolving Credit Notes and any other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon

SECTION 11.2 Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered by hand, or three days after being deposited in the mail, postage prepaid, or, in the case of telecopy notice, when received, addressed as follows in the case of the Borrower, the Collateral Agent and the Administrative Agent, and as set forth in Schedule I hereto or to any Term Loan Addendum or in any Assignment or Acceptance in the case of the other parties hereto, or to such other address as may be hereafter notified by the respective parties hereto and any future holders of the Notes:

The Borrower:	GulfTerra Energy Partners, L.P. 4 Greenway Plaza Houston, Texas 77046 Attention: Chief Financial Officer Telecopy: (832) 676-1671
with a copy to:	Akin, Gump, Strauss, Hauer & Feld, L.L.P. 711 Louisiana, Suite 1900 Houston, Texas 77002 Telecopy: (713) 236-0822 Attention: J. Vincent Kendrick, Esq.
The Administrative Agent or the Collateral Agent:	JPMorgan Chase Bank 1111 Fannin, 10th Floor Houston, TX 77002 Attention: Sylvia Gutierrez Telecopy: (713) 750-6307

with a copy to: JPMorgan Chase Bank
600 Travis, 20th Floor
Houston, Texas 77002
Attention: Robert Traband
Telecopy: 713-216-8870

provided that any notice, request or demand to or upon the Administrative Agent, the Collateral Agent or the Lenders pursuant to Section 2.3, 2.6, 2.7, 3.2, 4.1, 4.2 shall not be effective until received, provided, further, that the failure by the Administrative Agent, the Collateral Agent or any Lender to provide a copy to the Borrower's counsel shall not cause any notice to the Borrower to be ineffective.

SECTION 11.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent, the Collateral Agent or any Lender, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

SECTION 11.4 Survival of Representations and Warranties. All representations and warranties made hereunder and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the Notes.

SECTION 11.5 Payment of Expenses and Taxes. The Borrower agrees (a) to pay or reimburse the Administrative Agent and the Collateral Agent for all their respective reasonable out-of-pocket costs and expenses incurred in connection with the development, preparation and execution of, and any amendment, supplement or modification to, this Agreement, the Notes and the other Loan Documents and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby, including, without limitation, the fees and disbursements of counsel to the Administrative Agent and the Collateral Agent, (b) to pay or reimburse each Lender, the Administrative Agent and the Collateral Agent for all its costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the Notes, the other Loan Documents and any such other documents, including, without limitation, the fees and disbursements of counsel to the Administrative Agent, to the Collateral Agent and to the several Lenders, (c) to pay, indemnify, and hold each Lender, the Administrative Agent and the Collateral Agent harmless from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any delay in paying, stamp, excise and other taxes, if any, which may be payable or determined to be payable in connection with the execution and delivery of, or consummation or administration of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement, the Notes, the other Loan Documents and any such other documents, and to pay, indemnify, and hold each Lender, the Administrative Agent, the Collateral Agent, the Co-Syndication Agents, the Co-Documentation Agents, and their Affiliates, and their respective directors, officers, employees, agents and advisors (each such person being called an

"Indemnified Party") harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments and suits, and reasonable costs, expenses or disbursements, of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement, the Notes and the other Loan Documents, the use of the proceeds of the Loans, including the use and reliance on electronic, telecommunications or other information or transmission systems in connection with the Loan Documents (all the foregoing in this clause (d), collectively, the "indemnified liabilities"), REGARDLESS OF WHETHER OR NOT SUCH INDEMNIFIED LIABILITIES ARE IN ANY WAY OR TO ANY EXTENT CAUSED, IN WHOLE OR IN PART, BY ANY NEGLIGENT ACT OR OMISSION OF ANY KIND BY AN INDEMNIFIED PARTY, provided, that the Borrower shall have no obligation hereunder to an Indemnified Party with respect to indemnified liabilities arising from (i) the gross negligence or willful misconduct of such Indemnified Party or (ii) legal proceedings commenced against an Indemnified Party by any security holder or creditor thereof arising out of and based upon rights afforded any such security holder or creditor solely in its capacity as such. The agreements in this Section shall survive repayment of the Notes and all other amounts payable hereunder.

SECTION 11.6 Successors and Assigns; Participations; Purchasing Lenders.

(a) This Agreement shall be binding upon and inure to the benefit of the Borrower, the Lenders, the Administrative Agent, the Collateral Agent, the Issuing Bank, all future holders of the Notes and their respective successors and assigns permitted hereby (including any Affiliate of the Issuing Bank that issues any Letter of Credit), except that (i) the Borrower may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its right or obligation hereunder except in accordance with this Section 11.6. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of the Issuing Bank that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Collateral Agent, the Issuing Bank and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Any Lender may, without the consent of the Borrower, the Administrative Agent, the Collateral Agent or the Issuing Bank and after notice to the Borrower, sell participations to one or more banks or other entities ("Participants") in all or a portion of such Lender's rights and obligations under this Agreement and the other Loan Documents (including all or a portion of its Revolving Credit Commitment and the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent, the Issuing Bank and the Collateral Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and the other Loan Documents. To the extent permitted by law, each

Participant shall be entitled to the benefits of Section 11.7 as though it were a Lender, provided such Participant agrees to be subject to Section 11.7(a) as though it were a Lender. The Borrower also agrees that each Participant shall be entitled to the benefits of Sections 4.9, 4.10 and 4.11 with respect to its participation in the Revolving Credit Commitments, the Loans and the Letters of Credit outstanding from time to time; provided, that no Participant shall be entitled to receive any greater payment pursuant to such Sections than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 4.10 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 4.10(e) as though it were a Lender. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and the other Loan Documents and to approve any amendment, modification or waiver of any provision of this Agreement or the other Loan Documents; provided, that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in clauses (i) to (v) of the proviso of subsection 11.1(b) to the extent the Participant is directly affected thereby.

(c) Any Lender may, in the ordinary course of its business and in accordance with applicable law, at any time sell to any Lender, any Affiliate of a Lender or an Approved Fund and, as to any Lender, with the consent of the Borrower and the Administrative Agent (which in each case shall not be unreasonably withheld or, with respect to the Borrower, shall not be required during the continuance of any Event of Default), to one or more additional banks or financial institutions or funds that regularly purchase loans ("Purchasing Lenders") all or any part of its rights and obligations under this Agreement and the Notes pursuant to an Assignment and Acceptance, substantially in the form of Exhibit J, executed by such Purchasing Lender, such transferor Lender (and, in the case of a Purchasing Lender that is not then a Lender, an Approved Fund or an Affiliate of a Lender, by the Borrower and the Administrative Agent except to the extent the Borrower's consent is not required hereunder) and delivered to the Administrative Agent for its acceptance and recording in the Register, provided that (i) no such assignment to an assignee (other than any Lender, an Approved Fund or any Affiliate of any Lender) shall be in an aggregate principal amount of less than $5,000,000, in the case of Revolving Credit Loans, or $1,000,000, in the case of Term Loans (in each case, other than in the case of an assignment of all of a Lender's interest under this Agreement) and (ii) with respect to an assignment involving Revolving Credit Notes, Revolving Credit Loans or Revolving Credit Commitments, the assigning Revolving Credit Lender shall have retained at least $5,000,000 of Revolving Credit Commitments (unless it is assigning all of its Revolving Credit Commitments and Revolving Credit Loans), in each case, unless otherwise agreed by the Borrower and the Administrative Agent and provided, further that this clause shall not be construed to prohibit the assignment or sale of a proportionate part of all the assigning Lender's rights and obligations in respect of one class of Commitments or Loans. For purposes of the proviso contained in the preceding sentence, the amount described therein shall be

aggregated in respect to each Lender and its related Affiliates, if any. Each Purchasing Lender shall deliver to the Administrative Agent an Administrative Questionnaire prior to the Transfer Effective Date. Upon such execution, delivery, acceptance and recording, from and after the Transfer Effective Date determined pursuant to such Assignment and Acceptance, (x) the Purchasing Lender thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of a Lender hereunder with a Revolving Credit Commitment, if applicable, as set forth therein, and (y) the transferor Lender thereunder shall, to the extent provided in such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of a transferor Lender's rights and obligations under this Agreement, such transferor Lender shall cease to be a party hereto but shall continue to be entitled to the benefit of the indemnity and expense reimbursement provisions of the Loan Documents to the extent relating to matters during the time it was a Lender). Such Assignment and Acceptance shall be deemed to amend this Agreement to the extent, and only to the extent, necessary to reflect the addition of such Purchasing Lender and the resulting adjustment of Total Credit Percentages arising from the purchase by such Purchasing Lender of all or a portion of the rights and obligations of such transferor Lender under this Agreement and any Note. On or prior to the Transfer Effective Date determined pursuant to such Assignment and Acceptance, the Borrower, at its own expense, shall execute and deliver to the Administrative Agent in exchange for the Note of the transferor Lender a new Revolving Credit Note, Initial Term Loan Note or Additional Term Loan Note, as applicable, to the order of such Purchasing Lender in an amount equal to the Revolving Credit Commitment or Term Loan, as applicable, assumed by it pursuant to such Assignment and Acceptance and, if the transferor Lender has retained Revolving Credit Commitments or Term Loans, as applicable, hereunder, a new Revolving Credit Note, Initial Term Loan Note or Additional Term Loan Note, as applicable, to the order of the transferor Lender in an amount equal to the Revolving Credit Commitment or Term Loans, as applicable, retained by it hereunder. Such new Revolving Credit Notes, Initial Term Loan Notes or Additional Term Loan Notes, as applicable, shall be dated the Restatement Closing Date, Initial Term Loan Date or the date set forth in the applicable Term Loan Addendum, as applicable, and shall otherwise be in the form of the Revolving Credit Note, Initial Term Loan Note or Additional Term Loan Note, as applicable, replaced thereby. The Revolving Credit Notes, Initial Term Loan Note or Additional Term Loan Note, as applicable, surrendered by the transferor Lender shall be returned by the Administrative Agent to the Borrower marked "cancelled."

(d) The Administrative Agent, on behalf of the Borrower, shall maintain at its address referred to in Section 11.2 a copy of each Assignment and Acceptance delivered to it and a register (the "Register") for the recordation of the names and addresses of the Lenders and the Revolving Credit Commitment, if any, of and principal amount of the Loans, owing to, each Lender from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrower, the Administrative Agent, the Collateral Agent and the Lenders may treat each Person whose name is recorded in the Register as the owner of the Loan recorded therein for all purposes of this Agreement, notwithstanding any notice to the contrary. Any assignment of any Loan or other Obligations hereunder not evidenced by a Note shall be effective only upon appropriate

entries with respect thereto being made in the Register. The Register shall be available for inspection by the Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(e) Upon its receipt of an Assignment and Acceptance executed by a transferor Lender and Purchasing Lender (and, in the case of a Purchasing Lender that is not then a Lender or an Affiliate thereof, by the Borrower and the Administrative Agent) together with payment to the Administrative Agent of a registration and processing fee of $4,000, the Administrative Agent shall (i) promptly accept such Assignment and Acceptance and (ii) on the Transfer Effective Date determined pursuant thereto record the information contained therein in the Register and give notice of such acceptance and recordation to the Lenders and the Borrower.

(f) The Borrower authorizes each Lender to disclose to any Participant, Purchasing Lender, or counterparty (or its advisor) to any swap, securitization or derivative transaction referencing or involving any of the rights or obligations of such Lender under this Agreement (each, a "Transferee") and any prospective Transferee any and all information in such Lender's possession concerning the Borrower and its Affiliates which has been delivered to such Lender by or on behalf of the Borrower pursuant to this Agreement or which has been delivered to such Lender by or on behalf of the Borrower in connection with such Lender's credit evaluation of the Borrower and its Affiliates prior to becoming a party to this Agreement.

(g) For avoidance of doubt, the parties to this Agreement acknowledge that the provisions of this Section concerning assignments of Loans and Notes relate only to absolute assignments and that such provisions do not prohibit assignments creating security interests, including, without limitation, any pledge or assignment by a Lender of any Loan or Note to any Federal Reserve Bank in accordance with applicable law without any notice to or consent of the Borrower or the Administrative Agent.

SECTION 11.7 Adjustments; Set-off.

(a) If any Lender (a "benefitted Lender") shall at any time receive any payment of all or part of its Loans or the Reimbursement Obligations owing to it, or interest thereon, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Article IX(i), or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of such other Lender's Loans of the same type or the Reimbursement Obligations owing to it, as the case may be, or interest thereon, such benefitted Lender shall purchase for cash from the other Lenders a participating interest in such portion of each such other Lender's Loan or the Reimbursement Obligations owing to it, or shall provide such other Lenders with the benefits of any such collateral, or the proceeds thereof, as shall be necessary to cause such benefitted Lender to share the excess payment or benefits of such collateral or proceeds ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such benefitted Lender,

such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) In addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, without prior notice to the Borrower, any such notice being expressly waived by the Borrower to the extent permitted by applicable law, upon any amount becoming due and payable by the Borrower hereunder or under the Notes (whether at the stated maturity, by acceleration or otherwise) to set-off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch or agency thereof to or for the credit or the account of the Borrower. Each Lender agrees promptly to notify the Borrower and the Administrative Agent after any such set-off and application made by such Lender, provided that the failure to give such notice shall not affect the validity of such set-off and application.

SECTION 11.8 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

SECTION 11.9 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 11.10 Integration. This Agreement and the other Loan Documents represent the agreement of the Borrower, the Administrative Agent, the Collateral Agent and the Lenders with respect to the subject matter hereof, and there are no promises, undertakings, representations or warranties by the Administrative Agent, the Collateral Agent or any Lender relative to subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

SECTION 11.11 Usury Savings Clause. It is the intention of the parties hereto to comply with applicable usury laws (now or hereafter enacted); accordingly, notwithstanding any provision to the contrary in this Agreement, the Notes, any of the other Loan Documents or any other document related hereto, in no event shall this Agreement or any such other document require the payment or permit the collection of interest in excess of the maximum amount permitted by such laws. If from any circumstances whatsoever, fulfillment of any provision of this Agreement or of any other document pertaining hereto or thereto, shall involve transcending the limit of validity prescribed by applicable law for the collection or charging of interest, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any such circumstances the Administrative Agent, the Collateral Agent and the Lenders shall ever receive anything of value as interest or deemed interest by applicable law under this Agreement, the Notes, any of the other Loan Documents or any other document pertaining hereto

or otherwise an amount that would exceed the highest lawful rate, such amount that would be excessive interest shall be applied to the reduction of the principal amount owing under the Notes or on account of any other indebtedness of the Borrower, and not to the payment of interest, or if such excessive interest exceeds the unpaid balance of principal of such indebtedness, such excess shall be refunded to the Borrower. In determining whether or not the interest paid or payable with respect to any indebtedness of the Borrower to the Administrative Agent and the Lenders, under any specified contingency, exceeds the Highest Lawful Rate (as hereinafter defined), the Borrower, the Administrative Agent and the Lenders shall, to the maximum extent permitted by applicable law, (a) characterize any non-principal payment as an expense, fee or premium rather than as interest, (b) exclude voluntary prepayments and the effects thereof, (c) amortize, prorate, allocate and spread the total amount of interest throughout the full term of such indebtedness so that interest thereon does not exceed the maximum amount permitted by applicable law, and/or (d) allocate interest between portions of such indebtedness, to the end that no such portion shall bear interest at a rate greater than that permitted by applicable law.

To the extent that Section 303.001 et seq., as amended, of the Texas Finance Code is relevant to the Administrative Agent and the Lenders for the purpose of determining the Highest Lawful Rate, the Administrative Agent and the Lenders hereby elect to determine the applicable rate ceiling under such Article by the indicated (weekly) rate ceiling from time to time in effect. Nothing set forth in this Section 11.11 is intended to or shall limit the effect or operation of Section 11.12. In no event shall Chapter 346 of the Texas Finance Code (which regulates certain revolving credit loan accounts) apply to this Agreement or the Revolving Credit Notes.

For purposes of this Section 11.11, "Highest Lawful Rate" shall mean the maximum rate of nonusurious interest that may be contracted for, charged, taken, reserved or received on the Notes under laws applicable to the Administrative Agent and the Lenders.

SECTION 11.12 Governing Law. THIS AGREEMENT AND THE NOTES AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT AND THE NOTES SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 11.13 Submission To Jurisdiction; Waivers. The Borrower hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the Courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the Borrower at its address set forth in Section 11.2 or at such other address of which the Administrative Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary or punitive damages (including, without limitation, damages arising from the use of electronic, telecommunications or other information transmissions systems in connection with the Loan Documents).

SECTION 11.14 Acknowledgements. The Borrower hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement, the Notes and the other Loan Documents;

(b) none of the Administrative Agent, the Collateral Agent nor any Lender has any fiduciary relationship with or duty to the Borrower or any other Loan Party arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between Administrative Agent, the Collateral Agent and Lenders, on one hand, and the Borrower and the other Loan Parties, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture exists among the Lenders or among the Borrower and the other Loan Parties and the Lenders.

SECTION 11.15 Confidentiality. Each of the Administrative Agent, the Collateral Agent and each Lender agrees that it will hold in confidence, any information provided to such Person pursuant to this Agreement; provided, that nothing in this Section 11.15 shall be deemed to prevent the disclosure by the Administrative Agent, the Collateral Agent or any Lender of any such information (a) to any Affiliate of a Lender that has entered into a Hedging Agreement with the Borrower or to any of its or such Affiliate's employees, officers, directors, accountants, attorneys or consultants (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such information and instructed to keep such information confidential), (b) to any examiner or other Governmental Authority, (c) that has been or is made public by GTM Energy Company, the Borrower or any of its Subsidiaries or Affiliates or by any third party without breach of this Agreement or that otherwise becomes generally available to the public other than as a result of a disclosure in violation of this Section 11.15, (d) that is or becomes available to any such Person from a third party on a non-confidential basis, (e) that is required to be disclosed by any Requirement of Law, including to any bank examiners or regulatory authorities, (f) that is required to be disclosed by any court, agency, arbitrator or legislative body, or (g) to any Transferee or proposed Transferee; provided,

further, that notwithstanding anything in this Agreement to the contrary, the Borrower, the Administrative Agent, the Issuing Bank, the Collateral Agent, each Lender and each Related Person may disclose to any and all Persons, without limitation of any kind, the tax treatment and tax structure of the transactions contemplated hereby and all materials of any kind (including opinions or other tax analysis) that are provided to it relating to such tax treatment and tax structure; and nothing in the foregoing authorization shall apply to any disclosure that would constitute a violation of applicable federal and state securities laws.

SECTION 11.16 Waivers of Jury Trial. THE BORROWER, THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT, THE NOTES OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

SECTION 11.17 Acknowledgement Of No Claims, Offsets Or Defenses; Release By The Loan Parties. THE BORROWER, ON BEHALF OF ITSELF AND EACH OF THE OTHER LOAN PARTIES, ACKNOWLEDGES THAT NO LOAN PARTY NOR ANY OF THEIR RESPECTIVE OWNERS, DIRECTORS, SUCCESSORS, ASSIGNS, AGENTS, OFFICERS, EMPLOYEES, AND REPRESENTATIVES (COLLECTIVELY, THE "BORROWER AFFILIATES PARTIES") HAS ANY CLAIM, DEMAND, RIGHT OF OFFSET, CAUSE OF ACTION IN LAW OR IN EQUITY, LIABILITY OR DAMAGES OF ANY NATURE WHATSOEVER, WHETHER FIXED OR CONTINGENT (HEREINAFTER COLLECTIVE CALLED "CLAIMS") THAT COULD BE ASSERTED IN CONNECTION WITH, OR WHICH WOULD IN ANY OTHER MANNER BE RELATED TO, THE EXISTING CREDIT AGREEMENT OR ANY PROMISSORY NOTES OR OTHER AGREEMENTS, TRANSACTIONS OR OTHER ACTIONS PRIOR TO THE DATE HEREOF INVOLVING ANY OF THE BORROWER AFFILIATED PARTIES AND LENDERS (THE "PRIOR AGREEMENTS AND ACTIVITIES"). NOTWITHSTANDING THE FOREGOING, HOWEVER, BORROWER HEREBY AGREES THAT IN CONSIDERATION OF THE CREDIT EXTENDED TO BORROWER UNDER THE LOAN DOCUMENTS AND AS A MATERIAL INDUCEMENT TO THE LENDERS TO ENTER INTO SUCH LOAN DOCUMENTS AND EXTEND SUCH CREDIT TO BORROWER, BORROWER, ON BEHALF OF ITSELF AND ALL OF THE OTHER BORROWER AFFILIATED PARTIES HEREBY RELEASES AND FOREVER DISCHARGES, EACH LENDER, EACH SUBSEQUENT HOLDER OF ANY OF THE NOTES, AND EACH AND ALL OF THEIR PARENT, SUBSIDIARY AND AFFILIATED ENTITIES PAST AND PRESENT, AS WELL AS THEIR RESPECTIVE OWNERS, DIRECTORS, SUCCESSORS, ASSIGNS, AGENTS, OFFICERS, EMPLOYEES, AND REPRESENTATIVES (COLLECTIVELY, THE "RELEASED PARTIES"), OF AND FROM ANY AND ALL CLAIMS WHICH BORROWER AND THE OTHER BORROWER AFFILIATED PARTIES MAY HAVE OR HEREAFTER ACQUIRE AGAINST ANY OR ALL OF THE RELEASED PARTIES BY REASON OF, OR RELATED IN ANY WAY TO, THE PRIOR AGREEMENTS AND ACTIVITIES.

SECTION 11.18 Releases.

(a) At such time as the Loans, the Reimbursement Obligations and any other obligations under this Agreement shall have been paid in full, the Revolving Credit Commitments have been terminated and no Letters of Credit shall be outstanding, the Collateral shall be released from the Liens created by the Loan Documents, and all obligations (other than those expressly stated to survive such termination) of the Administrative Agent, the Collateral Agent and each Loan Party thereunder and under the other Loan Documents shall terminate, all without delivery of any instrument or

performance of any act by any party, and all rights to the Collateral shall revert to the respective Loan Parties. At the request and expense of any Loan Party following any such termination, the Collateral Agent shall deliver to such Loan Party any Collateral held by the Collateral Agent under the Security Documents, and execute and deliver to such Loan Party such documents as such Loan Party shall reasonably request to evidence such termination.

(b) If any of the Collateral shall be sold, transferred or otherwise disposed of by any Loan Party in a transaction permitted by this Agreement or such Loan Party is designated as an Unrestricted Subsidiary in accordance with the terms of this Agreement, then the Lenders authorize the Collateral Agent, at the request and expense of such Loan Party, to execute and deliver to such Loan Party all releases or other documents reasonably necessary or desirable for the release of the Liens created by the applicable Security Documents on such Collateral. At the request and sole expense of the Borrower, the Lenders authorize the Collateral Agent to release a Loan Party from its obligations under the applicable Guarantee and Security Document(s) in the event that all the Capital Stock of such Loan Party shall be sold, transferred or otherwise disposed of in a transaction permitted by this Agreement or such Loan Party becomes a Joint Venture or is designated as an Unrestricted Subsidiary in accordance with the terms of this Agreement, provided that the Borrower shall have delivered to the Collateral Agent, at least five Business Days prior to the date of the proposed release, a written request for release identifying the relevant Loan Party and the terms of the transaction, sale or other disposition in reasonable detail, including the price thereof and any expenses in connection therewith, together with a certification by the Borrower stating that such transaction is in compliance with this Agreement and the other Loan Documents.

(c) Notwithstanding the provisions of Section 11.1(b)(v) above, upon and at any time after the earlier of (a) the repayment in full of the Initial Term Loans and (b) a written consent, amendment or modification executed by each Initial Term Loan Lender as of the date thereof, and delivered to the Administrative Agent, consenting or agreeing to, or confirming, the substance of this Section 11.18(c), the written consent of all Lenders shall be required only to release any Guarantee of any Restricted Subsidiary that constitutes a Significant Subsidiary and a release of any Guarantee of a Restricted Subsidiary that does not constitute a Significant Subsidiary shall require the written consent of only the Required Lenders.

(d) Upon the earlier of (a) the repayment in full of the Initial Term Loans and (b) a written consent, amendment or modification executed by each Initial Term Loan Lender as of the date thereof, and delivered to the Administrative Agent, consenting or agreeing to, or confirming, the substance of this Section 11.18(d), each of the EPEPC Guarantee and the General Partner Guarantee shall automatically terminate and be released by the Lenders and each of EPEPC Security Agreement (G&A Agreement) and the General Partner Security Agreement (G&A Agreement) shall automatically terminate and be released by the Collateral Agent without any further action required by the Collateral Agent, the Administrative Agent or the Lenders. At the request and expense of the Loan Party to such Guarantees and Security Documents following any such termination, the Collateral Agent or the Administrative Agent, as applicable execute and

deliver to such Loan Party such documents as such Loan Party shall reasonably request to evidence such termination.

SECTION 11.19 Intercreditor Agreement. Each Lender (including each Purchasing Lender which becomes a Lender) consents and agrees to the provisions of the Intercreditor Agreement, including the indemnity provisions set forth in Section 6 thereof. The Lenders also hereby authorize and appoint the Administrative Agent to act as their agent with respect to the execution and delivery of the Intercreditor Agreement.

SECTION 11.20 Term Loan Addendums. Upon execution and delivery of any Term Loan Addendum by the parties thereto, from and after the applicable Additional Term Loan Closing Date set forth therein, each Additional Term Loan Lender party thereto shall be a party to this Agreement and have the rights and obligations of a Lender hereunder.

SECTION 11.21 Term Loan Amendments. No waiver and no amendment, supplement or modification otherwise permitted by Section 11.1 shall (a) reduce the amount or extend the scheduled date of maturity of any Term Loan or of any installment thereof, or reduce the stated rate of any interest or fee payable hereunder or extend the scheduled date of any payment thereof or increase the amount or extend the expiration date of any Lender's Term Loan Commitment, in each case without the consent of each Lender affected thereby or amend, modify or waive any provisions of this Section 11.21 without the consent of each Term Loan Lender.

SECTION 11.22 Certain Permitted Transactions. Notwithstanding any provision in the Loan Documents and without increasing the obligations of the Lenders under Articles II and III of this Agreement, the Borrower and its Subsidiaries shall have the right to consummate the following transactions:

(a) Petal Facilities. A sale leaseback arrangement with respect to the Petal Facilities and intended improvements to be made thereto in connection with the Firm Storage Services Agreement dated as of December 22, 2000 by and between Petal Gas Storage and Southern Company Services, Inc., provided that the obligations under such arrangement or guarantee shall not exceed $140,000,000.

(b) GTM Management Offering. The transactions and matters described in the GTM Management Registration Statements (collectively, the "i-share Transactions"), including: (i) the offering and sale to the public and El Paso of shares representing limited liability company interests; (ii) the offering and sale by the Borrower to GTM Management of limited partnership units designated as "i-units"; (iii) the delegation by the General Partner of its authority (subject to certain approval rights) to direct the management of the Borrower; (iv) the payment by GTM Management of $0.5 million to El Paso for certain tax indemnity obligations assumed by El Paso in connection with the i-share Transactions; (v) the splitting, from time to time, of the outstanding i-units contemporaneously with the payment of cash distributions to the holders of Common Units; (vi) the distribution of additional shares to the holders of GTM Management shares in connection with the unit splits described in (b)(v) above; and (vii) the offering and sale, from time to time, of additional i-units by the Borrower and of additional shares

by El Paso Energy Management as described in the El Paso Energy Management Registration Statements.

(c) Fletcher Conversion/Cash Buyout. The conversion of the Borrower's Series F units pursuant to the terms thereof, including (i) the tender of debt securities of the Borrower as all or part of the aggregate conversion price, (ii) the payment of cash by the Borrower instead of the issuance of Common Units if the conversion price is below (1) a price specified by the Borrower or (2) $26 (as adjusted for splits, recapitalizations, and similar occurrences), (iii) the conversion into cash and/or Capital Stock in connection with specified "Business Combinations" (as defined in the terms of the Series F units) involving the Borrower, and (iv) the conversion into cash if the Borrower is unable to convert the Series F Units into Common Units.

SECTION 11.23 Non-Recourse to General Partner. Upon and at any time after the earlier of (a) the repayment in full of the Initial Term Loans and (b) a written consent, amendment or modification executed by each Initial Term Loan Lender as of the date thereof, and delivered to the Administrative Agent, consenting or agreeing to, or confirming, the substance of this Section 11.23, the General Partner shall not have any liability for any Obligations of the Borrower, the Co-Borrower or Subsidiary Guarantor hereunder to the extent relating to or arising out of any Revolving Credit Commitment, any Additional Term Loan Commitment, any Loan, any Note or any Letter of Credit. Each Lender executing this Agreement on the Restatement Closing Date waives and releases the General Partner for all liability for any Obligations after the repayment in full of the Initial Term Loans, which waiver and release are part of the consideration for the Borrower's execution and delivery of this Agreement.

SECTION 11.24 Revolving Credit Commitments under the Existing Credit Agreement. The undersigned that constitute a majority of the "Revolving Credit Lenders" as defined under the Existing Credit Agreement, hereby agree and acknowledge that the "Revolving Credit Commitments" as defined under the Existing Credit Agreement shall be terminated on the Restatement Closing Date, and hereby waive any right of the "Revolving Credit Lenders" as defined under the Existing Credit Agreement to receive any prior notice of such termination. Notice of termination given on the Restatement Closing Date to any other "Revolving Credit Lender" as defined under the Existing Credit Agreement shall constitute effective notice of termination of its "Revolving Credit Commitment" as defined under the Existing Credit Agreement with respect to such Revolving Credit Lender. Each Revolving Credit Lender that was a party to the Existing Credit Agreement agrees to return to the Borrower, with reasonable promptness, all "Notes" as defined under the Existing Credit Agreement that were delivered by the Borrower to such Revolving Credit Lender under the Existing Credit Agreement.

ARTICLE XII
THE COLLATERAL AGENT

SECTION 12.1 Appointment. Each Lender hereby irrevocably designates and appoints JPMorgan as the Collateral Agent of such Lender under this Agreement and the other Loan Documents, and each such Lender irrevocably authorizes JPMorgan, as the Collateral Agent for such Lender, to take such action on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers and perform such duties as are expressly

delegated to the Collateral Agent by the terms of this Agreement and the other Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Collateral Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Collateral Agent.

SECTION 12.2 Delegation of Duties. The Collateral Agent may execute any of its duties under this Agreement and the other Loan Documents by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Collateral Agent shall not be responsible for the negligence or misconduct of any agents or attorneys in-fact selected by it with reasonable care.

SECTION 12.3 Exculpatory Provisions. Neither the Collateral Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or any other Loan Document (except for its or such Person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by the Borrower or any officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Collateral Agent under or in connection with, this Agreement or any other Loan Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document or for any failure of the Borrower to perform its obligations hereunder or thereunder. The Collateral Agent shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the properties, books or records of the Borrower.

SECTION 12.4 Reliance by Collateral Agent. The Collateral Agent shall be entitled to rely, and shall be fully protected in relying, upon any Note, writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Borrower), independent accountants and other experts selected by the Collateral Agent. The Collateral Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Collateral Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the Required Lenders as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Collateral Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Loan Documents in accordance with a request of the Required Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders.

SECTION 12.5 Notice of Default. The Collateral Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless the Collateral Agent has received notice from the Administrative Agent, a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". The Collateral Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Administrative Agent or the Required Lenders; provided that unless and until the Collateral Agent shall have received such directions, the Collateral Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

SECTION 12.6 Indemnification. The Lenders agree to indemnify the Collateral Agent in its capacity as such (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), ratably according to their respective Total Credit Percentages in effect on the date on which indemnification is sought under this Section, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time (including, without limitation, at any time following the payment of the Loans) be imposed on, incurred by or asserted against the Collateral Agent in any way relating to or arising out of this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Collateral Agent under or in connection with any of the foregoing; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Collateral Agent's gross negligence or willful misconduct. The agreements in this Section 12.6 shall survive the payment of the Loans and all other amounts payable hereunder.

SECTION 12.7 Successor Collateral Agent. The Collateral Agent may resign as Collateral Agent upon 10 days' written notice to the Lenders. If the Collateral Agent shall resign as Collateral Agent under this Agreement and the other Loan Documents, then the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders, which successor agent shall be approved by the Borrower, whereupon such successor agent shall succeed to the rights, powers and duties of the Collateral Agent, and the term "Collateral Agent" shall mean such successor agent effective upon such appointment and approval, and the former Collateral Agent's rights, powers and duties as Collateral Agent shall be terminated, without any other or further act or deed on the part of such former Collateral Agent or any of the parties to this Agreement. After any retiring Collateral Agent's resignation as Collateral Agent, the provisions of this Section shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Collateral Agent under this Agreement and the other Loan Documents.

SECTION 12.8 Amendment. None of the terms or provisions of this Article XII may be amended, modified or waived without the written consent of the then Collateral Agent.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the Restatement Closing Date.

THE BORROWER & CO-BORROWER: GULFTERRA ENERGY PARTNERS, L.P.

By: /s/ Keith B. Forman

Name: Keith B. Forman

Title: Vice President and Chief Financial Officer

GULFTERRA ENERGY FINANCE CORPORATION

By: /s/ Keith B. Forman

Name: Keith B. Forman

Title: Vice President and Chief Financial Officer

ADMINISTRATIVE AGENT & LENDER: JPMORGAN CHASE BANK

By: /s/ Robert W. Traband

Name: Robert W. Traband

Title: Vice President

SYNDICATION AGENT & LENDER: FORTIS CAPITAL CORP.

By: /s/ Darrell W. Holley

Name: Darrell W. Holley

Title: Managing Director

By: /s/ Deirdre Sanborn

Name: Deirdre Sanborn

Title: Vice President

CO-DOCUMENTATION AGENT & LENDER: BNP PARIBAS

By: /s/ Mark A. Cox

Name: Mark A. Cox

Title: Director

By: /s/ Greg Smothers

Name: Greg Smothers

Title: Vice President

CO-DOCUMENTATION AGENT & LENDER: CREDIT LYONNAIS NEW YORK BRANCH

By: /s/ Olivier Audemard

Name: Olivier Audemard

Title: Senior Vice President

CO-DOCUMENTATION AGENT & LENDER: WACHOVIA BANK, NATIONAL ASSOCIATION

By: /s/ Philip Trinder

Name: Philip Trinder

Title: Vice President

LENDERS: BANK ONE, NA (MAIN OFFICE, CHICAGO)

By: /s/ Jeanie Gonzalez

Name: Jeanie Gonzalez

Title: Director

BANK OF SCOTLAND

By: /s/ Joseph Fratus

Name: Joseph Fratus

Title: First Vice President

FLEET NATIONAL BANK

By: /s/ Jill A. Calabrese Bain

Name: Jill A. Calabrese Bain

Title: Director

THE ROYAL BANK OF SCOTLAND PLC

By: /s/ Matthew J. Main

Name: Matthew J. Main

Title: Senior Vice President

THE BANK OF NOVA SCOTIA

By: /s/ Vicki Gibson

Name: Vicki Gibson

Title: Assistant Agent

SOCIETE GENERALE

By: /s/ Elizabeth W. Hunter

Name: Elizabeth W. Hunter

Title: Director

SUNTRUST BANK

By: /s/ Joseph M. McCreery

Name: Joseph M. McCreery

Title: Vice President

WELLS FARGO BANK TEXAS, N.A.

By: /s/ Richard A. Gould

Name: Richard A. Gould

Title: Vice President

CITICORP USA

By: /s/ Amy Price

Name: Amy Price

Title: Vice President

DEUTSCHE BANK TRUST COMPANY AMERICAS

By: /s/ Marcus M. Tarkington

Name: Marcus M. Tarkington

Title: Director

BAYERISCHE HYPO-UND VEREINSBANK AG,
NEW YORK BRANCH

By: /s/ Yoram Dankner

Name: Yoram Dankner

Title: Managing Director

By: /s/ Sebastian Beverle

Name: Sebastian Beverle

Title: Associate Director

CREDIT SUISSE FIRST BOSTON, ACTING THROUGH
ITS CAYMAN ISLANDS BRANCH

By: /s/ James P. Moran

Name: James P. Moran

Title: Director

By: /s/ David J. Dodd

Name: David J. Dodd

Title: Associate

MERRILL LYNCH CAPITAL CORPORATION

By: /s/ Carol J.E. Feeley

Name: Carol J.E. Feeley

Title: Vice President

RZB FINANCE LLC, CONNECTICUT OFFICE

By: /s/ Christoph Hoedl

Name: Christoph Hoedl

Title: Vice President

By: /s/ Astrid Wilke

Name: Astrid Wilke

Title: Vice President

BANK OF AMERICA, N.A.

By: /s/ Ronald E. McKaig

Name: Ronald E. McKaig

Title: Managing Director

COMERICA BANK

By: /s/ Charles E. Hall

Name: Charles E. Hall

Title: Sr. Vice President

GOLDMAN SACHS CREDIT PARTNERS L.P.

By: /s/ Robert Wagner

Name: Robert Wagner

Title: Authorized Signatory

NATEXIS BANQUES POPULAIRES

By: /s/ Daniel Payer

Name: Daniel Payer

Title: Vice President

By: /s/ Louis P. Laville, III

Name: Louis P. Laville, III

Title: Vice President and Group Manager

ROYAL BANK OF CANADA

By: /s/ Tom J. Oberaigner

Name: Tom J. Oberaigner

Title: Attorney-in-Fact

UFJ BANK LIMITED, NEW YORK
BRANCH

By: /s/ L.J. Perenyi

Name: L.J. Perenyi

Title: Vice President

WESTLB AG, NEW YORK BRANCH

By: /s/ Duncan Robertson

Name: Duncan Robertson

Title: Executive Director

By: /s/ Salvatore Battinelli

Name: Salvatore Battinelli

Title: Managing Director
Credit Department

COMPASS BANK

By: /s/ Kathleen J. Bowen

Name: Kathleen J. Bowen

Title: Vice President

SOUTHWEST BANK OF TEXAS, N.A.

By: /s/ W. Bryan Chapman

Name: W. Bryan Chapman

Title: Senior Vice President
Energy Lending

AMMC CDO I, LIMITED

By: American Money Management Corp., as
Collateral Manager

By: /s/ David P. Meyer

Name: David P. Meyer

Title: Vice President

AMMC CDO II, LIMITED

By: American Money Management Corp., as
Collateral Manager

By: /s/ David P. Meyer

Name: David P. Meyer

Title: Vice President

SCHEDULE I

1. Revolving Credit Lenders, Revolving Credit Commitments and Revolving Credit Commitment Percentages:

REVOLVING CREDIT LENDER NAME AND ADDRESS	TITLE	REVOLVING CREDIT COMMITMENT	REVOLVING CREDIT COMMITMENT PERCENTAGE
JPMORGAN CHASE BANK 600 Travis - 20th Floor Houston, Texas 77002 Attention: Robert Traband Telephone: 713-216-1081 Fax: 713-216-8870 with a copy to: J.P. Morgan Securities Inc. 600 Travis, CTH/86 Houston, TX 77002 Att: George Serice Telephone: 713-216-8079 Fax: 713-216-4583	Administrative Agent	$36,000,000	5.1429%
FORTIS CAPITAL CORP. 100 Crescent Court Suite 1750 Dallas, Texas 75201 Attention: Darrell Holley Telephone: 214-754-0009 Fax: 214-754-5981	Syndication Agent	$36,000,000	5.1429%
BNP PARIBAS 1200 Smith Suite 3100 Houston, Texas 77002 Attention: Mark Cox Telephone: 713-982-1100 Fax: 713-659-6915	Co-Documentation Agent	$36,000,000	5.1429%
CREDIT LYONNAIS NEW YORK BRANCH 1301 Travis Suite 2100 Houston, Texas 77002 Attention: Darrell Stanley Telephone: 713-890-8602 Fax: 713-890-8668	Co-Documentation Agent	$36,000,000	5.1429%

REVOLVING CREDIT LENDER NAME AND ADDRESS	TITLE	REVOLVING CREDIT COMMITMENT	REVOLVING CREDIT COMMITMENT PERCENTAGE
WACHOVIA BANK, NATIONAL ASSOCIATION 1001 Fannin Suite 2255 Houston, Texas 77002 Attention: Philip Trinder Telephone: 713-346-2718 Fax: 713-650-6354	Co-Documentation Agent	$36,000,000	5.1429%
BANK ONE, NA One Bank One Plaza Chicago, Illinois 60670 Attention: Ron Cromey Telephone: 312-385-7025 Fax: 312-732-7096	Managing Agent	$33,000,000	4.7143%
BANK OF SCOTLAND 1021 Main Street, Suite 1370 Houston, Texas 77002 Attention: Byron L. Cooley Telephone: 713-650-0036 Fax: 713-651-9714 with copy to: 565 Fifth Avenue New York, NY 10017 Attention: Shirley Vargas Telephone: 212-450-0875 Fax: 212-479-2807	Managing Agent	$33,000,000	4.7143%
FLEET NATIONAL BANK 100 Federal Street Boston, Massachusetts 02110 Attention: Jill Calabrese-Bain Telephone: 617-434-9579 Fax: 617-434-3652	Managing Agent	$33,000,000	4.7143%
THE ROYAL BANK OF SCOTLAND plc New York Branch 600 Travis Avenue Suite 6070 Houston, Texas 77002 Attention: Jill Gander Telephone: 713-221-2417 Fax: 713-221-2430	Managing Agent	$33,000,000	4.7143%

REVOLVING CREDIT LENDER NAME AND ADDRESS	TITLE	REVOLVING CREDIT COMMITMENT	REVOLVING CREDIT COMMITMENT PERCENTAGE
THE BANK OF NOVA SCOTIA 1100 Louisiana Suite 3000 Houston, Texas 77002 Attention: Joe Lattanzi Telephone: 713-759-3435 Fax: 713-752-2425	Managing Agent	$33,000,000	4.7143%
SOCIETE GENERALE 1111 Bagby, Suite 2020 Houston, Texas 77002 Attention: Elizabeth Hunter Telephone: 713-759-6330 Fax: 713-650-0824	Managing Agent	$33,000,000	4.7143%
SUNTRUST BANK 303 Peachtree Street N.E. 10th Floor, MC 1929 Atlanta, Georgia 30308 Attention: Joe McCreery Telephone: 404-532-0274 Fax: 404-827-6270	Managing Agent	$33,000,000	4.7143%
WELLS FARGO BANK TEXAS, N.A. 1000 Louisiana 3rd Floor Houston, Texas 77002 Attention: Richard Gould Telephone: 713-319-1343 Fax: 713-739-1087		$30,000,000	4.2857%
CITICORP USA 1200 Smith Street Suite 2000 Houston, Texas 77002 Attention: Todd J. Mogil Telephone: 713-654-3559 Fax: 713-654-2849		$25,000,000	3.5714%
DEUTSCHE BANK TRUST COMPANY AMERICAS 60 Wall Street New York, NY 10005 Attention: _____ Telephone: _____ Fax: _____		$25,000,000	3.5714%
BAYERISCHE HYPO-UND VEREINSBANK AG, NEW YORK BRANCH 150 East 42nd Street		$25,000,000	3.5714%

REVOLVING CREDIT LENDER NAME AND ADDRESS	TITLE	REVOLVING CREDIT COMMITMENT	REVOLVING CREDIT COMMITMENT PERCENTAGE
New York, New York 10017 Attention: Yoram Dankner Telephone: 212-672-5446 Fax: 212-672-5530			
CREDIT SUISSE FIRST BOSTON 11 Madison Avenue 5th Floor New York, New York 10010 Attention: James Moran Telephone: 212-325-9176 Fax: 212-743-1878		$20,000,000	2.8571%
MERRILL LYNCH 4 World Financial Center 16th Floor New York, New York 10080 Attention: Nancy E. Meadows Telephone: 212-449-2879 Fax: 212-738-1649		$20,000,000	2.8571%
RZB FINANCE LLC, CONNECTICUT OFFICE 24 Grassy Plain Street Bethel, CT 06801 Attention: Elisabeth Hirst Telephone: 203-207-7726 Fax: 203-744-6474		$20,000,000	2.8571%
BANK OF AMERICA, N.A. 700 Louisiana Street, 8th Floor Houston, Texas 77002 Attention: Ron McKaig Telephone: 713-247-7237 Fax: 713-247-7288		$15,000,000	2.1429%
COMERICA BANK 910 Louisiana, Suite 410 Houston, Texas 77002 Attention: Charles E. Hall Telephone: 713-220-5614 Fax: 713-220-5650		$15,000,000	2.1429%
GOLDMAN SACHS CREDIT PARTNERS L.P. 85 Broad Street - 27th Floor New York, New York 10004 Attention: Phil Green Telephone: 212-357-7570 Fax: 212-_____		$15,000,000	2.1429%
NATEXIS BANQUES POPULAIRES 333 Clay Street		$15,000,000	2.1429%

REVOLVING CREDIT LENDER NAME AND ADDRESS	TITLE	REVOLVING CREDIT COMMITMENT	REVOLVING CREDIT COMMITMENT PERCENTAGE
Suite 4340 Houston, Texas 77002 Attention: Tanya McAllister Telephone: 713-759-9409 Fax: 713-571-6165 with a copy to: Natexis Banques Populaires 1251 Avenue of the Americas 34th Floor New York, New York 10020 Attention: Samantha Tang Telephone: 212-_____ Fax: 212-872-5160			
ROYAL BANK OF CANADA New York Branch One Liberty Plaza, 3rd Floor New York, New York 10006-1404 Attention: Compton Singh Telephone: 212-428-6332 Fax: 212-428-2372 With copies to: 2800 Post Oak Boulevard Suite 5700 Houston, Texas 77056 Attention: Tom Oberaigner Telephone: 713-403-5678 Fax: 713-403-5624		$15,000,000	2.1429%
UFJ BANK LIMITED, NEW YORK BRANCH 1200 Smith Street, Suite 2265 Houston, Texas 77002 Attention: Lad Perenyi Telephone: 713-654-9970 Fax: 713-654-1462		$15,000,000	2.1429%
WESTLB AG, NEW YORK BRANCH 1211 Avenue of the Americas New York, New York 10036 Attention: Jeffrey Davidson Telephone: 212-852-6204 Fax: 212-597-1106		$15,000,000	2.1429%

REVOLVING CREDIT LENDER NAME AND ADDRESS	TITLE	REVOLVING CREDIT COMMITMENT	REVOLVING CREDIT COMMITMENT PERCENTAGE
COMPASS BANK 24 Greenway Plaza Suite 1400-A Houston, Texas 77046 Attention: Kathleen J. Bowen Telephone: 713-968-8273 Fax: 713-968-8292		$ 9,500,000	1.3571%
SOUTHWEST BANK OF TEXAS, N.A. 4400 Post Oak Parkway Houston, Texas 77027 Attention: Bryan Chapman Telephone: 713-232-2026 Fax: 713-561-0345		$ 9,500,000	1.3571%
	TOTAL	$700,000,000	100.0000%

2. Initial Term Loan Lenders, Outstanding Initial Term Loans and Term Loan Percentages (as to Initial Term Loans):

INITIAL TERM LOAN LENDER, NAME AND ADDRESS	OUTSTANDING INITIAL TERM LOAN	TERM LOAN PERCENTAGE (AS TO INITIAL TERM LOANS)
FORTIS CAPITAL CORP. 100 Crescent Court Suite 1750 Dallas, Texas 75201 Attention: Darrell Holley Telephone: 214-754-0009 Fax: 214-754-5981	$24,609,375	15.62500%
GENERAL ELECTRIC CAPITAL CORPORATION 401 Merritt Seven Norwalk, Connecticut 06856 Attention: James Kopack Telephone: 203-229-1865 Fax: 203-229-1955	$24,609,375	15.62500%
SUNTRUST BANK 303 Peachtree Street N.E. 3rd Floor, MC 1929 Atlanta, Georgia 30308 Attention: Joe McCreery Telephone: 404-532-0274 Fax: 404-827-6270	$24,609,375	15.62500%
BANK OF SCOTLAND 1021 Main Street, Suite 1370 Houston, Texas 77002 Attention: Byron L. Cooley Telephone: 713-650-0036 Fax: 713-651-9714	$ 9,843,750	6.25000%
SOUTHWEST BANK OF TEXAS, N.A. 4400 Post Oak Parkway Suite 400 Houston, Texas 77027 Attention: Bryan Chapman Telephone: 713-232-2026 Fax: 713-561-0345	$ 6,890,625	4.37500%
PROMETHEUS INVESTMENT FUNDING NO. 1 LTD _____ _____ Attention: Telephone: 713- Fax: 713-	$ 4,921,875	3.12500%

INITIAL TERM LOAN LENDER, NAME AND ADDRESS	OUTSTANDING INITIAL TERM LOAN	TERM LOAN PERCENTAGE (AS TO INITIAL TERM LOANS)
GOLDENTREE LOAN OPPORTUNITIES I, LIMITED _____ _____ Attention: Telephone: 713- Fax: 713-	$ 4,921,875	3.12500%
ALLSTATE LIFE INSURANCE COMPANY _____ _____ Attention: Telephone: 713- Fax: 713-	$ 3,937,500	2.50000%
NORSE CBO, LTD. _____ _____ Attention: Telephone: 713- Fax: 713-	$ 3,937,500	2.50000%
GULF STREAM COMPASS CLO 2002-1 _____ _____ Attention: Telephone: 713- Fax: 713-	$ 2,968,750	1.88492%
AMMC CDO II, LIMITED _____ _____ Attention: Telephone: 713- Fax: 713-	$ 2,953,125	1.87500%
FIRST DOMINION FUNDING II _____ _____ Attention: Telephone: 713- Fax: 713-	$ 2,937,500	1.86508%
APEX (IDM) CDO I, LTD. _____ _____ Attention: Telephone: 713- Fax: 713-	$ 2,563,953.33	1.62791%

INITIAL TERM LOAN LENDER, NAME AND ADDRESS	OUTSTANDING INITIAL TERM LOAN	TERM LOAN PERCENTAGE (AS TO INITIAL TERM LOANS)
OCTAGON INVESTMENT PARTNERS III, LTD. _____ _____ Attention: Telephone: 713- Fax: 713-	$ 2,460,937.50	1.56250%
AMMC CDO I, LIMITED _____ _____ Attention: Telephone: 713- Fax: 713-	$ 1,968,750	1.25000%
MAGNETITE IV CLO, LTD _____ _____ Attention: Telephone: 713- Fax: 713-	$ 1,968,750	1.25000%
CSAM FUNDING I _____ _____ Attention: Telephone: 713- Fax: 713-	$ 1,968,750	1.25000%
FIRST DOMINION FUNDING III _____ _____ Attention: Telephone: 713- Fax: 713-	$ 1,968,750	1.25000%
LONGHORN CDO II, LTD. _____ _____ Attention: Telephone: 713- Fax: 713-	$ 1,968,750	1.25000%
ML INCOME STRATEGIES PORTFOLIO _____ _____ Attention: Telephone: 713- Fax: 713-	$ 1,968,750	1.25000%

INITIAL TERM LOAN LENDER, NAME AND ADDRESS	OUTSTANDING INITIAL TERM LOAN	TERM LOAN PERCENTAGE (AS TO INITIAL TERM LOANS)
OPPENHEIMER SENIOR FLOATING RATE FUND _____ _____ Attention: Telephone: 713- Fax: 713-	$ 1,968,750	1.25000%
ELC (CAYMAN) LTD. CDO SERIES 1999-I _____ _____ Attention: Telephone: 713- Fax: 713-	$ 1,922,966.72	1.22093%
ELC (CAYMAN) LTD. 2000-I _____ _____ Attention: Telephone: 713- Fax: 713-	$ 1,922,964.75	1.22093%
TRYON CLO LTD. 2000-I _____ _____ Attention: Telephone: 713- Fax: 713-	$ 1,922,964.75	1.22093%
LONGHORN CDO (CAYMAN) LTD. _____ _____ Attention: Telephone: 713- Fax: 713-	$ 1,476,562.50	0.93750%
OCTAGON INVESTMENT PARTNERS V, LTD. _____ _____ Attention: Telephone: 713- Fax: 713-	$ 1,476,562.50	0.93750%
MASSMUTUAL HIGH YIELD PARTNERS II LLC _____ _____ Attention: Telephone: 713- Fax: 713-	$ 1,322,038.27	0.83939%

INITIAL TERM LOAN LENDER, NAME AND ADDRESS	OUTSTANDING INITIAL TERM LOAN	TERM LOAN PERCENTAGE (AS TO INITIAL TERM LOANS)
SUFFIELD CLO, LIMITED _____ _____ Attention: Telephone: 713- Fax: 713-	$ 1,281,977.16	0.81395%
AIMCO CLO SERIES 2001-A _____ _____ Attention: Telephone: 713- Fax: 713-	$ 984,375	0.62500%
DEBT STRATEGIES FUND, INC. _____ _____ Attention: Telephone: 713- Fax: 713-	$ 984,375	0.62500%
MASTER SENIOR FLOATING RATE TRUST _____ _____ Attention: Telephone: 713- Fax: 713-	$ 984,375	0.62500%
SENIOR HIGH INCOME PORTFOLIO, INC. _____ _____ Attention: Telephone: 713- Fax: 713-	$ 984,375	0.62500%
OCTAGON INVESTMENT PARTNERS II, LLC _____ _____ Attention: Telephone: 713- Fax: 713-	$ 984,375	0.62500%
OCTAGON INVESTMENT PARTNERS IV, LTD. _____ _____ Attention: Telephone: 713- Fax: 713-	$ 984,375	0.62500%

INITIAL TERM LOAN LENDER, NAME AND ADDRESS	OUTSTANDING INITIAL TERM LOAN	TERM LOAN PERCENTAGE (AS TO INITIAL TERM LOANS)
HARBOURVIEW CLO IV, LTD. _____ _____ Attention: Telephone: 713- Fax: 713-	$ 984,375	0.62500%
WILBRAHAM CBO, LTD. _____ _____ Attention: Telephone: 713- Fax: 713-	$ 961,482.38	0.61047%
MAPLEWOOD (CAYMAN) LIMITED _____ _____ Attention: Telephone: 713- Fax: 713-	$ 801,234.98	0.50872%
NEWTON CDO LTD _____ _____ Attention: Telephone: 713- Fax: 713-	$ 640,988.58	0.40698%
ML GIS BANK LOAN INCOME PORTFOLIO _____ _____ Attention: Telephone: 713- Fax: 713-	$ 492,187.50	0.31250%
MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY _____ _____ Attention: Telephone: 713- Fax: 713-	$ 240,370.59	0.15262%
BILL AND MELINDA GATES FOUNDATION _____ _____ Attention: Telephone: 713- Fax: 713-	$ 200,308.50	0.12718%
TOTAL	$157,500,000.01	100.000%

ANNEX I

RATING LEVELS*	LEVERAGE RATIO is < 3.0 to 1.0: Applicable Margin for REVOLVING CREDIT EURODOLLAR LOANS (per annum):	LEVERAGE RATIO is < 3.0 to 1.0: Applicable Margin for REVOLVING CREDIT ALTERNATE BASE RATE LOANS (per annum):	LEVERAGE RATIO is < 4.0 to 1.0 and > or = than 3.0 to 1.0: Applicable Margin for REVOLVING CREDIT EURODOLLAR LOANS (per annum):	LEVERAGE RATIO is < 4.0 to 1.0 and > or = than 3.0 to 1.0: Applicable Margin for REVOLVING CREDIT ALTERNATE BASE RATE LOANS (per annum):
RATING LEVEL I:	1.00%	0.0%	1.25%	0.25%
RATING LEVEL II:	1.25%	0.25%	1.50%	0.50%
RATING LEVEL III:	1.50%	0.50%	1.75%	0.75%
RATING LEVEL IV:	1.75%	0.75%	2.00%	1.00%
RATING LEVEL V:	2.00%	1.00%	2.25%	1.25%

RATING LEVELS*	LEVERAGE RATIO is < 5.0 to 1.0 and > or = than 4.0 to 1.0: Applicable Margin for REVOLVING CREDIT EURODOLLAR LOANS (per annum):	LEVERAGE RATIO is < 5.0 to 1.0 and > or = than 4.0 to 1.0: Applicable Margin for REVOLVING CREDIT ALTERNATE BASE RATE LOANS (per annum):	LEVERAGE RATIO is > or = 5.0 to 1.0: Applicable Margin for REVOLVING CREDIT EURODOLLAR LOANS (per annum):	LEVERAGE RATIO is > or = 5.0 to 1.0: Applicable Margin for REVOLVING CREDIT ALTERNATE BASE RATE LOANS (per annum):	Applicable Margin for the COMMITMENT FEE*** (per annum):
RATING LEVEL I:	1.50%	0.50%	1.75%	0.75%	0.30%
RATING LEVEL II:	1.75%	0.75%	2.00%	1.00%	0.375%
RATING LEVEL III:	2.00%	1.00%	2.25%	1.25%	0.50%
RATING LEVEL IV:	2.25%	1.25%	2.50%	1.50%	0.50%
RATING LEVEL V:	2.50%	1.50%	2.75%	1.75%	0.50%

* Rating Levels are described below (the relevant Rating Level is determined by the higher of the S&P and Moody's ratings):

Rating Level I: If the Borrower's "senior debt" is rated equal to or greater than BBB by S&P or Baa2 by Moody's****;

Rating Level II: If the Borrower's "senior debt" is rated equal to BBB- by S&P or Baa3 by Moody's but less than Rating Level I;

Rating Level III: If the Borrower's "senior debt" is rated equal to BB+ by S&P or Ba1 by Moody's but less than Rating Level II;

Rating Level IV: If the Borrower's "senior debt" is rated equal to BB by S&P or Ba2 by Moody's but less than Rating Levels I, II, and III; and

Rating Level V: If the Borrower's "senior debt" is rated equal to or less than BB- by S&P or Ba3 by Moody's.

** For purposes of determining the Applicable Margin for any Revolving Credit Eurodollar Loan the Rating Level shall be determined as of the first day of the applicable Interest Period for such Loan.

*** For purposes of determining the Applicable Margin for the Commitment Fee, the Rating Level for each calendar quarter shall be determined as of the first day of such quarter.

**** The ratings referred to in each Rating Level indicate the ratings applicable to the Borrower's senior secured credit facility (i.e., Moody's senior secured credit facility rating and S&P's senior secured

debt rating).

Annex I

SEVENTH AMENDED AND RESTATED CREDIT AGREEMENT

SCHEDULE 5.1

GUARANTEE OBLIGATIONS,
CONTINGENT LIABILITIES AND DISPOSITIONS

1. Guarantee Obligations and Contingent Liabilities

1.1 Clawbacks

The Borrower is party to a sponsor agreement that constitutes one of the Marco Polo Financing Documents. The Borrower's obligations under such agreement are capped at $22.5 million.

The Borrower is party to a sponsor agreement under the Credit Agreement to which Poseidon is party, as amended, restated or otherwise modified through the date of this Agreement, pursuant to which the Borrower guarantees Poseidon's performance of its obligations under its limited liability company agreement.

2. Dispositions or Acquisitions of Business Properties since June 30, 2002:

None

SCHEDULE 5.6

MATERIAL LITIGATION

Grynberg. In 1997, the Borrower (and others) were named defendants in actions brought by Jack Grynberg on behalf of the U.S. Government under the False Claims Act. Generally, these complaints allege an industry-wide conspiracy to underreport the heating value as well as the volumes of the natural gas produced from federal and Native American lands, which deprived the U.S. Government of royalties. The plaintiff in this case seeks royalties that he contends the government should have received had the volume and heating value of natural gas produced from royalty properties been differently measured, analyzed, calculated and reported, together with interest, treble damages, civil penalties, expenses and future injunctive relief to require the defendants to adopt allegedly appropriate gas measurement practices. No monetary relief has been specified in this case. These matters have been consolidated for pretrial purposes (In re: Natural Gas Royalties Qui Tam litigation, U.S. District Court for the District of Wyoming, filed June 1997). In May 2001, the court denied the defendants' motions to dismiss. Discovery is proceeding. Our costs and legal exposure related to these lawsuits and claims are not currently determinable.

Will Price (formerly Quinque). The Borrower has also been named a defendant in Quinque Operating Company, et al v. Gas Pipelines and Their Predecessors, et al, filed in 1999 in the District Court of Stevens County, Kansas. Quinque has been dropped as a plaintiff and Will Price has been added. This class action complaint alleges that the defendants mismeasured natural gas volumes and heating content of natural gas on non-federal and non-Native American lands. The plaintiffs in this case seek certification of a nationwide class of natural gas working interest owners and natural gas royalty owners to recover royalties that the plaintiffs contend these owners should have received had the volume and heating value of natural gas produced from their properties been differently measured, analyzed, calculated and reported, together with prejudgment and postjudgment interest, punitive damages, treble damages, attorney's fees, costs and expenses, and future injunctive relief to require the defendants to adopt allegedly appropriate gas measurement practices. No monetary relief has been specified in this case. Plaintiffs' motion for class certification was denied in April 2003. Plaintiffs filed another amended petition to narrow the proposed class to royalty owners in Kansas, Wyoming and Colorado and their motion was granted on July 28, 2003. Our costs and legal exposure related to this lawsuit and claims are not currently determinable. In connection with our April 2002 acquisition of the EPN Holding Company L.P. (now known as GulfTerra Holding V, L.P.) assets, subsidiaries of El Paso Corporation have agreed to indemnify us against all obligations related to existing legal matters at the acquisition date, including the legal matters involving Leapartners, L.P., City of Edinburg, Houston Pipe Line Company LP, and City of Corpus Christi discussed below.

During 2000, Leapartners, L.P. filed a suit against El Paso Field Services and others in the District Court of Loving County, Texas, alleging a breach of contract to gather and process natural gas in areas of western Texas related to an asset now owned by GulfTerra Holding III, L.L.C.. In May 2001, the court ruled in favor of Leapartners and entered a judgment against El Paso Field Services of approximately $10 million. El Paso Field Services has filed an appeal with the Eighth Court of Appeals in El Paso, Texas. Briefs have been filed and oral arguments were heard in November 2002. Review by the Court of Appeals is expected in the third quarter of 2003.

Also, GulfTerra Texas Pipeline L.P., (GulfTerra Texas, formerly known as EPGT Texas Pipeline L.P.) now owned by GulfTerra Holding III, L.L.C., is involved in litigation with the City of Edinburg concerning the City's claim that GulfTerra Texas was required to pay pipeline franchise fees under a contract the City had with Rio Grande Valley Gas Company, which was previously owned by GulfTerra Texas and is now owned by Southern Union Gas Company. An adverse judgment against Southern Union and GulfTerra Texas was rendered in Hidalgo County State District court in December 1998 and found a breach of contract, and held both GulfTerra Texas and Southern Union jointly and severally liable to the City for approximately $4.7 million. The judgment relies on the single business enterprise doctrine to impose contractual obligations on GulfTerra Texas and Southern Union's entities that were not parties to the contract with the City. GulfTerra Texas has appealed this case to the Texas Supreme Court seeking reversal of the judgment rendered against GulfTerra Texas. The City seeks a remand to the trial court of its claim of tortious interference against GulfTerra Texas. Briefs have been filed and oral arguments were held in November 2002, and we are awaiting a decision.

In December 2000, a 30-inch natural gas pipeline jointly owned by GulfTerra Intrastate, L.P. (GulfTerra Intrastate) now owned by GulfTerra Holding III, L.L.C., and Houston Pipe Line Company LP ruptured in Mont Belvieu, Texas, near Baytown, resulting in substantial property damage and minor physical injury. GulfTerra Intrastate is the operator of the pipeline. Two lawsuits were filed in the state district court in Chambers County, Texas by eight plaintiffs, including two homeowners' insurers. The suits seek recovery for physical pain and suffering, mental anguish, physical impairment, medical expenses, and property damage.

Houston Pipe Line Company has been added as an additional defendant. In accordance with the terms of the operating agreement, GulfTerra Intrastate has agreed to assume the defense of and to indemnify Houston Pipe Line Company. As of June 30, 2003, all but one claim has now been settled and these settlements had no impact on our financial statements. The remaining claim relates solely to property damages.

The City of Corpus Christi, Texas (the "City") is alleging that GulfTerra Texas and various Coastal entities owe it monies for past obligations under City ordinances that propose to tax GulfTerra Texas on its gross receipts from local natural gas sales for the use of street rights-of-way. No lawsuit has been filed to date. Some but not all of the GulfTerra Texas pipeline at issue has been using the rights-of-way since the 1960's. In addition, the City demands that GulfTerra Texas agree to a going-forward consent agreement in order for the GulfTerra Texas pipeline and Coastal pipeline to have the right to remain in City rights-of-way.

In August 2002, we acquired the Big Thicket assets, which consist of the Vidor plant, the Silsbee compressor station and the Big Thicket gathering system located in east Texas, for approximately $11 million from BP America Production Company (BP). Pursuant to the purchase agreement, we have identified environmental conditions that we are working with BP and appropriate regulatory agencies to address. BP has agreed to indemnify us for exposure resulting from activities related to the ownership or operation of these facilities prior to our purchase (i) for a period of three years for non-environmental claims and (ii) until one year following the completion of any environmental remediation for environmental claims. Following expiration of these indemnity periods, we are obligated to indemnify BP for environmental or non-environmental claims. We, along with BP and various other defendants, have been named in

the following two lawsuits for claims based on activities occuring prior to our purchase of these facilities.

Christopher Beverly and Gretchen Beverly, individually and on behalf of the estate of John Beverly v. GulfTerra GC, L.P., et, al. In June 2003, the plaintiffs in this recently filed court action sued us in state district court in Hardin County, Texas. The plaintiffs are the parents of John Christopher Beverly, a two year old child who died on April 15, 2002, allegedly as the result of his exposure to arsenic, benzene and other harmful chemicals in the water supply. Plaintiffs allege that several defendants are responsible for that contamination, including us and BP. Our connection to the occurrences that are the basis for this suit appears to be our August 2002 purchase of certain assets from BP, including a facility in Hardin County, Texas known as the Silsbee compressor station. Under the terms of the indemnity provisions in the Purchase and Sale Agreement between GulfTerra and BP, GulfTerra requested that BP indemnify GulfTerra for any exposure. BP has thus far declined assuming the indemnity obligation. Our costs and legal exposure related to this lawsuit and claims are not currently determinable.

Melissa Duvail, et. al., v. GulfTerra GC, L.P., et. al. In June 2003, seventy-four residents of Hardin County, Texas, sued us and others in state district court in Hardin County, Texas. The plaintiffs allege that they have been exposed to hazardous chemicals, including arsenic and benzene, through their water supply, and that the defendants are responsible for that exposure. As with the Beverly case, our connection with the occurrences that are the basis of this suit appears to be our August 2002 purchase of certain assets from BP, including a facility known as the Silsbee compressor station, which is located in Hardin County, Texas. Under the terms of the indemnity provisions in the Purchase and Sale Agreement between us and BP, BP has agreed to indemnify us for this matter.

SCHEDULE 5.14

SUBSIDIARIES AND JOINT VENTURES

Subsidiaries (all owned 100%) unless otherwise noted:

(All Delaware limited liability companies and limited partnerships unless otherwise noted)

1. Arizona Gas Storage, L.L.C. (60.00%)
2. Cameron Highway Pipeline GP, L.L.C.
3. Cameron Highway Pipeline I., L.P.
4. Crystal Holding, L.L.C.
5. First Reserve Gas, L.L.C.
6. Flextrend Development Company, L.L.C.
7. GulfTerra Alabama Intrastate, L.L.C.
8. GulfTerra Arizona Gas, L.L.C.
9. GulfTerra Energy Finance Corporation (Co-Borrower)
10. GulfTerra Field Services, L.L.C.
11. GulfTerra GC, L.P.
12. GulfTerra Holding I, L.L.C.
13. GulfTerra Holding II, L.L.C.
14. GulfTerra Holding III, L.L.C.
15. GulfTerra Holding IV, L.P.
16. GulfTerra Holding V, L.P.
17. GulfTerra Intrastate, L.P.
18. GulfTerra NGL Storage, L.L.C.
19. GulfTerra Oil Transport, L.L.C.
20. GulfTerra Operating Company, L.L.C.
21. GulfTerra South Texas, L.P.
22. GulfTerra Texas Pipeline, L.P.
23. Hattiesburg Gas Storage Company, a Delaware general partnership
24. Hattiesburg Industrial Gas Sales, L.L.C.
25. High Island Offshore System, L.L.C.
26. Manta Ray Gathering Company, L.L.C.
27. Matagorda Island Area Gathering System, a Texas joint venture (83.00%)
28. Petal Gas Storage, L.L.C.
29. Poseidon Pipeline Company, L.L.C.

Joint Ventures:

1.	Atlantis Offshore, L.L.C.	50.00%
2.	Cameron Highway Oil Pipeline Company	50.00%
3.	Poseidon Oil Pipeline Company, L.L.C.	36.00%
4.	Deepwater Gateway, L.L.C.	50.00%

SCHEDULE 5.16

ENVIRONMENTAL MATTERS

1. Mercury contamination has been identified along the PG&E/GTT Pipeline system (which now comprises a part of the EPGT Pipeline system) where mercury meters are located or were previously located.

2. El Paso Corporation commissioned Montgomery Watson Harza in 2001 to perform an evaluation of the GTT Pipeline System to evaluate potential environmental issues and liabilities associated with 18 gas treatment/processing/storage facilities and 92 compressor stations within the GTT Pipeline System.

3. El Paso Corporation commissioned The IT Group in 2001 to perform a pilot study within the GTT Pipeline System to identify and assess remediation issues associated with mercury-containing manometers used on the GTT pipeline system.

4. In August 2002, we acquired the Big Thicket assets, which consist of the Vidor plant, the Silsbee compressor station and the Big Thicket gathering system located in east Texas, for approximately $11 million from BP America Production Company (BP). Pursuant to the purchase agreement, we have identified environmental conditions that we are working with BP and appropriate regulatory agencies to address. BP has agreed to indemnify us for exposure resulting from activities related to the ownership or operation of these facilities prior to our purchase (i) for a period of three years for non-environmental claims and (ii) until one year following the completion of any environmental remediation for environmental claims. Following expiration of these indemnity periods, we are obligated to indemnify BP for environmental or non-environmental claims. We, along with BP and various other defendants, have been named in the following two lawsuits for claims based on activities occurring prior to our purchase of these facilities.

EXHIBIT A-1

FORM OF
REVOLVING CREDIT NOTE

$_____ New York, New York
September ___, 2003

FOR VALUE RECEIVED, the undersigned, GULFTERRA ENERGY PARTNERS, L.P., a Delaware limited partnership (the "Borrower") and GULFTERRA ENERGY FINANCE CORPORATION, a Delaware corporation (the "Co-Borrower"), hereby jointly and severally, unconditionally promise to pay to the order of _____ (the "Lender") at the office of JPMorgan Chase Bank located at 270 Park Avenue, New York, New York 10017, in lawful money of the United States of America and in immediately available funds, the principal amount of the lesser of (a) _____ ($_____), and (b) the aggregate unpaid principal amount of all Revolving Credit Loans made by the Lender to the undersigned pursuant to Section 2.1 of the Credit Agreement hereinafter referred to, on the Revolving Credit Termination Date (as defined in the Credit Agreement) such principal to be paid on the date and in the amounts set forth in Section 2.2 of the Credit Agreement and on such other dates and in such other amounts set forth in the Credit Agreement.

Each of the undersigned further agrees to pay interest in like money at such office on the unpaid principal amount hereof from time to time from the date hereof at the applicable rate per annum set forth in Section 4.4 of the Credit Agreement until any such amount shall become due and payable (whether at the stated maturity, by acceleration or otherwise), and thereafter on such overdue amount at the rate per annum set forth in subsection 4.4(c) of said Credit Agreement until paid in full (both before and after judgment). Interest shall be payable in arrears on each Interest Payment Date commencing on the first such date to occur after the date hereof, provided that interest accruing pursuant to subsection 4.4(c) of the Credit Agreement shall be payable on demand. In no event shall the interest payable hereon, whether before or after maturity, exceed the maximum interest which, under applicable law, may be charged on this Note, and this Note is expressly made subject to the provisions of the Credit Agreement which more fully set out the limitations on how interest accrues hereon.

The holder of this Note is authorized to record the date, type and amount of each Revolving Credit Loan made by the Lender pursuant to Section 2.1 of said Credit Agreement, each continuation thereof, each conversion of all or a portion thereof to another type, the date and amount of each payment or prepayment of principal with respect thereto, and, in the case of Eurodollar Loans, the length of each Interest Period with respect thereto, on the schedules annexed hereto and made a part hereof, or on a continuation thereof which shall be attached hereto and made a part hereof, which recordation shall constitute prima facie evidence of the accuracy of the information recorded in the absence of manifest error; provided that failure by the Lender to make any such recordation on this Note shall not affect the obligations of the Borrower under this Note or said Credit Agreement.

This Note is one of the Revolving Credit Notes referred to in the Seventh Amended and Restated Credit Agreement, dated as of March 23, 1995, as amended (the "Existing Credit Agreement"), as amended and restated through September 26, 2003 (as further amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, the Co-Borrower, the Lender, the other financial institutions parties thereto and JPMorgan Chase Bank, as Administrative Agent, is entitled to the benefits thereof, is secured as provided therein and is subject to optional and mandatory prepayment in whole or in part as provided therein. Terms used herein which are defined in the Credit Agreement shall have such defined meanings unless otherwise defined herein or unless the context otherwise requires.

Upon the occurrence of any one or more of the Events of Default specified in said Credit Agreement, all amounts then remaining unpaid on this Note shall become, or may be declared to be, immediately due and payable all as provided therein.

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

This Note evidences existing indebtedness under the Existing Credit Agreement (and its predecessors) and does not constitute payment of such indebtedness, and such indebtedness continues in full force and effect, as amended and restated in the Credit Agreement.

GULFTERRA ENERGY PARTNERS, L.P.

By:_____
Name:_____
Title:_____

GULFTERRA ENERGY FINANCE CORPORATION

By:_____
Name:_____
Title:_____

SCHEDULE A TO REVOLVING CREDIT NOTE

EURODOLLAR LOANS AND CONVERSIONS AND PAYMENTS WITH RESPECT TO EURODOLLAR LOANS

Date	Amount of Eurodollar Loans Made or Converted from Alternate Base Rate Loans	Interest Period and Eurodollar Rate with Respect Thereto	Amount of Eurodollar Loans Paid or Converted into Alternate Base Rate Loans	Distribution Loan (Yes/No)	Unpaid Principal Balance of Eurodollar Loans	Notation Made By
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SCHEDULE B TO REVOLVING CREDIT NOTE

ALTERNATE BASE RATE LOANS AND CONVERSIONS AND PAYMENTS
WITH RESPECT TO ALTERNATE BASE RATE LOANS

Date	Amount of Alternate Base Rate Loans Made or Converted from Eurodollar Loans	Amount of Alternate Base Rate Loans Paid or Converted into Eurodollar Loans	Distribution Loan (Yes/No)	Unpaid Principal Balance of Alternate Base Rate Loans	Notation Made By

EXHIBIT A-2

FORM OF INITIAL TERM LOAN NOTE

$_____ New York, New York
September ___, 2003

FOR VALUE RECEIVED, the undersigned, GULFTERRA ENERGY PARTNERS, L.P., a Delaware limited partnership (the "Borrower") and GULFTERRA ENERGY FINANCE CORPORATION, a Delaware corporation (the "Co-Borrower"), hereby jointly and severally, unconditionally promise to pay to the order of _____ (the "Lender") at the office of JPMorgan Chase Bank located at 270 Park Avenue, New York, New York 10017, in lawful money of the United States of America and in immediately available funds, the principal amount of _____ ($_____), in installments on the dates and in the principal amounts provided in Section 2.2 of the Credit Agreement hereinafter referred to, and on such other dates and in such other amounts set forth in the Credit Agreement.

Each of the undersigned further agrees to pay interest in like money at such office on the unpaid principal amount hereof from time to time from the date hereof at the applicable rate per annum set forth in Section 4.4 of the Credit Agreement until any such amount shall become due and payable (whether at the stated maturity, by acceleration or otherwise), and thereafter on such overdue amount at the rate per annum set forth in subsection 4.4(c) of said Credit Agreement until paid in full (both before and after judgment). Interest shall be payable in arrears on each Interest Payment Date commencing on the first such date to occur after the date hereof, provided that interest accruing pursuant to subsection 4.4(c) of the Credit Agreement shall be payable on demand. In no event shall the interest payable hereon, whether before or after maturity, exceed the maximum interest which, under applicable law, may be charged on this Note, and this Note is expressly made subject to the provisions of the Credit Agreement which more fully set out the limitations on how interest accrues hereon.

The holder of this Note is authorized to record the date, type and amount of each Initial Term Loan made by the Lender pursuant to Section 2.1 of said Credit Agreement, each continuation thereof, each conversion of all or a portion thereof to another type, the date and amount of each payment or prepayment of principal with respect thereto, and, in the case of Eurodollar Loans, the length of each Interest Period with respect thereto, on the schedules annexed hereto and made a part hereof, or on a continuation thereof which shall be attached hereto and made a part hereof, which recordation shall constitute prima facie evidence of the accuracy of the information recorded in the absence of manifest error; provided that failure by the Lender to make any such recordation on this Note shall not affect the obligations of the Borrower under this Note or said Credit Agreement.

This Note is one of the Initial Term Loan Notes referred to in the Seventh Amended and Restated Credit Agreement, dated as of March 23, 1995, as amended and restated through September 26, 2003 (as further amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, the Co-Borrower, the Lender, the other financial institutions parties thereto and JPMorgan Chase Bank, as Administrative Agent, is entitled to the benefits thereof, is secured as provided therein and is subject to optional and

mandatory prepayment in whole or in part as provided therein. Terms used herein which are defined in the Credit Agreement shall have such defined meanings unless otherwise defined herein or unless the context otherwise requires.

Upon the occurrence of any one or more of the Events of Default specified in said Credit Agreement, all amounts then remaining unpaid on this Note shall become, or may be declared to be, immediately due and payable all as provided therein.

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

GULFTERRA ENERGY PARTNERS, L.P.

By:_____
Name:_____
Title:_____

GULFTERRA ENERGY FINANCE CORPORATION

By:_____
Name:_____
Title:_____

SCHEDULE A TO INITIAL TERM LOAN NOTE

EURODOLLAR LOANS AND CONVERSIONS AND
PAYMENTS WITH RESPECT TO EURODOLLAR LOANS

Date	Amount of Eurodollar Loans Made or Converted from Alternate Base Rate Loans	Interest Period and Eurodollar Rate with Respect Thereto	Amount of Eurodollar Loans Paid or Converted into Alternate Base Rate Loans	Distribution Loan (Yes/No)	Unpaid Principal Balance of Eurodollar Loans	Notation Made By
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SCHEDULE B TO INITIAL TERM LOAN NOTE

ALTERNATE BASE RATE LOANS AND CONVERSIONS AND PAYMENTS
WITH RESPECT TO ALTERNATE BASE RATE LOANS

Date	Amount of Alternate Base Rate Loans Made or Converted from Eurodollar Loans	Amount of Alternate Base Rate Loans Paid or Converted into Eurodollar Loans	Distribution Loan (Yes/No)	Unpaid Principal Balance of Alternate Base Rate Loans	Notation Made By

EXHIBIT A-3

FORM OF ADDITIONAL TERM LOAN NOTE

$_____ New York, New York
_____, 200__

FOR VALUE RECEIVED, the undersigned, GULFTERRA ENERGY PARTNERS, L.P., a Delaware limited partnership (the "Borrower") and GULFTERRA ENERGY FINANCE CORPORATION, a Delaware corporation (the "Co-Borrower"), hereby jointly and severally, unconditionally promise to pay to the order of _____ (the "Lender") at the office of JPMorgan Chase Bank located at 270 Park Avenue, New York, New York 10017, in lawful money of the United States of America and in immediately available funds, the principal amount of _____ ($_____), in installments on the dates and in the principal amounts provided in the that certain Term Loan Supplement dated _____, 200__ by and among the Borrower, Co-Borrower, the Administrative Agent and the Additional Term Loan Lenders party thereto (the "Term Loan Supplement"), and on such other dates and in such other amounts set forth in the Credit Agreement hereinafter referred to.

Each of the undersigned further agrees to pay interest in like money at such office on the unpaid principal amount hereof from time to time from the date hereof at the applicable rate per annum set forth in Section 4.4 of the Credit Agreement until any such amount shall become due and payable (whether at the stated maturity, by acceleration or otherwise), and thereafter on such overdue amount at the rate per annum set forth in subsection 4.4(c) of said Credit Agreement until paid in full (both before and after judgment). Interest shall be payable in arrears on each Interest Payment Date commencing on the first such date to occur after the date hereof, provided that interest accruing pursuant to subsection 4.4(c) of the Credit Agreement shall be payable on demand. In no event shall the interest payable hereon, whether before or after maturity, exceed the maximum interest which, under applicable law, may be charged on this Note, and this Note is expressly made subject to the provisions of the Credit Agreement which more fully set out the limitations on how interest accrues hereon.

The holder of this Note is authorized to record the date, type and amount of each Additional Term Loan made by the Lender pursuant to Section 2.1 of said Credit Agreement and the Term Loan Supplement, each continuation thereof, each conversion of all or a portion thereof to another type, the date and amount of each payment or prepayment of principal with respect thereto, and, in the case of Eurodollar Loans, the length of each Interest Period with respect thereto, on the schedules annexed hereto and made a part hereof, or on a continuation thereof which shall be attached hereto and made a part hereof, which recordation shall constitute prima facie evidence of the accuracy of the information recorded in the absence of manifest error; provided that failure by the Lender to make any such recordation on this Note shall not affect the obligations of the Borrower under this Note, the Term Loan Supplement or said Credit Agreement.

This Note is one of the Additional Term Loan Notes referred to in the Seventh Amended and Restated Credit Agreement, dated as of March 23, 1995, as amended and restated through September 26, 2003 (as further amended, supplemented or otherwise modified from time

to time, the "Credit Agreement"), among the Borrower, the Co-Borrower, the Lender, the other financial institutions parties thereto and JPMorgan Chase Bank, as Administrative Agent, is entitled to the benefits thereof, is secured as provided therein and is subject to optional and mandatory prepayment in whole or in part as provided therein. Terms used herein which are defined in the Credit Agreement shall have such defined meanings unless otherwise defined herein or unless the context otherwise requires.

Upon the occurrence of any one or more of the Events of Default specified in said Credit Agreement, all amounts then remaining unpaid on this Note shall become, or may be declared to be, immediately due and payable all as provided therein.

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

GULFTERRA ENERGY PARTNERS, L.P.

By:_____
Name:_____
Title:_____

GULFTERRA ENERGY FINANCE CORPORATION

By:_____
Name:_____
Title:_____

SCHEDULE A TO ADDITIONAL TERM LOAN NOTE

EURODOLLAR LOANS AND CONVERSIONS AND
PAYMENTS WITH RESPECT TO EURODOLLAR LOANS

Date	Amount of Eurodollar Loans Made or Converted from Alternate Base Rate Loans	Interest Period and Eurodollar Rate with Respect Thereto	Amount of Eurodollar Loans Paid or Converted into Alternate Base Rate Loans	Distribution Loan (Yes/No)	Unpaid Principal Balance of Eurodollar Loans	Notation Made By

SCHEDULE B TO ADDITIONAL TERM LOAN NOTE

ALTERNATE BASE RATE LOANS AND CONVERSIONS AND PAYMENTS
WITH RESPECT TO ALTERNATE BASE RATE LOANS

Date	Amount of Alternate Base Rate Loans Made or Converted from Eurodollar Loans	Amount of Alternate Base Rate Loans Paid or Converted into Eurodollar Loans	Distribution Loan (Yes/No)	Unpaid Principal Balance of Alternate Base Rate Loans	Notation Made By

EXHIBIT B

[FORM OF TERM LOAN ADDENDUM]

Pursuant to subsection 2.1(c) of the Seventh Amended and Restated Credit Agreement, dated as of March 23, 1995, as amended and restated through September 26, 2003 (the "Credit Agreement"), among GulfTerra Energy Partners, L.P., a Delaware limited partnership (the "Borrower"), GulfTerra Energy Finance Corporation, a Delaware corporation (the "Co-Borrower"), the several banks and other financial institutions from time to time parties thereto (the "Lenders"), and JPMorgan Chase Bank, as administrative agent (the "Administrative Agent"), the undersigned hereby execute this Term Loan Addendum dated as of _____, 200_ (this "Addendum"). Capitalized terms used herein and not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

In consideration of the premises and the mutual covenants contained herein, the parties hereto hereby agree as follows:

1. Subject to the terms and conditions hereof and in the Credit Agreement, each Additional Term Loan Lender party to this Addendum agrees to make, on the Additional Term Loan Closing Date, term loans (the "Series [___] Additional Term Loans") to the Borrower in an aggregate principal amount not to exceed such Lender's Additional Term Loan Commitment set forth on Schedule I attached hereto under the heading "Additional Term Loan Commitment". Once repaid, the Series [___] Additional Term Loans may not be reborrowed.

2. The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Additional Term Loan Lender party to this Addendum (a) [Insert repayment terms] and (b) the then unpaid principal amount of each Series [____] Additional Term Loan on the Additional Term Loan Maturity Date (as defined below).

3. The "Applicable Margin" for the Series [___] Additional Term Loans shall be [Insert pricing terms].

4. The "Additional Term Loan Maturity Date" for the Series [___] Additional Term Loans shall be [Insert maturity date].

5. The "Additional Term Loan Closing Date" for the Series [____] Additional Term Loans shall be the date on which the conditions set forth in Section 6.4 of the Credit Agreement are first satisfied or waived in respect of the Series ___ Additional Term Loans, which shall occur on or prior to _____, 200__.

6. Each Additional Term Loan Lender party to this Addendum hereby acknowledges that it has received and reviewed a copy (in execution form) of the Credit Agreement, and agrees, effective as of the Additional Term Loan Closing Date, to:

(a) join the Credit Agreement as an Additional Term Loan Lender thereunder;

(b) be bound by all the terms in the Credit Agreement, other Loan Documents existing as of the date hereof and any other Loan Document to which it is a party; and

(c) perform all obligations required of it by the Credit Agreement and any other Loan Document to which it is a party, including, if it is organized under the laws of a jurisdiction outside the United States, its obligation pursuant to Section 4.10 of the Credit Agreement to deliver the forms prescribed by the Internal Revenue Service of the United States certifying as to the Assignee's exemption from United States withholding taxes with respect to all payments to be made to the Assignee under the Credit Agreement, or such other documents as are necessary to indicate that all such payments are subject to such tax at a rate reduced by an applicable tax treaty.

7. Subject to Article X of the Credit Agreement, each Additional Term Loan Lender party to this Addendum hereby irrevocably designates and appoints JPMorgan as the Administrative Agent of such Lender under the Credit Agreement, this Addendum and the other Loan Documents, and each such Lender irrevocably authorizes JPMorgan, as the Administrative Agent for such Lender, to take such action on its behalf under the provisions of the Credit Agreement, this Addendum and the other Loan Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of the Credit Agreement, this Addendum and the other Loan Documents, together with such other powers as are reasonably incidental thereto.

8. Subject to Article XII of the Credit Agreement, each Additional Term Loan Lender party to this Addendum hereby irrevocably designates and appoints JPMorgan as the Collateral Agent of such Lender under the Credit Agreement, this Addendum and the other Loan Documents, and each such Lender irrevocably authorizes JPMorgan, as the Collateral Agent for such Lender, to take such action on its behalf under the provisions of the Credit Agreement, this Addendum and the other Loan Documents and to exercise such powers and perform such duties as are expressly delegated to the Collateral Agent by the terms of the Credit Agreement, this Addendum and the other Loan Documents, together with such other powers as are reasonably incidental thereto.

9. Each Additional Term Loan Lender party to this Addendum hereby consents and agrees (i) to the provisions of the Intercreditor Agreement, including the indemnity provisions set forth in [Section 5] thereof and (ii) that the address for notices under Section 11.1 of the Credit Agreement to such Additional Term Loan Lender is specified in Schedule I attached hereto.

10. THIS ADDENDUM AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS ADDENDUM SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

11. This Addendum may be executed by one or more of the parties to this Addendum on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Addendum signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

IN WITNESS WHEREOF, the undersigned has executed this Addendum as of the ___th day of _____, 200_.

BORROWER:

GULFTERRA ENERGY PARTNERS, L.P.

By:_____
Name:_____
Title:_____

CO-BORROWER:

GULFTERRA ENERGY FINANCE CORPORATION

By:_____
Name:_____
Title:_____

ADMINISTRATIVE AGENT:

JPMORGAN CHASE BANK,
as Administrative Agent

By:_____
Name:_____
Title:_____

[ADDITIONAL TERM LOAN LENDERS]:

_____

By:_____
Name:_____
Title:_____

SCHEDULE I TO TERM LOAN ADDENDUM
FOR SERIES [ ] ADDITIONAL TERM LOANS

ADDITIONAL TERM LOAN LENDERS, ADDITIONAL TERM LOAN COMMITMENTS AND ADDITONAL TERM LOAN COMMITMENT PERCENTAGES

ADDITIONAL TERM LOAN LENDER NAME AND ADDRESS FOR NOTICES	TITLE	ADDITIONAL TERM LOAN COMMITMENT	ADDITIONAL TERM LOAN COMMITMENT PERCENTAGE

EXHIBIT C

[FORM OF GUARANTEES AND SECURITY DOCUMENTS CONFIRMATION]

GUARANTEES AND SECURITY DOCUMENTS CONFIRMATION, dated as of September 25, 2003 (this "Confirmation"), to each of the following documents:

A. Amended and Restated EPEPC Guarantee, dated as of October 10, 2002, as amended and supplemented prior to the date hereof (the "EPEPC Guarantee"), made by El Paso Energy Partners Company, L.L.C. ("EPEPC") in favor of, among others, the Administrative Agent, the Lenders and the Marco Polo Lenders (each as defined herein);

B. General Partner Guarantee, dated as of May 5, 2003 (the "GP Guarantee" and, together with the EPEPC Guarantee, the "Guarantees"), made by GulfTerra Energy Company, L.L.C., a Delaware limited liability company (the "General Partner"), in favor of the Administrative Agent, the Lenders and the Marco Polo Lenders; and

C. General Partner Security Agreement (G&A Agreement), dated as of May 5, 2003, as amended and supplemented prior to the date hereof (the "GP Security Agreement"), made by the General Partner in favor of JPMorgan Chase Bank, as collateral agent (the "Collateral Agent") for the ratable benefit of the Lenders and the Marco Polo Lenders;

(each as further amended, supplemented, waived, conformed or otherwise modified from time to time, and including by this Confirmation, collectively, the "Guarantees and Security Documents").

W I T N E S S E T H :

WHEREAS, concurrently with the execution of this Confirmation, GulfTerra Energy Partners, L.P., a Delaware limited partnership (formerly El Paso Energy Partners L.P.) (the "Borrower"), GulfTerra Energy Finance Corporation (formerly El Paso Energy Partners Finance Corporation), a Delaware corporation (the "Co-Borrower"), the Lenders parties thereto (the "Lenders"), Fortis Capital Corp., as syndication agent, Credit Lyonnais New York Branch, BNP Paribas and Wachovia Bank, National Association, as co-documentation agents, and JPMorgan Chase Bank, as administrative agent (in such capacity, the "Administrative Agent"), are entering into the Seventh Amended and Restated Credit Agreement, dated as of March 23, 1995, as amended and restated as of September 25, 2003 (and as may be further amended, modified or supplemented from time to time, the "Credit Agreement"); and

WHEREAS, each of the signatories (other than the Administrative Agent and the Collateral Agent) hereto is a party to one or more of the Guarantees and Security Documents and wishes to acknowledge and confirm that (i) its obligations, and the Liens and security interests created, under each of the Guarantees and Security Documents to which it is a party continue in full force and effect, unimpaired and undischarged, and (ii) the obligations guaranteed by and secured by (or, in the case of the obligations of each of the Confirming Parties (as defined below), other than the Borrower and the Co-Borrower under the Security Documents, secured indirectly by) the Liens and security interests created under each of the Guarantees and Security

Documents shall be the obligations of the Borrower and the Co-Borrower under the Credit Agreement.

NOW, THEREFORE, in consideration of the premises and to induce the Lenders to continue to make extensions of credit under the Credit Agreement, each of the signatories hereto hereby agrees with the Administrative Agent and the Collateral Agent, for the ratable benefit of the Lenders and the Marco Polo Lenders, as follows:

1. Unless otherwise defined herein or in the Recitals and introductory paragraphs, capitalized terms used herein shall have the respective meanings assigned to them in the Credit Agreement and the other Loan Documents (as defined in the Credit Agreement), as such other Loan Documents may be amended, supplemented or modified hereby.

2. Each of EPEPC and the General Partner hereby confirm their obligations under their respective Guarantees to guarantee as a primary obligor to the Administrative Agent, the Lenders and the Marco Polo Lenders, the prompt and complete payment by the Borrower and the Co-Borrower when due of the Obligations.

3. Each of EPEPC and the General Partner hereby consents to the execution, delivery and performance of the Credit Agreement. Each of EPEPC and the General Partner agrees that each reference to the "EPN Credit Agreement" in each of the Guarantees and Security Documents to which it is a party shall be deemed to be a reference to the Credit Agreement as defined herein.

4. The EPEPC Guarantee is hereby amended as follows:

(a) The definition of "Commitments" set forth in the EPEPC Guarantee is hereby amended to read in its entirety as follows: "Commitments": the "Revolving Loan Commitments" and the "Additional Term Loan Commitments" as defined in the Credit Agreement.

(b) The definition of "Obligations" set forth in the EPEPC Guarantee is amended to read in its entirety as follows: "Obligations": (i) the unpaid principal of and interest on (including, without limitation, interest accruing after the maturity of the Loans and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to any Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Notes and all other obligations and liabilities of any Borrower to the Administrative Agent or the Lenders, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter incurred, which may arise under, out of, or in connection with, the Credit Agreement, the other Loan Documents or any other document made, delivered or given in connection therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including, without limitation, all fees and disbursements of counsel to the Administrative Agent or any of the Lenders) or otherwise and (ii) the Marco Polo Clawback.

(c) The terms "EPN Group Administrative Agents" and the "EPN Group Lenders" as defined in the Recitals to the EPEPC Guarantee are hereby amended to have

the meanings ascribed to the terms "Administrative Agent" and "Lender", respectively, defined in this Confirmation.

(d) All references to the terms "Senior Secured Acquisition Term Loan Credit Agreement" are hereby deleted.

5. The GP Guarantee is hereby amended as follows:

(a) The definition of "Commitments" set forth in the GP Guarantee is hereby amended to read in its entirety as follows: "Commitments": the "Revolving Loan Commitments" and the "Additional Term Loan Commitments" as defined in the Credit Agreement.

(b) The definition of "Obligations" set forth in the GP Guarantee is amended to read in its entirety as follows: "Obligations": (i) the unpaid principal of and interest on (including, without limitation, interest accruing after the maturity of the Loans and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to any Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Notes and all other obligations and liabilities of any Borrower to the Administrative Agent or the Lenders, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter incurred, which may arise under, out of, or in connection with, the Credit Agreement, the other Loan Documents or any other document made, delivered or given in connection therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including, without limitation, all fees and disbursements of counsel to the Administrative Agent or any of the Lenders) or otherwise and (ii) the Marco Polo Clawback.

(c) The terms the "EPN Group Administrative Agents" and the "EPN Group Lenders" as defined in the Recitals to the GP Guarantee are hereby amended to have the meanings ascribed to the terms "Administrative Agent" and "Lender", respectively, defined in this Confirmation.

6. The GP Security Agreement is hereby amended as follows:

(a) The terms "EPN Group Administrative Agents" and the "EPN Group Lenders" as defined in GP Security Agreement are hereby amended to have the meanings ascribed to the terms "Administrative Agent" and "Lender", respectively, defined in this Confirmation.

(b) All references to the terms "Senior Secured Acquisition Term Loan Credit Agreement" are hereby deleted.

7. Each of the signatories hereto (other than the Administrative Agent and Collateral Agent) (a "Confirming Party") hereby agrees, with respect to each Guarantee and Security Document that it has executed, that:

(a) all of its obligations, liabilities and indebtedness under the Guarantees and Security Documents remain in full force and effect on a continuous basis after giving effect to the Credit Agreement and to this Confirmation;

(b) all of the Liens and security interests created and arising under the Guarantees and Security Documents remain in full force and effect on a continuous basis and having the same perfected status and priority, after giving effect to the Credit Agreement and this Confirmation, as collateral security for the Obligations and the other obligations of such Confirming Party under the Guarantees and Security Documents;

(c) all of the obligations, liabilities and indebtedness of the Borrower under the Credit Agreement are continued in full force and effect on a continuous basis, unpaid and undischarged, after giving effect to the Credit Agreement;

(d) the perfected status and priority of each Lien and security interest created under the Guarantees and Security Documents continues in full force and effect on a continuous basis, unimpaired, uninterrupted and undischarged, after giving effect to the Credit Agreement, as collateral security for the Obligations (and the other obligations of such Confirming Party under the Guarantees and Security Documents.

8. Except as set forth in the proviso below, each Confirming Party that is a party to any Guarantee or Security Document hereby confirms all of its payment and performance obligations thereunder; provided, that notwithstanding anything to the contrary in any Loan Document or any of the Guarantees and Security Documents, the Co-Borrower is obligated under, and has granted liens under, such Loan Documents as a co-obligor, jointly and severally liable with the Borrower, and not as a Subsidiary Guarantor. The Obligations (as defined in the Borrower Security Agreement) with respect to the Co-Borrower relate to its obligations as a co-obligor with the Borrower and not as a guarantor.

9. Each Confirming Party agrees that it shall take any action reasonably requested by the Administrative Agent or the Collateral Agent in order to confirm or effect the intent of this Confirmation. Each Confirming Party agrees that it shall prepare updated schedules to the Guarantees and Security Documents with respect to the information required to be provided by it thereunder.

10. This Confirmation shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.

11. This Confirmation may be executed by one or more of the parties hereto on any number of separate counterparts (including by telecopy), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

[SIGNATURE PAGE BEGINS ON NEXT PAGE]

IN WITNESS WHEREOF, the undersigned have caused this Confirmation to be executed and delivered by a duly authorized officer on the date first above written.

GULFTERRA ENERGY COMPANY, L.L.C.

GULFTERRA ENERGY FINANCE CORPORATION

GULFTERRA ENERGY PARTNERS, L.P.

EL PASO ENERGY PARTNERS COMPANY, L.L.C.

By: _____
Keith B. Forman,
Vice President and Chief Financial Officer

Accepted and acknowledged as of
the date first above written:

JPMORGAN CHASE BANK,
as Administrative Agent and Collateral Agent

By: _____

Name: _____

Title: _____

EXHIBIT D

FORM AMENDED AND RESTATED
BORROWER SECURITY AGREEMENT

Exhibit D

SEVENTH AMENDED AND RESTATED CREDIT AGREEMENT

AMENDED AND RESTATED
BORROWER PLEDGE AGREEMENT

AMENDED AND RESTATED BORROWER PLEDGE AGREEMENT, dated as of September 26, 2003, made by GULFTERRA ENERGY PARTNERS, L.P., a Delaware limited partnership (the "Pledgor"), in favor of JPMORGAN CHASE BANK, as collateral agent (in such capacity, the "Collateral Agent"), for the ratable benefit of (a) the banks and other financial institutions (the "Lenders") parties to the Amended and Restated Credit Agreement, dated as of March 23, 1995 and as amended and restated as of September 26, 2003 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement") among the Pledgor, GulfTerra Energy Finance Corporation, a Delaware corporation, as the co-borrower ("Co-Borrower"), the Lenders and JPMORGAN CHASE BANK, as administrative agent (in such capacity, the "Administrative Agent"), and (b) the Marco Polo Lenders (as defined in the Credit Agreement).

W I T N E S S E T H :

WHEREAS, the Pledgor and the Collateral Agent are parties to that certain Consolidated Amended and Restated Borrower Pledge Agreement dated as of October 10, 2002 (as amended, supplemented and otherwise modified prior to the date hereof, the "Existing Pledge Agreement");

WHEREAS, pursuant to the provisions of Section 7.10 of the Credit Agreement, the Pledgor agreed that it would deliver, and would cause each Person that is a party (or is required to be a party) to any Security Document, other than the Collateral Agent, to deliver, amended and restated Security Documents, together with supplemented and corrected schedules, exhibits or other documents, if any, that are necessary to accurately reflect the collateral existing as of the Closing Date that is pledged as security for the Obligations (as hereinafter defined);

WHEREAS, the Pledgor is (a) the owner of a 100% limited liability company interest in each of the limited liability companies listed on Schedule I hereto (which, collectively and together with any other limited liability company Subsidiary of the Pledgor formed or acquired after the date of this Agreement whose ownership interests are owned of record by the Pledgor and will be pledged to the Collateral Agent hereunder, are referred to herein as the "LLCs"); (b) the owner of all of the limited partner interests in each of the limited partnerships listed on Schedule I hereto (which, collectively and together with any other limited or general partnership Subsidiary of the Pledgor formed or acquired after the date of this Agreement whose ownership interests are owned of record by the Pledgor and will be pledged to the Collateral Agent hereunder, are referred to herein as the "Partnerships"); and (c) the legal and beneficial owner of the shares of Pledged Stock (as hereinafter defined) issued by the Co-Borrower (collectively, the Co-Borrower and any other corporate Subsidiary of the Pledgor formed or acquired after the date of this Agreement whose ownership interests are owned of record by the Pledgor and will be pledged to the Collateral Agent hereunder are referred to herein as the "Corporations", and collectively, the Corporations, the LLCs, the Partnerships and any other type of Subsidiary of the Pledgor formed or acquired after the date of this Agreement whose ownership interests are owned of record by the Pledgor and will be pledged to the Collateral Agent hereunder, are referred to herein as the "Subsidiaries");

NOW, THEREFORE, in consideration of the premises and to comply with the requirements of Section 7.10 of the Credit Agreement, the Pledgor hereby agrees with the Collateral Agent, for the ratable benefit of the Group Lenders and the Marco Polo Lenders, that the Existing Pledge Agreement is hereby amended and restated to read in its entirety as follows:

1. DEFINED TERMS: As used in this Agreement, terms defined in the Credit Agreement or in the recitals hereto shall have their defined meanings when used herein, and the following terms shall have the following meanings:

"Account Debtor": a Person (other than the Borrower) obligated on an Account, Chattel Paper or General Intangible.

"Agreement": this Amended and Restated Borrower Pledge Agreement, as the same may from time to time be amended, supplemented or otherwise modified.

"Certificate of Formation": with respect to any LLC or Partnership that is a limited partnership, its certificate of formation.

"Certificate of Incorporation": with respect to any Corporation, its certificate or articles of incorporation, as applicable.

"Collateral": the Interests (including, without limitation, the Pledged Certificates), the Pledged Stock and all Proceeds. The obligations of the Loan Parties to provide Collateral are limited by paragraphs (c) and (d) of subsection 7.10 of the Credit Agreement.

"Commitments": the "Revolving Loan Commitments" and "Additional Term Loan Commitments" as defined in the Credit Agreement.

"Governing Documents": (a) with respect to any LLC, its Certificate of Formation and its LLC Agreement; (b) with respect to any Partnership that is a limited partnership, its Certificate of Formation and limited partnership agreement; (c) with respect to any Partnership that is a general partnership, its partnership agreement; (d) with respect to any Corporation, its Certificate of Incorporation and by-laws, and (e) with respect to any other Non-Corporate Subsidiary, its declaration of trust or other governing document.

"Interests": all right, title and interest, now existing or hereafter acquired, of the Pledgor in the Non-Corporate Subsidiaries but not any of its obligations from time to time as a member or partner therein (unless the Collateral Agent shall become a member or partner therein as a result of its exercise of remedies pursuant to the terms hereof);

(ii) any and all moneys due and to become due to the Pledgor now or in the future by way of a distribution made to the Pledgor in its capacity as a member or partner of or the owner of any limited liability company interest, limited or general partner interest or other equity interest in any of the Non-Corporate Subsidiaries or otherwise in respect of the Pledgor's interest as a member of or partner in the Non-Corporate

Subsidiaries or the owner of any limited liability company interests, limited or general partner interests or other equity interests in any of the Non-Corporate Subsidiaries;

(iii) any other property of any of the Non-Corporate Subsidiaries to which the Pledgor now or in the future may be entitled in its capacity as a member of, partner in or owner of any limited liability company interest, limited or general partner interest or other equity interest in any such Non-Corporate Subsidiary by way of distribution, return or otherwise;

(iv) any other claim which the Pledgor now has or may in future acquire in its capacity as member of, partner in or owner of any limited liability company interest, limited or general partner interest or other equity interest in any of the Non-Corporate Subsidiaries against any such Non-Corporate Subsidiary and its property;

(v) to the extent not otherwise included, (A) all Proceeds of any or all of the foregoing, and (B) all Supporting Obligations (as such term is defined in the UCC) with respect to the foregoing.

"LLC Agreement": with respect to any LLC, its limited liability company agreement.

"Non-Corporate Subsidiaries": all Subsidiaries other than the Corporations.

"Obligations": (i) the unpaid principal of and interest on (including, without limitation, interest accruing after the maturity of the Loans and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Pledgor or the Co-Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Notes and all other obligations and liabilities of the Pledgor and Co-Borrower to the Administrative Agent or the Lenders, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter incurred, which may arise under, out of, or in connection with, the Credit Agreement, the other Loan Documents or any other document made, delivered or given in connection therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including, without limitation, all fees and disbursements of counsel to the Administrative Agent or any of the Lenders) or otherwise, and (ii) all obligations, liabilities and indebtedness of the Pledgor under and pursuant to the Marco Polo Clawback.

"Pledged Certificates": the certificates of limited liability company interests of the LLCs listed on Schedule I(A) hereto, together with all limited liability company certificates, partnership interest certificates, stock certificates, options or rights of any nature whatsoever that may be issued or granted by any LLC to the Pledgor while this Agreement is in effect.

"Pledged Stock": the shares of capital stock listed on Schedule I(B) hereto, together with all stock certificates, options or rights of any nature whatsoever that may be

issued or granted by the issue of such capital stock to the Pledgor while this Agreement is in effect.

"Proceeds": All "proceeds" (as such term is defined in Section 9-102 of the Uniform Commercial Code in effect in the State of New York on the date hereof) including, without limitation, all income, gain, credit, distributions, dividends and similar items from or with respect to the Interests (including, without limitation, the Pledged Certificates) and the Pledged Stock, collections thereon or distributions with respect thereto.

"UCC" or "Uniform Commercial Code": the Uniform Commercial Code from time to time in effect in the State of New York.

2. ASSIGNMENT AND GRANT OF SECURITY INTEREST. As collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of all the Obligations, the Pledgor hereby delivers to the Collateral Agent all the Pledged Certificates and all the Pledged Stock and sells, assigns, conveys, mortgages, pledges, hypothecates and transfers to the Collateral Agent, and hereby grants to the Collateral Agent, for the ratable benefit of the Group Lenders and the Marco Polo Lenders, a first security interest in, to and under the Collateral. The Pledgor will cause each of the Subsidiaries to execute an Acknowledgement and Consent substantially in the form of Exhibit B hereto. Interests in certain of the Non-Corporate Subsidiaries may not be evidenced by certificates. In the case of such Non-Corporate Subsidiaries, the Collateral Agent agrees that it will not give any instructions to the Non-Corporate Subsidiaries pursuant to the provisions of such Acknowledgement and Consent except upon the occurrence and during the continuance of an Event of Default.

3. TRANSFER POWERS. Concurrently with the delivery to the Collateral Agent of each Pledged Certificate and each certificate representing one or more shares of Pledged Stock to the Collateral Agent, the Pledgor shall deliver an undated transfer power covering each such certificate, duly executed in blank by the Pledgor with, if the Collateral Agent so requests, signature guaranteed.

4. REPRESENTATIONS AND WARRANTIES. The Pledgor represents and warrants that:

(a) the Pledgor has the power and authority and the legal right to execute and deliver, to perform its obligations under, and to grant the Lien on the Collateral pursuant to, this Agreement and has taken all necessary action to authorize its execution, delivery and performance of, and grant of the Lien on the Collateral pursuant to, this Agreement;

(b) this Agreement constitutes a legal, valid and binding obligation of the Pledgor enforceable against the Pledgor in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles;

(c) the execution, delivery and performance of this Agreement will not violate any provision of any Requirement of Law or Contractual Obligation of the Pledgor and will not result in the creation or imposition of any Lien on any of the properties or revenues of the Pledgor pursuant to any Requirement of Law or Contractual Obligation of the Pledgor, except as contemplated hereby;

(d) no consent or authorization of, filing with, or other act by or in respect of, any arbitrator or Governmental Authority and no consent of any other Person (including, without limitation, any creditor of the Pledgor or any of the Subsidiaries), is required in connection with the execution, delivery, performance, validity or enforceability of this Agreement;

(e) no litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of the Pledgor, threatened by or against the Pledgor or against any of the Collateral with respect to this Agreement or any of the transactions contemplated hereby;

(f) the Pledgor is the record and beneficial owner of, and has good and legal title to, the Interests and the Pledged Stock, free of any and all Liens or options in favor of, or claims of, any other Person, except the Liens created by this Agreement or permitted under the Credit Agreement, and (i) all the Pledged Certificates have been duly and validly issued and (ii) all the shares of Pledged Stock have been duly and validly issued and are fully paid and nonassessable;

(g) upon delivery to the Collateral Agent of the Pledged Certificates and the stock certificates evidencing the Pledged Stock and upon the filing of the financing statements described on Schedule II to this Agreement, the Lien granted pursuant to this Agreement will constitute a valid, perfected first priority Lien on the Collateral (except for any Liens on the Collateral permitted to exist under the Credit Agreement), prior to all other Liens on the Collateral created by the Pledgor and in existence on the date hereof, which will be enforceable as such as against all creditors of the Pledgor and any Persons purporting to purchase any Collateral from the Pledgor, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally. All action necessary or desirable to perfect such security interest in each item of the Collateral requested by the Collateral Agent, including the filing of financing statements in the offices referred to on Schedule II to this Agreement has been or will be duly taken;

(h) as of the Restatement Closing Date: (i) the name of the Pledgor as indicated on the public record of the Pledgor's jurisdiction of organization, which shows the Pledgor to have been organized, is "GulfTerra Energy Partners, L.P."; (ii) the Pledgor's mailing address is Four Greenway Plaza, Houston, Texas 77046; (iii) the Pledgor is a Delaware limited partnership, and the Pledgor's organizational identification number in the State of Delaware is 2317845; (iv) the Pledgor was formerly known as "El Paso Energy Partners, L.P." and as "Leviathan Gas Pipeline Partners, L.P."; and (v) other than these names, the Pledgor has not used any other name or trade name since September 15, 1998;

(i) as of the Restatement Closing Date: (i) each of the LLCs is a limited liability company duly formed and validly existing under the laws of the State of Delaware, (ii) each of the Partnerships is a general or limited partnership (as the case may be) duly formed and validly existing under the laws of the State of Delaware, and (iii) the Co-Borrower is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware; and

(j) each of the Subsidiaries has all the requisite power and authority to own and operate its properties, to lease the properties it operates and to carry on its business as now conducted and is duly qualified as a foreign limited liability company or a foreign corporation and in good standing in each jurisdiction in which the character of its properties owned or the nature of the activities conducted by it makes such qualification or licensing necessary, except where failure to be so qualified could not have a Material Adverse Effect. Except to the extent set forth on Schedule I(A) hereto, as of the Restatement Closing Date, (i) the Pledgor is the sole owner of each of the LLCs and the limited partner interests of the Partnerships, and the nature of the Pledgor's interest in each of the LLCs and Partnerships is as set forth on Schedule I(A) hereto; (ii) the shares of Pledged Stock constitutes the Pledgor's percentage interest of all the issued and outstanding shares of all classes of the capital stock of each Corporation, as such percentage is set forth on Schedule I(B) hereto; (iii) the list of certificates set forth on (I) Schedule I(A) constitutes a full and complete list of all the certificates of limited liability company interests of the LLCs owned by the Pledgor and (II) Schedule I(B) constitutes a full and complete list of all of the issued and outstanding shares of capital stock of any class of each corporate or other Subsidiary beneficially owned by the Pledgor (whether or not registered in the name of the Pledgor) and said Schedule I(B) correctly identifies the respective class and par value of the shares comprising such Pledged Stock and the respective number of shares (and registered owners thereof) represented by each such certificate; and (iv) complete and correct copies of the Governing Documents of each Subsidiary have been delivered to the Collateral Agent.

5. COVENANTS. The Pledgor covenants and agrees with the Collateral Agent that, from and after the date of this Agreement until the Obligations are paid in full:

(a) If the Pledgor shall, as a result of its ownership of the Collateral, become entitled to receive or shall receive any limited liability company interest, any stock certificate or other certificate (including, without limitation, any certificate representing a stock dividend or distribution in connection with any reclassification, increase or reduction of capital or any certificate issued in connection with any reorganization), option or rights, whether in addition to, in substitution of, as a conversion of, or in exchange for Interests or any shares of the Pledged Stock, or otherwise in respect thereof, the Pledgor shall accept the same as the Collateral Agent's agent, hold the same in trust for the Collateral Agent and deliver the same forthwith to the Collateral Agent in the exact form received, duly indorsed by the Pledgor to the Collateral Agent, if required, together with an undated stock power covering such certificate duly executed in blank and with, if the Collateral Agent so requests, signature guaranteed, to be held by the Collateral

Agent hereunder as additional collateral security for the Obligations. Any sums paid upon or in respect of the Pledged Stock upon the liquidation or dissolution of any corporate or other Subsidiary, such payments shall be paid over to the Collateral Agent to be held by it hereunder as additional collateral security for the Obligations, and in case any distribution of capital shall be made on or in respect of the Collateral or any property shall be distributed upon or with respect to the Collateral pursuant to the recapitalization or reclassification of the capital of any of the Subsidiaries, or pursuant to the reorganization thereof, the property so distributed shall be delivered to the Collateral Agent to be held by it, subject to the terms hereof, as additional collateral security for the Obligations. If any sums of money or property so paid or distributed in respect of the Collateral shall be received by the Pledgor, the Pledgor shall, until such money or property is paid or delivered to the Collateral Agent, hold such money or property in trust for the Collateral Agent, segregated from other funds of the Pledgor, as additional collateral security for the Obligations.

(b) The Pledgor will defend the right, title and interest of the Collateral Agent in and to the Collateral against the claims and demands of all Persons whomsoever.

(c) At any time and from time to time, upon the written request of the Collateral Agent, and at the sole expense of the Pledgor, the Pledgor will promptly and duly execute and deliver such further instruments and documents and take such further actions as the Collateral Agent may reasonably request for the purposes of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted, including, without limitation, the filing of any financing or continuation statements under the Uniform Commercial Code in effect in any jurisdiction with respect to the Lien granted hereby. The Pledgor hereby authorizes the Collateral Agent, its counsel or its representative, at any time and from time to time, to file financing statements and amendments to financing statements that describe the Collateral, in such jurisdictions as the Collateral Agent may deem necessary or desirable in order to perfect or maintain the perfection of the security interests granted by the Pledgor under this Agreement. The Pledgor hereby further authorizes the Collateral Agent, its counsel or its representative, at any time and from time to time, to file continuation statements with respect to previously filed financing statements. If any amount payable under or in connection with any of the Collateral shall be or become evidenced by any promissory note or other instrument, such note or instrument shall be immediately pledged hereunder to the Collateral Agent, duly endorsed in a manner satisfactory to the Collateral Agent.

(d) The Pledgor will advise the Collateral Agent promptly, in reasonable detail, of any Lien or claim made or asserted against any of the Collateral other than Liens created hereby and any Lien or claim permitted under the Credit Agreement.

(e) The Pledgor agrees to pay, and to save the Collateral Agent harmless from, any and all liabilities with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other taxes which may be payable or

determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Agreement.

(f) Promptly, but in no case later than 30 days after the Pledgor forms (or acquires Capital Stock of) a Subsidiary that is to be a Restricted Subsidiary, the Pledgor shall provide to the Collateral Agent a supplement to this Agreement in the form of Exhibit A hereto, which shall include a schedule supplementing Schedule I or Schedule II, as the case may be, to pledge its ownership interests in such Restricted Subsidiary to the Collateral Agent.

(g) The Pledgor recognizes that financing statements pertaining to the Collateral have been or may be filed where the Pledgor maintains any Collateral or is organized. Without limitation of any other covenant herein, the Pledgor will not cause or permit (i) any change to be made in its name, identity or corporate structure or (ii) any change to the Pledgor's jurisdiction of organization, unless the Pledgor shall have first (1) notified the Collateral Agent of such change at least thirty (30) days prior to the effective date of such change, and (2) taken all action reasonably requested by the Collateral Agent for the purpose of maintaining the perfection and priority of the Collateral Agent's security interests and rights under this Agreement. In any notice furnished pursuant to this subsection, the Pledgor will expressly state that the notice is required by this Agreement and contains facts that may require additional filings of financing statements or other notices for the purposes of continuing perfection of the Collateral Agent's security interest in the Collateral.

6. CASH DISTRIBUTIONS; CASH DIVIDENDS; VOTING RIGHTS. Unless an Event of Default shall have occurred and be continuing, the Pledgor shall be permitted to receive (a) all cash distributions paid in the normal course of business of the LLCs and to exercise all voting, member and manager rights with respect to the Interests, and (b) all cash dividends paid in the normal course of business of any corporate or other Subsidiary and consistent with past practice, in respect of the Pledged Stock and to exercise all voting and corporate rights with respect to the Pledged Stock; provided, however, that no vote shall be cast or right exercised or other action taken which, in the Collateral Agent's reasonable judgment, would (i) impair the Collateral in a manner that would reasonably be expected to have a Material Adverse Effect or (ii) result in a breach of any provision of the Credit Agreement, the Notes, any other Loan Document or this Agreement.

7. RIGHTS OF THE COLLATERAL AGENT.

(a) If an Event of Default shall occur and be continuing, (i) the Collateral Agent shall have the right to receive and shall receive any and all cash distributions or dividends paid in respect of the Collateral and make application thereof to the Obligations in such order as it may determine, and (ii) to the extent permitted by applicable law, all shares or certificates of or evidencing the Interests and the Pledged Stock shall be registered in the name of the Collateral Agent or its nominee, and (whether or not so registered) the Collateral Agent or its nominee may thereafter exercise (A) all voting, corporate, member, manager and other rights pertaining to the Interests or the shares of the Pledged Stock, as the case may be, and (B) any and all rights of conversion, exchange, subscription and any other

rights, privileges or options pertaining to the Interests or such shares of the Pledged Stock, as the case may be, as if it were the absolute owner thereof (including, without limitation, the right to exchange at its discretion any and all of the Interests or the Pledged Stock upon the merger, consolidation, reorganization, recapitalization or other fundamental change in the structure of any of the Subsidiaries, or upon the exercise by the Pledgor or the Collateral Agent of any right, privilege or option pertaining to such shares or certificates of or evidencing the Interests or the Pledged Stock, and in connection therewith, the right to deposit and deliver any and all of the Interests or the Pledged Stock with any committee, depositary, transfer agent, registrar or other designated agency upon such terms and conditions as it may determine), all without liability except to account for property actually received by it, but the Collateral Agent shall have no duty to exercise any such right, privilege or option and shall not be responsible for any failure to do so or delay in so doing.

(b) The rights of the Collateral Agent hereunder shall not be conditioned or contingent upon the pursuit by the Collateral Agent of any right or remedy against any Subsidiary, or against any other Person which may be or become liable in respect of all or any part of the Obligations or against any other collateral security therefor, guarantee thereof or right of offset with respect thereto. The Collateral Agent shall not be liable for any failure to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so, nor shall it be under any obligation to sell or otherwise dispose of any Collateral upon the request of the Pledgor or any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof.

8. COLLATERAL AGENT'S APPOINTMENT AS ATTORNEY-IN-FACT.

(a) The Pledgor hereby irrevocably constitutes and appoints the Collateral Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Pledgor and in the name of the Pledgor or in its own name, from time to time in the Collateral Agent's discretion, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, hereby gives the Collateral Agent the power and right, on behalf of the Pledgor without notice to or assent by the Pledgor to do the following:

(i) upon the occurrence and continuation of an Event of Default to ask, demand, collect, receive and give acceptances and receipts for any and all moneys due and to become due with respect to the Collateral and, in the name of the Pledgor or its own name or otherwise, to take possession of, endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due with respect to the Collateral and to file any claim or to take any other action or proceeding in any court of law or equity or otherwise as deemed appropriate by the Collateral Agent

for the purpose of collecting any and all such moneys due with respect to the Collateral or whenever payable;

(ii) to pay or discharge taxes, liens, security interests or other encumbrances levied or placed on or threatened against the Collateral; and

(iii) upon the occurrence and during the continuance of an Event of Default, (A) to direct any Person liable for any payment to the Pledgor with respect to the Collateral to make payment of any and all moneys due and to become due thereunder directly to the Collateral Agent or as the Collateral Agent shall direct; (B) to receive payment of and receipt for any and all moneys, claims and other amounts due and to become due at any time in respect of or arising out of any Collateral; (C) to sign and indorse any invoices, drafts against debtors, assignments, verifications and notices in connection with accounts and other documents relating to the Collateral; (D) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral and to enforce any other right in respect of any Collateral; (E) to defend any suit, action or proceeding brought against the Pledgor with respect to any Collateral; (F) to settle, compromise or adjust any suit, action or proceeding described above and, in connection therewith, to give such discharges or releases as the Collateral Agent may deem appropriate; and (G) generally, to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Collateral Agent were the absolute owner thereof for all purposes, and to do, at the Collateral Agent's option and the Pledgor's expense, at any time, or from time to time, all acts and things which the Collateral Agent deems necessary to protect, preserve or realize upon the Collateral and the Collateral Agent's security interest therein, in order to effect the intent of this Agreement, all as fully and effectively as the Pledgor might do.

The Pledgor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof.

(b) The powers conferred on the Collateral Agent hereunder are solely to protect its interests in the Collateral and shall not impose any duty upon it to exercise any such powers. The Collateral Agent shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its officers, directors, employees or agents shall be responsible to the Pledgor, any Subsidiary or to any other member or partner of or owner of any limited or general partner interest, limited liability company interest or other equity interest in any Non-Corporate Subsidiary for any act or failure to act.

(c) The Pledgor also authorizes the Collateral Agent, at any time and from time to time, to execute, in connection with the sale provided for in Section 9 of this Agreement, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral.

9. REMEDIES. If an Event of Default shall occur and be continuing, the Collateral Agent may exercise, in addition to all other rights and remedies granted in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the UCC. Without limiting the generality of the foregoing and to the extent permitted by applicable law, the Collateral Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon the Pledgor, any of the Subsidiaries or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, assign, give option or options to purchase or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, in the over-the-counter market, at any exchange, broker's board or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. The Collateral Agent shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in the Pledgor, which right or equity is hereby waived or released. The Collateral Agent shall apply any Proceeds from time to time held by it and the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale, after deducting all reasonable costs and expenses of every kind incurred therein or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Collateral Agent hereunder, including, without limitation, reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Obligations, in such order as the Collateral Agent may elect, and only after such application and after the payment by the Collateral Agent of any other amount required by any provision of law, including, without limitation, Section 9-615 of the UCC, need the Collateral Agent account for the surplus, if any, to the Pledgor. To the extent permitted by applicable law, the Pledgor waives all claims, damages and demands it may acquire against the Collateral Agent arising out of the exercise by the Collateral Agent of any of its rights hereunder except to the extent any thereof arise solely from the willful misconduct of the Collateral Agent. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition. The Pledgor shall remain liable for any deficiency if the proceeds of any sale or other disposition of Collateral are insufficient to pay the Obligations and the fees and disbursements of any attorneys employed by the Collateral Agent or any Lender to collect such deficiency.

10. REGISTRATION RIGHTS; PRIVATE SALES.

(a) If the Collateral Agent shall determine to exercise its right to sell any or all of the Interests or the Pledged Stock, as the case may be, pursuant to paragraph 9 hereof, and if in the opinion of the Collateral Agent it is necessary or advisable to have the Interests or the Pledged Stock, as the case may be, or that portion thereof to be sold, registered under the provisions of the Securities Act of 1933, as amended (the "Securities Act"), the Pledgor will cause the relevant Subsidiaries to (i) execute and deliver, and cause the managers, directors or officers

of the relevant Subsidiaries to execute and deliver, all such instruments and documents, and do or cause to be done all such other acts as may be, in the opinion of the Collateral Agent, necessary or advisable to register the Interests or the Pledged Stock, as the case may be, or that portion thereof to be sold, under the provisions of the Securities Act, (ii) use its best efforts to cause the registration statement relating thereto to become effective and to remain effective for a period of one year from the date of the first public offering of the Interests, or that portion thereof to be sold, and (iii) make all amendments thereto and/or to the related prospectus which, in the opinion of the Collateral Agent, are necessary or advisable, all in conformity with the requirements of the Securities Act and the rules and regulations of the Securities and Exchange Commission applicable thereto. The Pledgor agrees to cause the relevant Subsidiaries to comply with the provisions of the securities or "Blue Sky" laws of any and all jurisdictions which the Collateral Agent shall designate and to make available to its security holders, as soon as practicable, an earnings statement (which need not be audited) which will satisfy the provisions of Section 11(a) of the Securities Act.

(b) The Pledgor recognizes that the Collateral Agent may be unable to effect a public sale of any or all the Interests, by reason of certain prohibitions contained in the Securities Act and applicable state securities laws or otherwise, and may be compelled to resort to one or more private sales thereof to a restricted group of purchasers which will be obliged to agree, among other things, to acquire such securities for their own account for investment and not with a view to the distribution or resale thereof. The Pledgor acknowledges and agrees that any such private sale may result in prices and other terms less favorable to the Collateral Agent than if such sale were a public sale and agrees that such circumstances shall not, in and of themselves, result in a determination that such sale was not made in a commercially reasonable manner. The Collateral Agent shall be under no obligation to delay a sale of any of the Interests or the Pledged Stock, as the case may be, for the period of time necessary to permit any of the relevant Subsidiaries to register such securities for public sale under the Securities Act, or under applicable state securities laws, even if such Subsidiaries would agree to do so.

(c) The Pledgor further agrees to use its best efforts to do or cause to be done all such other acts as may be necessary to make any sale or sales of all or any portion of the Interests or the Pledged Stock pursuant to this Section valid and binding and in compliance with any and all other applicable Requirements of Law. The Pledgor further agrees that a continuing breach of any of the covenants contained in this Section will cause irreparable injury to the Collateral Agent and the Lenders, that the Collateral Agent and the Lenders have no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section shall be specifically enforceable against the Pledgor, and the Pledgor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that no Event of Default has occurred.

11. LIMITATION ON DUTIES REGARDING COLLATERAL. The Collateral Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in

its possession, under Section 9-207 of the UCC or otherwise, shall be to deal with it in the same manner as the Collateral Agent deals with similar securities and property for its own account. Neither the Collateral Agent nor any of its directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of the Pledgor or otherwise.

12. POWERS COUPLED WITH AN INTEREST. All authorizations and agencies herein contained with respect to the Collateral are irrevocable and powers coupled with an interest.

13. SEVERABILITY. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

14. PARAGRAPH HEADINGS. The paragraph headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

15. NO WAIVER; CUMULATIVE REMEDIES; INTEGRATION. The Collateral Agent shall not by any act (except by a written instrument pursuant to this paragraph), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Event of Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Collateral Agent, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Collateral Agent of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Collateral Agent would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any rights or remedies provided by law. This Agreement represents the agreement of the Pledgor and the Collateral Agent with respect to the subject matter hereof and there are no promises or representations by the Collateral Agent relative to the subject matter hereof not reflected herein.

16. WAIVERS AND AMENDMENTS; SUCCESSORS AND ASSIGNS; GOVERNING LAW. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Pledgor and the Collateral Agent, provided that any provision of this Agreement that imposes an obligation solely on the Pledgor or provides a right in favor solely of the Collateral Agent may be waived by the Collateral Agent in a letter or agreement executed by the Collateral Agent or by facsimile transmission from the Collateral Agent. This Agreement shall be binding upon the successors and assigns of the Pledgor and shall inure to the benefit of the Collateral Agent and its successors and assigns. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND

INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

17. CONSENT TO JURISDICTION AND SERVICE OF PROCESS. THE PLEDGOR HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT IN RESPECT THEREOF MAY BE BROUGHT AGAINST IT IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK, AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, THE PLEDGOR HEREBY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE NON-EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS. THE PLEDGOR FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO THE PLEDGOR AT ITS ADDRESS SET FORTH IN THE CREDIT AGREEMENT. NOTHING HEREIN SHALL AFFECT THE RIGHT OF THE COLLATERAL AGENT OR ANY HOLDER OF A NOTE TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST THE PLEDGOR IN ANY OTHER JURISDICTION.

18. WAIVERS.

(a) THE PLEDGOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY ACTION DESCRIBED IN PARAGRAPH 17, OR THAT SUCH PROCEEDING WAS BROUGHT IN AN INCONVENIENT COURT, AND AGREES NOT TO PLEAD OR CLAIM THE SAME.

(b) EACH OF THE PLEDGOR AND THE COLLATERAL AGENT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING OR COUNTERCLAIM OF ANY TYPE AS TO ANY MATTER ARISING DIRECTLY OR INDIRECTLY OUT OF OR WITH RESPECT TO THIS AGREEMENT.

19. NOTICES. All notices, requests and demands to or upon the Collateral Agent, the Pledgor or the Subsidiaries to be effective shall be in writing (including by facsimile transmission), and, unless otherwise expressly provided herein, shall be deemed to have been given or made when actually delivered or, in the case of notice by facsimile transmission, when received, addressed as set forth in the Credit Agreement, in the case of the Pledgor and the Collateral Agent, or as set forth under such party's signature below, in the case of the Subsidiaries. The Pledgor and the Subsidiaries may change their respective addresses and transmission numbers by written notice to the Collateral Agent.

20. IRREVOCABLE AUTHORIZATION AND INSTRUCTION TO SUBSIDIARIES. The Pledgor hereby authorizes and instructs each of the Subsidiaries to comply with any instruction received by it from the Collateral Agent in writing that (a) states that an Event of Default has occurred and describes such Event of Default and (b) is otherwise in accordance with the terms of this Agreement, without any other or further instructions from the Pledgor, and the Pledgor agrees that the Subsidiaries shall be fully protected in so complying.

21. RELEASE OF LIENS. Upon payment and satisfaction in full of the Obligations, the Collateral Agent agrees, upon the written request of the Pledgor and at the Pledgor's sole expense, to execute, record and file such instruments and perform such acts as are necessary to release the Collateral from the Lien and security interest of this Agreement or any assignment or other security document entered into pursuant hereto.

22. THE COLLATERAL AGENT NOT A MEMBER. Nothing contained in this Agreement shall be construed or interpreted (a) to transfer to the Collateral Agent any of the obligations of a member, manager, partner or other owner of any of the Subsidiaries or (b) to constitute the Collateral Agent a member, manager, partner or other owner of any of the Subsidiaries.

23. COUNTERPARTS. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed and delivered as of the date first above written.

GULFTERRA ENERGY PARTNERS, L.P.

By: _____
Name: Keith B. Forman
Title: Vice President and Chief
Financial Officer

Agreed to:

JPMORGAN CHASE BANK,
as Collateral Agent

By: _____
Name: _____
Title: _____

SCHEDULE I

(A) LIMITED LIABILITY COMPANY AND PARTNERSHIP INTERESTS

ISSUER	CERTIFICATE NUMBER (IF ANY)	EQUITY INTEREST
LLCS		
Cameron Highway Pipeline GP, L.L.C.		100%
Crystal Holding, L.L.C.		100%
Flextrend Development Company, L.L.C.		100%
GulfTerra Alabama Intrastate, L.L.C.		100%
GulfTerra Field Services, L.L.C.		100%
GulfTerra Holding III, L.L.C.		100%
GulfTerra Oil Transport, L.L.C.		100%
GulfTerra Operating Company, L.L.C.		100%
High Island Offshore System, L.L.C.		100%
Manta Ray Gathering Company, L.L.C.		100%
Poseidon Oil Pipeline Company, L.L.C.		100%
PARTNERSHIPS		
GulfTerra GC, L.P.		99% (entire limited partner interest)
GulfTerra Intrastate, L.P.		99% (entire limited partner interest)
Cameron Highway Pipeline I, L.P.		99% (entire limited partner interest)
GulfTerra Texas Pipeline, L.P.		99% (entire limited partner interest)

(B) DESCRIPTION OF PLEDGED STOCK

Issuer	Class of Stock*	Stock Certificate No.	No. of Shares
Gulf Terra Energy Finance Corporation	All of its capital stock		

*Stock is assumed to be common stock unless otherwise indicated.

SCHEDULE II

UCC FILINGS

State	Filing Office	Document Filed
Delaware	Secretary of State	UCC-1

EXHIBIT A

[FORM OF PLEDGE AGREEMENT SUPPLEMENT]

PLEDGE AGREEMENT SUPPLEMENT, dated as of _____, 20__ (this "Supplement"), made by GULFTERRA ENERGY PARTNERS, L.P., a Delaware limited partnership (the "Pledgor"), in favor of JPMORGAN CHASE BANK, as collateral agent (in such capacity, the "Collateral Agent"), for the ratable benefit of (a) the banks and other financial institutions (the "Lenders") parties to the Amended and Restated Credit Agreement, dated as of March 23, 1995 and as amended and restated as of September 26, 2003 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement") among the Pledgor, GulfTerra Energy Finance Corporation, a Delaware corporation, as the co-borrower ("Co-Borrower"), the Lenders and JPMORGAN CHASE BANK, as administrative agent (in such capacity, the "Administrative Agent"), and (b) the Marco Polo Lenders (as defined in the Credit Agreement).

1. Reference is hereby made to that Amended and Restated Borrower Pledge Agreement, dated as of September 26, 2003, between Pledgor and the Collateral Agent (as amended, supplemented or modified as of the date hereof, the "Pledge Agreement"). Terms defined in the Pledge Agreement are used herein as therein defined.

2. Pledgor has formed or acquired one or more new Subsidiaries, as follows: [insert name, jurisdiction of formation, and type of entity for each new Subsidiary] (whether one or more, the "New Issuer"). [ADD ONLY IF NEW ISSUER IS A NON-CORPORATE SUBSIDIARY WITH UNCERTIFICATED EQUITY INTERESTS: Pledgor owns a ___% [limited liability company/limited partnership/general partnership/other interest in the New Issuer, and such interest in the New Issuer is uncertificated.]

3. Pledgor hereby confirms and reaffirms the security interest in the Collateral granted to the Collateral Agent for the ratable benefit of the Lenders and the Marco Polo Lenders under the Pledge Agreement. As additional collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of all the Obligations(1) the Pledgor hereby (a) delivers to the Collateral Agent all the Additional Pledged Certificates (as such term is hereinafter defined) and all the Additional Pledged Stock (as such term is hereinafter defined), and (b) sells, assigns, conveys, mortgages, pledges, hypothecates and transfers to the Collateral Agent, and hereby grants to the Collateral Agent, for the ratable benefit of the Lenders and the Marco Polo Lenders, a first security interest in, to and under the Additional Collateral (as such term is hereinafter defined). As used herein, the term "Additional Pledged Certificates" means the certificates of [limited liability company/limited partnership/general partnership/other] interests of the Non-Corporate Subsidiaries (the "Additional Subsidiaries") named on Schedule I(A) hereto (to the extent such interests are certificated), which interests are listed on Schedule I(A) hereto, together with all limited

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(1) Conform the following description of the additional collateral as necessary, depending on what type of entity the Pledgor is acquiring.

liability company certificates, partnership interest certificates, stock certificates, options or rights of any nature whatsoever that may be issued or granted by any Additional Subsidiary to the Pledgor while the Pledge Agreement is in effect. As used herein, the term "Additional Pledged Stock" means the shares of capital stock listed on Schedule I(B) hereto, together with all stock certificates, options or rights of any nature whatsoever that may be issued or granted by the issuer of such shares of capital stock to the Pledgor while the Pledge Agreement is in effect. As used herein, the term "Additional Collateral" means the Additional Interests (as such term is hereinafter defined) (including, without limitation, the Additional Pledged Certificates), the Additional Pledged Stock, and all Additional Proceeds (as such term is hereinafter defined). As used herein, the term "Additional Interests" means, collectively, the following:

(i) all right, title and interest, now existing or hereafter acquired, of Pledgor in the Additional Subsidiaries, but not any of Pledgor's obligations from time to time as a member, manager or general or limited partner (unless the Collateral Agent shall become a member, manager or general or limited partner as a result of this exercise of remedies pursuant to the terms of the Pledge Agreement) in any Additional Subsidiary;

(ii) any and all monies due and to become due to Pledgor, now or in the future by way of a distribution made to Pledgor in its capacity as a member or owner of any limited liability company interest in the Additional Subsidiaries or otherwise in respect of Pledgor's interest as a member, limited or general partner or other owner of any equity interest in the Additional Subsidiaries;

(iii) any other property of any Additional Subsidiary to which Pledgor now or in the future may be entitled in its capacity as a member, limited or general partner or other owner of any equity interest in such Additional Subsidiary by way of distribution, return or otherwise;

(iv) any other claim which Pledgor now has or may in the future acquire in its capacity as a member, limited or general partner or other owner of any equity interest in any Additional Subsidiary and its property; and

(v) to the extent not otherwise included, all (A) Additional Proceeds of any or all of the foregoing, and (B) all Supporting Obligations (as such term is defined in the UCC) with respect to the foregoing.

As used herein, the term "Additional Proceeds" means all "proceeds" (as such term is defined in Section 9-102 of the Uniform Commercial Code in effect in the State of New York on the date hereof) and, in any event, shall include, without limitation, all income, gain, credit, distributions, dividends and similar items from or with respect to the Additional Interests (including, without limitation, the Additional Pledged Certificates) and the Additional Pledged Stock, collections thereon or distributions with respect thereto.

4. From and after the date of this Supplement, (a) the term "Pledged Certificates" as used in the Pledge Agreement shall be amended to include the Additional Pledged Certificates, (b) the term "Subsidiaries" as used in the Pledge Agreement shall be amended to include the Additional Subsidiaries, (c) the term "Pledged Stock" as used in the Pledge Agreement shall be amended to include the Additional Pledged Stock, (d) the

term "Collateral" as used in the Pledge Agreement shall be amended to include the Additional Collateral, and (e) the term "Proceeds" as used in the Pledge Agreement shall be amended to include the Additional Proceeds.

5. The Pledgor will cause each of the New Issuers to execute an Acknowledgement and Consent substantially in the form of Exhibit B to the Pledge Agreement. Interests in certain of the Additional Subsidiaries may not be evidenced by certificates. In the case of such Additional Subsidiaries, the Collateral Agent agrees that it will not exercise its right under any such Acknowledgement and Consent to give instructions to such Additional Subsidiaries regarding the Pledgor's limited liability company, limited or general partnership or other equity interest in such Additional Subsidiaries except upon the occurrence and during the continuance of an Event of Default.

6. After giving effect to the amendments to the Pledge Agreement set forth in the preceding paragraph, Pledgor hereby represents and warrants that the representations and warranties contained in paragraph 4 of the Pledge Agreement are true and correct on the date of this Supplement.

7. This Supplement is supplemental to the Pledge Agreement, forms a part thereof and is subject to the terms thereof. [Schedule I and/or Schedule II] to the Pledge Agreement shall hereby be deemed to include each item listed on [Schedule I and/or Schedule II] to this Supplement.

IN WITNESS WHEREOF, Pledgor has caused this Supplement to be duly executed and delivered in favor of the Collateral Agent on the date first set forth above.

GULFTERRA ENERGY PARTNERS, L.P.

By: _____
Name: _____
Title: _____

Address for Notices:

Four Greenway Plaza
Houston, Texas 77046
Attn: Chief Financial Officer
Telecopy: (832) 676-1671

SCHEDULE I

(A) ADDITIONAL SUBSIDIARIES

Issuer	Certificate Number	Equity Interest

(B) DESCRIPTION OF ADDITIONAL PLEDGED STOCK

Issuer	Class of Stock*	Stock Certificate No.	No. of Shares

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*Stock is assumed to be common stock unless otherwise indicated.

SCHEDULE II

ADDITIONAL UCC FILINGS

State	Filing Office	Document Filed

EXHIBIT B

FORM OF ACKNOWLEDGEMENT AND CONSENT

[NAME OF NEW PLEDGED SUBSIDIARY] (the "Issuer") hereby acknowledges receipt of a copy of the foregoing Supplement and the Pledge Agreement referred to therein and agrees to be bound thereby and to comply with the terms thereof insofar as such terms are applicable to it. The Issuer agrees to notify the Collateral Agent promptly in writing of the occurrence of any of the events described in paragraph 5(a) of the Pledge Agreement, as supplemented by such Supplement. The Issuer further agrees that the terms of paragraph 10(c) of the Pledge Agreement, as supplemented by such Supplement, shall apply to it, mutatis mutandis, with respect to all actions that may be required of it under or pursuant to or arising out of paragraph 10 of the Pledge Agreement, as supplemented by such Supplement. The Issuer hereby also agrees that it will comply with instructions originated by the Collateral Agent without the consent of the Pledgor.

_____, 200__

[NAME OF NEW PLEDGED SUBSIDIARY]

By:_____
Title:

EXHIBIT E

FORM OF BORROWER SECURITY AGREEMENT

Exhibit E

SEVENTH AMENDED AND RESTATED CREDIT AGREEMENT

AMENDED AND RESTATED
BORROWER SECURITY AGREEMENT

AMENDED AND RESTATED BORROWER SECURITY AGREEMENT, dated as of September 26, 2003, made by GULFTERRA ENERGY PARTNERS, L.P., a Delaware limited partnership ("GTM"), and GULFTERRA ENERGY FINANCE CORPORATION, a Delaware corporation ("GTM Finance", and, together with GTM, the "Borrowers") in favor of JPMORGAN CHASE BANK, as collateral agent (in such capacity, the "Collateral Agent"), for the ratable benefit of (a) the banks and other financial institutions (the "Lenders") parties to the Amended and Restated Credit Agreement, dated as of March 23, 1995 and as amended and restated as of September 26, 2003 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement") among GTM, GTM Finance, the Lenders and JPMORGAN CHASE BANK, as administrative agent (in such capacity, the "Administrative Agent"), and (b) the Marco Polo Lenders (as defined in the Credit Agreement).

W I T N E S S E T H :

WHEREAS, GTM and the Collateral Agent are parties to that Consolidated Amended and Restated Borrower Security Agreement, dated as of October 10, 2002 (as amended, supplemented and otherwise modified prior to the date hereof, the "Existing Security Agreement");

WHEREAS, pursuant to the provisions of Section 7.10 of the Credit Agreement, the Borrowers agreed that each of them would deliver, and would cause each Person that is a party (or is required to be a party) to any Security Document, other than the Collateral Agent, to deliver, amended and restated Security Documents, together with supplemented and corrected schedules, exhibits or other documents, if any, that are necessary to accurately reflect the collateral existing as of the Restatement Closing Date that is pledged as security for the Obligations (as hereinafter defined);

NOW, THEREFORE, in consideration of the premises and to comply with the requirements of Section 7.10 of the Credit Agreement, each Borrower hereby agrees with the Collateral Agent, for the ratable benefit of the Lenders and the Marco Polo Lenders, that the Existing Security Agreement is hereby amended and restated to read in its entirety as follows:

1. DEFINED TERMS. Unless otherwise defined herein, terms which are defined in the Credit Agreement and used herein are so used as so defined; the following terms which are defined in the Uniform Commercial Code in effect in the State of New York on the date hereof are used herein as so defined: Accounts, Chattel Paper, Commercial Tort Claims, Deposit Accounts, Documents, Electronic Chattel Paper, Equipment, Farm Products, General Intangibles, Instruments, Inventory, Investment Property, Letter-of-Credit Rights, Payment Intangibles, Supporting Obligations, Promissory Notes, Proceeds; and the following terms shall have the following meanings:

"Account Debtor": a Person (other than any Borrower) obligated on an Account, Chattel Paper or General Intangible.

"Collateral": as defined in Section 2 of this Security Agreement. The obligations of the Loan Parties to provide Collateral are limited by paragraphs (c) and (d) of subsection 7.10 of the Credit Agreement.

"Commitments": the "Revolving Loan Commitments" and "Additional Term Loan Commitments" as defined in the Credit Agreement.

"Obligations": (i) the unpaid principal of and interest on (including, without limitation, interest accruing after the maturity of the Loans and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to any Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Notes and all other obligations and liabilities of the Borrowers to the Administrative Agent or the Lenders, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter incurred, which may arise under, out of, or in connection with, the Credit Agreement, the other Loan Documents or any other document made, delivered or given in connection therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including, without limitation, all fees and disbursements of counsel to the Administrative Agent or any of the Lenders) or otherwise, and (ii) all obligations, liabilities and indebtedness of GTM under and pursuant to the Marco Polo Clawback.

"Patents": (a) all letters patent of the United States and all reissues and extensions thereof, including, without limitation, any thereof referred to in Schedule I hereto, and (b) all applications for letters patent of the United States and all divisions, continuations and continuations-in-part thereof or any other country, including, without limitation, any thereof referred to in Schedule I hereto.

"Patent License": all agreements, whether written or oral, providing for the grant by any Borrower of any right to manufacture, use or sell any invention covered by a Patent, including, without limitation, any thereof referred to in Schedule I hereto.

"Security Agreement": this Amended and Restated Borrower Security Agreement, as amended, supplemented or otherwise modified from time to time.

"Trademarks": (a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, and the goodwill associated therewith, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, or otherwise, including, without limitation, any thereof referred to in Schedule II hereto, and (b) all renewals thereof.

"Trademark License": any agreement, written or oral, providing for the grant by any Borrower of any right to use any Trademark, including, without limitation, any thereof referred to in Schedule II hereto.

"UCC": the Uniform Commercial Code as from time to time in effect in the State of New York.

"Vehicles": all cars, trucks, trailers, construction and earth moving equipment and other vehicles covered by a certificate of title law of any state and, in any event, shall include, without limitation, the vehicles listed on Schedule III hereto and all tires and other appurtenances to any of the foregoing.

2. GRANT OF SECURITY INTEREST. As collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations, each of the Borrowers hereby grants to the Collateral Agent for the ratable benefit of the Lenders and the Marco Polo Lenders, a security interest in all of the following property now owned or at any time hereafter acquired by such Borrower or in which such Borrower now has or at any time in the future may acquire any right, title or interest (collectively, the "Collateral"):

(i) all Accounts;

(ii) all Chattel Paper (including, without limitation, all Electronic Chattel Paper and all Tangible Chattel Paper);

(iii) all Documents;

(iv) all Equipment;

(v) all General Intangibles (including, without limitation, all Payment Intangibles);

(vi) all Instruments;

(vii) all Inventory;

(viii) all Investment Property (but excluding any such Investment Property that is subject to the security interests granted by GTM in the Borrower Pledge Agreement);

(ix) all Patents;

(x) all Patent Licenses;

(xi) all Trademarks;

(xii) all Trademark Licenses;

(xiii) all Vehicles;

(xiv) all Deposit Accounts other than payroll, withholding tax and other fiduciary Deposit Accounts;

(xv) all Letter-of-Credit Rights;

(xvi) all Commercial Tort Claims;

(xvii) all Supporting Obligations;

(xviii) with respect only to any Borrower that is a "transmitting utility" (as defined in the Uniform Commercial Code of the State of Texas (the "Texas UCC")), any fixtures (as defined in the Texas UCC) physically located in the State of Texas to the extent (but only to the extent) that the filing in the Office of the Secretary of State of the State of Texas a financing statement substantially in the form of Exhibit A hereto would, under the Texas UCC, result in the perfection of a security interest in such fixtures;

(xix) with respect only to any Borrower that is a "transmitting utility" (as defined in the Uniform Commercial Code of the State of New Mexico (the "New Mexico UCC")), any fixtures (as defined in the New Mexico UCC) physically located in the State of New Mexico to the extent (but only to the extent) that the filing in the Office of the New Mexico Secretary of State of a financing statement substantially in the form of Exhibit A hereto would, under the New Mexico UCC, result in the perfection of a security interest in such fixtures; and

(xx) to the extent not otherwise included, all Proceeds and products of any and all of the foregoing;

except, in each case of clauses (i) - (xx) above, to the extent that (I) any consent of any affiliate of any Borrower (other than a Subsidiary thereof) is required for the grant of such security interest and such consent has not been obtained after such Borrower has made a reasonable effort to seek such consent and (II) any consent of any non-affiliated third party (other than a Governmental Authority) is required for the grant of such security interest and such consent has not been obtained (provided that such Borrower is under no duty to seek such third-party consents); provided that (x) upon the receipt of any such consent referred to in clauses (I) and (II) above, the security interest granted herein shall automatically attach on such property and (y) notwithstanding the foregoing, Accounts, Chattel Paper, Payment Intangibles and Promissory Notes constitute Collateral in which each Borrower is granting a security interest, as permitted by Sections 9-406 and 9-408 of the Uniform Commercial Code in effect in the State of New York on the date hereof.

3. RIGHTS OF COLLATERAL AGENT AND LENDERS; LIMITATIONS ON COLLATERAL AGENT'S AND LENDERS' OBLIGATIONS.

(a) BORROWERS REMAIN LIABLE UNDER ACCOUNTS. Anything herein to the contrary notwithstanding, each Borrower shall remain liable under each of its Accounts, Chattel Paper and Payment Intangibles to observe and perform all the conditions and

obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise to each such Account, Chattel Paper or Payment Intangible. Neither the Collateral Agent nor any of the Lenders shall have any obligation or liability under any Account, Chattel Paper or Payment Intangible (or any agreement giving rise thereto) by reason of or arising out of this Security Agreement or the receipt by the Collateral Agent or any of the Lenders of any payment relating to such Account, Chattel Paper or Payment Intangible, nor shall the Collateral Agent or any of the Lenders be obligated in any manner to perform any of the obligations of any Borrower under or pursuant to any Account, Chattel Paper or Payment Intangible (or any agreement giving rise thereto), to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party under any Account, Chattel Paper or Payment Intangible (or any agreement giving rise thereto), to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

(b) NOTICE TO ACCOUNT DEBTORS AND CONTRACTING PARTIES. Upon the request of the Collateral Agent at any time after the occurrence and during the continuance of an Event of Default, GTM shall notify the Account Debtors that the applicable Accounts, Chattel Paper and Payment Intangibles have been assigned to the Collateral Agent for the ratable benefit of the Lenders and the Marco Polo Lenders and that payments in respect thereof shall be made directly to the Collateral Agent. The Collateral Agent may in its own name or in the name of others communicate with the Account Debtors to verify with them to its satisfaction the existence, amount and terms of any Accounts, Chattel Paper or Payment Intangibles.

(c) ANALYSIS OF ACCOUNTS, ETC. The Collateral Agent shall have the right to make test verifications of the Accounts, Chattel Paper and Payment Intangibles in any manner and through any medium that it reasonably considers advisable, and each Borrower shall furnish all such assistance and information as the Collateral Agent may require in connection therewith. At any time and from time to time, upon the Collateral Agent's request and at the expense of each Borrower, such Borrower shall furnish to the Collateral Agent reports showing reconciliations, aging and test verifications of, and trial balances for, the Accounts, Chattel Paper and Payment Intangibles.

(d) COLLECTIONS ON ACCOUNT, ETC. The Collateral Agent hereby authorizes each Borrower to collect the Accounts, Chattel Paper and Payment Intangibles subject to the Collateral Agent's direction and control, and the Collateral Agent may curtail or terminate said authority at any time after the occurrence and during the continuance of an Event of Default. If required by the Collateral Agent at any time after the occurrence and during the continuance of an Event of Default, any payments of Accounts, Chattel Paper and Payment Intangibles, when collected by any Borrower, shall be forthwith (and, in any event, within two Business Days) deposited by such Borrower in the exact form received, duly indorsed by such Borrower to the Collateral Agent if required, in a special collateral account maintained by the Collateral Agent, subject to withdrawal by the Collateral Agent for the ratable benefit of the Lenders and the Marco Polo Lenders, as hereinafter provided, and, until so turned over, shall be held by such Borrower in trust for the

Collateral Agent for the ratable benefit of the Lenders and the Marco Polo Lenders, segregated from other funds of such Borrower. Each deposit of any such Proceeds shall be accompanied by a report identifying in reasonable detail the nature and source of the payments included in the deposit. All Proceeds constituting collections of Accounts while held by the Collateral Agent (or by any Borrower in trust for the Collateral Agent for the ratable benefit of the Lenders and the Marco Polo Lenders) shall continue to be collateral security for all of the Obligations and shall not constitute payment thereof until applied as hereinafter provided. At such intervals as may be agreed upon by each Borrower and the Collateral Agent, or, if an Event of Default shall have occurred and be continuing, at any time at the Collateral Agent's election, the Collateral Agent shall apply all or any part of the funds on deposit in said special collateral account on account of the Obligations in such order as the Collateral Agent may elect, and any part of such funds which the Collateral Agent elects not so to apply and deems not required as collateral security for the Obligations shall be paid over from time to time by the Collateral Agent to each Borrower or to whomsoever may be lawfully entitled to receive the same. At the Collateral Agent's request, each Borrower shall deliver to the Collateral Agent all original and other documents evidencing, and relating to, the agreements and transactions which gave rise to the Accounts, including, without limitation, all original orders, invoices and shipping receipts.

4. REPRESENTATIONS AND WARRANTIES. Each Borrower hereby represents and warrants that:

(a) TITLE; NO OTHER LIENS. Except for the Lien granted to the Collateral Agent for the ratable benefit of the Lenders and the Marco Polo Lenders pursuant to this Security Agreement and the other Liens permitted to exist on the Collateral pursuant to the Credit Agreement, the Borrowers own each item of the Collateral free and clear of any and all Liens or claims of others. No security agreement, financing statement or other public notice with respect to all or any part of the Collateral is on file or of record in any public office, except such as may have been filed in favor of the Collateral Agent, for the ratable benefit of the Lenders and the Marco Polo Lenders, pursuant to this Security Agreement or as may be permitted pursuant to the Credit Agreement.

(b) PERFECTED FIRST PRIORITY LIENS. The Liens granted pursuant to this Security Agreement constitute perfected Liens on the Collateral in favor of the Collateral Agent, for the ratable benefit of the Lenders and the Marco Polo Lenders, which are (except for any Liens on the Collateral which are permitted to exist pursuant to the Credit Agreement) prior to all other Liens on the Collateral created by each Borrower and in existence on the date hereof and which are enforceable as such against all creditors of and purchasers from each Borrower and against any owner or purchaser of the real property where any of the Equipment is located and any present or future creditor obtaining a Lien on such real property. All actions necessary or desirable to perfect such security interest in each item of Collateral requested by the Collateral Agent have been or will be duly taken.

(c) ACCOUNTS. The amount represented by each Borrower to the Lenders from time to time as owing by each Account Debtor or by all Account Debtors in respect of the

Accounts, Chattel Paper and Payment Intangibles will at such time be, to such Borrower's best knowledge, the correct amount actually owing by such Account Debtor or Account Debtors thereunder. No amount payable to any Borrower under or in connection with any Account is evidenced by any Instrument or Chattel Paper which has not been delivered to the Collateral Agent. The place where each of the Borrowers keeps its records concerning the Accounts, Chattel Paper and Payment Intangibles is Four Greenway Plaza, Houston, Texas 77046.

(d) BORROWERS' NAMES, ETC. On the Restatement Closing Date, (i) the name of GTM as indicated on the public record of GTM's jurisdiction of organization, which shows GTM to have been organized, is "GulfTerra Energy Partners, L.P."; (ii) the name of GTM Finance as indicated on the public record of the GTM Finance's jurisdiction of organization, which shows GTM Finance to have been organized, is "GulfTerra Energy Finance Corporation"; (iii) the mailing address of each of the Borrowers is Four Greenway Plaza, Houston, Texas 77046; (iv) GTM is a Delaware limited partnership, and GTM's organizational identification number in the State of Delaware is 2317845; (v) GTM Finance is a Delaware corporation, and GTM Finance's organizational identification number in the State of Delaware is 3036960; (vi) GTM was formerly known as "El Paso Energy Partners, L.P." and as "Leviathan Gas Pipeline Partners, L.P."; (vii) GTM Finance was formerly known as "El Paso Energy Partners Finance Corporation" and as "Leviathan Finance Corporation"; and (viii) other than the names listed in (vi) and (vii), neither GTM nor GTM Finance has used any other name or trade name since September 15, 1998.

(e) FARM PRODUCTS. As of the Restatement Closing Date, none of the material Collateral constitutes, or is the Proceeds of, Farm Products.

(f) PATENTS AND TRADEMARKS. Schedule I hereto includes all Patents and Patent Licenses owned by each Borrower in its own name as of the date hereof that are material to the Loan Parties taken as a whole. Schedule II hereto includes all Trademarks and Trademark Licenses owned by each Borrower in its own name as of the date hereof that are material to the Loan Parties taken as a whole.

(g) VEHICLES. As of the Restatement Closing Date, Schedule III is a complete and correct list of all Vehicles owned by each Borrower that are material to the Loan Parties taken as a whole.

(h) GOVERNMENTAL OBLIGORS. None of the obligors on any Borrower's material Accounts, Chattel Paper or Payment Intangibles, and none of the parties to any Borrower's material contracts, is a Governmental Authority.

(i) NO CHAPTER 35 FILINGS. No Borrower has filed a security instrument with the Secretary of State of the State of Texas electing to be covered by, or is otherwise subject to the requirements and benefits of, Subchapter A of Chapter 35 of the Texas Business and Commerce Code.

5. COVENANTS. Each Borrower covenants and agrees with the Collateral Agent and the Lenders that, from and after the date of this Security Agreement until the Obligations are paid in full and the Commitments are terminated:

(a) FURTHER DOCUMENTATION; PLEDGE OF INSTRUMENTS AND CHATTEL PAPER. At any time and from time to time, upon the written request of the Collateral Agent, and at the sole expense of each Borrower, such Borrower will promptly and duly execute and deliver such further instruments and documents and take such further action as the Collateral Agent may reasonably request for the purpose of obtaining or preserving the full benefits of this Security Agreement and of the rights and powers herein granted, including, without limitation, the filing of any financing or continuation statements under the Uniform Commercial Code in effect in any jurisdiction with respect to the Liens created hereby. Each Borrower hereby authorizes the Collateral Agent, its counsel or its representative, at any time and from time to time, to file financing statements and amendments to financing statements that describe the collateral covered by such financing statements as "all assets of the Borrower", "all personal property of the Borrower", or words of similar effect, in such jurisdictions as the Collateral Agent may deem necessary or desirable in order to perfect or maintain the perfection of the security interests granted by such Borrower under this Security Agreement. Each Borrower hereby further authorizes the Collateral Agent, its counsel or its representative, at any time and from time to time, to file continuation statements with respect to previously filed financing statements. A photographic or other reproduction of this Security Agreement shall be sufficient as a financing statement for filing in any jurisdiction. If any amount payable under or in connection with any of the Collateral shall be or become evidenced by any Instrument or Chattel Paper, such Instrument or Chattel Paper shall be immediately delivered to the Collateral Agent, duly endorsed in a manner satisfactory to the Collateral Agent, to be held as Collateral pursuant to this Security Agreement. Upon the request of the Collateral Agent or any of the Lenders, each Borrower shall take or cause to be taken all actions (other than any actions required to be taken by the Collateral Agent or any of the Lenders) necessary to cause the Collateral Agent to have "control" (within the meaning of Sections 9-104, 9-105, 9-106, and 9-107 of the UCC) over any Collateral constituting Deposit Accounts, Electronic Chattel Paper, Investment Property or Letter-of-Credit Rights, and each Borrower shall promptly notify the Collateral Agent and the Lenders of such Borrower's acquisition of any such Collateral. With respect to any goods constituting Collateral that are in the possession of a "bailee" (within the meaning of Section 9-312 of the UCC), such Borrower shall take or cause to be taken all actions (other than any actions required to be taken by the Collateral Agent or any of the Lenders) necessary to cause the Collateral Agent to have a perfected security interest in such Collateral pursuant to the provisions of Section 9-312 of the UCC, and such Borrower shall provide prompt notice to the Collateral Agent and the Lenders of any such Collateral then in the possession of such a "bailee".

(b) INDEMNIFICATION. Each Borrower agrees to pay and to save the Collateral Agent and the Lenders harmless from any and all liabilities and reasonable costs and expenses (including, without limitation, legal fees and expenses), (i) with respect to, or resulting from, any delay in paying, any and all excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral, (ii) with respect

to, or resulting from, any delay in complying with any Requirement of Law applicable to any of the Collateral or (iii) in connection with any of the transactions contemplated by this Security Agreement. In any suit, proceeding or action brought by the Collateral Agent or any of the Lenders under any Account, Chattel Paper or Payment Intangibles, for any sum owing thereunder, or to enforce any provisions of any Account, Chattel Paper or Payment Intangible, each Borrower will save, indemnify and keep the Collateral Agent and such Lenders harmless from and against all reasonable expense, loss or damage suffered by reason of any defense, setoff, counterclaim, recoupment or reduction or liability whatsoever of the Account Debtor or obligor thereunder, arising out of a breach by any Borrower of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such Account Debtor or obligor or its successors from such Borrower.

(c) MAINTENANCE OF RECORDS. The Borrowers will keep and maintain at their own cost and expense satisfactory and complete records of the Collateral, including, without limitation, a record of all payments received and all credits granted with respect to the Accounts. For the Collateral Agent's and the Lenders' further security, the Collateral Agent, for the RATABLE benefit of the Lenders and the Marco Polo Lenders, shall have a security interest in all of the books and records of the Borrowers pertaining to the Collateral, and the Borrowers shall turn over any such books and records to the Collateral Agent or to its representatives during normal business hours at the request of the Collateral Agent.

(d) RIGHT OF INSPECTION. The Collateral Agent and the Lenders shall at all times have full and free access during normal business hours to all the books, correspondence and records of each Borrower, and the Collateral Agent and the Lenders and their respective representatives may examine the same, take extracts therefrom and make photocopies thereof, and each Borrower agrees to render to the Collateral Agent and the Lenders, at such Borrower's cost and expense, such clerical and other assistance as may be reasonably requested with regard thereto. The Collateral Agent and the Lenders and their respective representatives shall at all times also have the right to enter into and upon any premises where any of the Inventory or Equipment is located for the purpose of inspecting the same, observing its use or otherwise protecting its interests therein.

(e) LIMITATION ON LIENS ON COLLATERAL. Each Borrower will not create, incur or permit to exist, will defend the Collateral against, and will take such other action as is necessary to remove, any Lien or claim on or to the Collateral, other than the Liens created hereby and other than as permitted pursuant to the Credit Agreement, and will defend the right, title and interest of the Collateral Agent and the Lenders in and to any of the Collateral against the claims and demands of all Persons whomsoever.

(f) LIMITATIONS ON MODIFICATIONS, WAIVERS, EXTENSIONS OF THE AGREEMENTS GIVING RISE TO ACCOUNTS. Except to the extent the same would not reasonably be expected to have a Material Adverse Effect, each Borrower will not (i) except in accordance with the ordinary business practices of the Borrowers, amend, modify, terminate or waive any provision of any Chattel Paper or any agreement giving rise to an

Account or Payment Intangible in any manner which could reasonably be expected to materially adversely affect the value of any Chattel Paper, Payment Intangible or Account as Collateral or (ii) fail to exercise promptly and diligently each and every material right which it may have under any Chattel Paper and each agreement giving rise to an Account or Payment Intangible (other than any right of termination).

(g) MAINTENANCE OF EQUIPMENT. Each Borrower will maintain each item of Equipment material to the conduct of its business in good operating condition, ordinary wear and tear and immaterial impairments of value and damage by the elements excepted.

(h) FURTHER IDENTIFICATION OF COLLATERAL. Each Borrower will furnish to the Collateral Agent and the Lenders from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Collateral Agent may reasonably request, all in reasonable detail.

(i) NOTICES. Each Borrower will advise the Collateral Agent and the Lenders promptly, in reasonable detail, at their respective addresses set forth in the Credit Agreement, (i) of any Lien (other than Liens created hereby or permitted under the Credit Agreement) on, or claim asserted against, any of the Collateral and (ii) of the occurrence of any other event which could reasonably be expected to have a material adverse effect on the aggregate value of the collateral subject to a Lien created pursuant to the Loan Documents or on such Liens created thereby, taken as a whole.

(j) CHANGES IN LOCATIONS, NAME, ETC. Each Borrower recognizes that financing statements pertaining to the Collateral have been or may be filed where such Borrower maintains any Collateral or is organized. Without limitation of any other covenant herein, no Borrower will cause or permit (i) any change to be made in its name, identity or corporate structure or (ii) any change to (A) the identity of any warehouseman, common carrier, other third-party transporter, bailee or any agent or processor in possession or control of any Collateral or (B) such Borrower's jurisdiction of organization, unless such Borrower shall have first (1) notified the Collateral Agent and the Lenders of such change at least thirty (30) days prior to the effective date of such change, and (2) taken all action reasonably requested by the Collateral Agent or any of the Lenders for the purpose of maintaining the perfection and priority of the Collateral Agent's security interests under this Security Agreement. In any notice furnished pursuant to this subsection, each Borrower will expressly state that the notice is required by this Security Agreement and contains facts that may require additional filings of financing statements or other notices for the purposes of continuing perfection of the Collateral Agent's security interest in the Collateral.

(k) PATENTS AND TRADEMARKS. Upon request of the Collateral Agent, each Borrower shall execute and deliver any and all agreements, instruments, documents, and papers as the Collateral Agent may request to evidence the Collateral Agent's and the Lender's security interest in any Patent or Trademark and the goodwill and general intangibles of such Borrower relating thereto or represented thereby, and each Borrower hereby constitutes the Collateral Agent its attorney in fact to execute and file all such

writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power being coupled with an interest is irrevocable until the Obligations are paid in full and the Commitments are terminated.

(l) COMMERCIAL TORT CLAIMS. If any Borrower shall at any time hold or acquire a Commercial Tort Claim that satisfies the requirements of the following sentence, then such Borrower shall, within thirty (30) days after such Commercial Tort Claim satisfies such requirements, notify the Collateral Agent and the Lenders in a writing signed by such Borrower containing a brief description thereof, and granting to the Collateral Agent in such writing (for the benefit of the Lenders and the Marco Polo Lenders) a security interest therein and in the Proceeds thereof, all upon the terms of this Security Agreement, with such writing to be in form and substance satisfactory to the Collateral Agent and the Lenders. The provisions of the preceding sentence shall apply only to a Commercial Tort Claim that satisfies the following requirements: (i) the monetary value claimed by or payable to the applicable Borrower in connection with such Commercial Tort Claim shall exceed $20,000,000, and either (ii) (A) such Borrower shall have filed a law suit or counterclaim or otherwise commenced legal proceedings (including, without limitation, arbitration proceedings) against the Person against whom such Commercial Tort Claim is made, or (B) such Borrower and the Person against whom such Commercial Tort Claim is asserted shall have entered into a settlement agreement with respect to such Commercial Tort Claim. In addition, to the extent that the existence of any Commercial Tort Claim held or acquired by any Borrower is disclosed by such Borrower in any public filing with the Securities Exchange Commission or any successor thereto or analogous Governmental Authority, or to the extent that the existence of any such Commercial Tort Claim is disclosed in any press release issued by any Borrower, then, upon the request of the Collateral Agent, such Borrower shall, within thirty (30) days after such request is made, transmit to the Collateral Agent and the Lenders a writing signed by such Borrower containing a brief description of such Commercial Tort Claim and granting to the Collateral Agent in such writing (for the benefit of the Lenders and the Marco Polo Lenders) a security interest therein and in the Proceeds thereof, all upon the terms of this Security Agreement, with such writing to be in form and substance satisfactory to the Collateral Agent and the Lenders.

6. COLLATERAL AGENT'S APPOINTMENT AS ATTORNEY-IN-FACT.

(a) POWERS. Each of the Borrowers hereby irrevocably constitutes and appoints the Collateral Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Borrower and in the name of such Borrower or in its own name, from time to time in the Collateral Agent's discretion, for the purpose of carrying out the terms of this Security Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Security Agreement, and, without limiting the generality of the foregoing, each of the Borrowers hereby gives the Collateral Agent the power and right, on behalf of such Borrower, without notice to or assent by such Borrower, to do the following:

(i) in the case of any Account, Chattel Paper or Payment Intangible, at any time when the authority of such Borrower to collect the Accounts, Chattel Paper or Payment Intangible has been curtailed or terminated pursuant to the first sentence of Section 3(d) hereof, or in the case of any other Collateral, at any time when any Event of Default shall have occurred and is continuing, in the name of such Borrower or its own name, or otherwise, to take possession of and indorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any Account, Instrument, General Intangible, Chattel Paper or Payment Intangible, or with respect to any other Collateral and to file any claim or to take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Collateral Agent for the purpose of collecting any and all such moneys due under any Account, Instrument or General Intangible or with respect to any other Collateral whenever payable;

(ii) to pay or discharge taxes and Liens levied or placed on or threatened against the Collateral, to effect any repairs or any insurance called for by the terms of this Security Agreement and to pay all or any part of the premiums therefor and the costs thereof; and

(iii) upon the occurrence and during the continuance of any Event of Default, (A) to direct any Person liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Collateral Agent or as the Collateral Agent shall direct; (B) to ask or demand for, collect, receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral; (C) to sign and indorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral; (D) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any thereof and to enforce any other right in respect of any Collateral; (E) to defend any suit, action or proceeding brought against such Borrower with respect to any Collateral; (F) to settle, compromise or adjust any suit, action or proceeding described in clause (E) above and, in connection therewith, to give such discharges or releases as the Collateral Agent may deem appropriate; (G) to assign any Patent or Trademark (along with the goodwill of the business to which any such Trademark pertains), throughout the world for such term or terms, on such conditions, and in such manner, as the Collateral Agent shall in its sole discretion determine; and (H) generally, to sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Collateral Agent were the absolute owner thereof for all purposes, and to do, at the Collateral Agent's option and such Borrower's expense, at any time, or from time to time, all acts and things which the Collateral Agent deems necessary to protect, preserve or realize upon the Collateral and the Collateral Agent's and the Lenders' Liens thereon and to effect the intent of this Security Agreement, all as fully and effectively as such Borrower might do.

Each of the Borrowers hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable.

(b) OTHER POWERS. Each of the Borrowers also authorizes the Collateral Agent and the Lenders, at any time and from time to time, to execute, in connection with the sale provided for in Section 9 hereof, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral.

(c) NO DUTY ON COLLATERAL AGENT OR LENDERS' PART. The powers conferred on the Collateral Agent and the Lenders hereunder are solely to protect the Collateral Agent's and the Lenders' interests in the Collateral and shall not impose any duty upon the Collateral Agent or any of the Lenders to exercise any such powers. The Collateral Agent and the Lenders shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to any Borrower for any act or failure to act hereunder, except for their own gross negligence or willful misconduct.

7. PERFORMANCE BY COLLATERAL AGENT OF BORROWERS' OBLIGATIONS. If any Borrower fails to perform or comply with any of its agreements contained herein and the Collateral Agent, as provided for by the terms of this Security Agreement, shall itself perform or comply, or otherwise cause performance or compliance, with such agreement, the expenses of the Collateral Agent incurred in connection with such performance or compliance, together with interest thereon at a rate per annum 3-1/2% above the Alternate Base Rate, shall be payable by such Borrower to the Collateral Agent on demand and shall constitute Obligations secured hereby.

8. PROCEEDS. In addition to the rights of the Collateral Agent and the Lenders specified in Section 3(d) with respect to payments of Accounts, it is agreed that if an Event of Default shall occur and be continuing (a) all Proceeds received by each Borrower consisting of cash, checks and other near-cash items shall be held by such Borrower in trust for the Collateral Agent for the ratable benefit of the Lenders and the Marco Polo Lenders, segregated from other funds of such Borrower, and shall, forthwith upon receipt by such Borrower, be turned over to the Collateral Agent in the exact form received by such Borrower (duly indorsed by such Borrower to the Collateral Agent, if required), and (b) any and all such Proceeds received by the Collateral Agent (whether from a Borrower or otherwise) may, in the sole discretion of the Collateral Agent, be held by the Collateral Agent for the ratable benefit of the Lenders and the Marco Polo Lenders as collateral security for, and/or then or at any time thereafter may be applied by the Collateral Agent against, the Obligations (whether matured or unmatured), such application to be in such order as the Collateral Agent shall elect. Any balance of such Proceeds remaining after the Obligations shall have been paid in full and the Commitments shall have been terminated shall be paid over to such Borrower or to whomsoever may be lawfully entitled to receive the same.

9. REMEDIES. If an Event of Default shall occur and be continuing, the Collateral Agent, on behalf of the Lenders and the Marco Polo Lenders, may exercise, in addition to all other rights and remedies granted to them in this Security Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a

secured party under the UCC. Without limiting the generality of the foregoing, the Collateral Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon any Borrower or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Collateral Agent or any of the Lenders or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. The Collateral Agent or any of the Lenders shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in any Borrower, which right or equity is hereby waived or released. Each Borrower further agrees, at the Collateral Agent's request, to assemble the Collateral and make it available to the Collateral Agent at places which the Collateral Agent shall reasonably select, whether at such Borrower's premises or elsewhere. The Collateral Agent shall apply the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale, after deducting all reasonable costs and expenses of every kind incurred therein or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Collateral Agent and the Lenders hereunder, including, without limitation, reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Obligations, in such order as the Collateral Agent may elect, and only after such application and after the payment by the Collateral Agent of any other amount required by any provision of law, including, without limitation, Section 9-615 of the UCC, need the Collateral Agent account for the surplus, if any, to such Borrower. To the extent permitted by applicable law, each Borrower waives all claims, damages and demands it may acquire against the Collateral Agent or any of the Lenders arising out of the exercise by them of any rights hereunder except to the extent any thereof arise solely from the willful misconduct of the Collateral Agent. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition. Each Borrower shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay the Obligations and the fees and disbursements of any attorneys employed by the Collateral Agent or any of the Lenders to collect such deficiency.

10. LIMITATION ON DUTIES REGARDING PRESERVATION OF COLLATERAL. The Collateral Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the UCC or otherwise, shall be to deal with it in the same manner as the Collateral Agent deals with similar property for its own account. Neither the Collateral Agent, any of the Lenders, nor any of their respective directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Borrower or otherwise.

11. POWERS COUPLED WITH AN INTEREST. All authorizations and agencies herein contained with respect to the Collateral are irrevocable and powers coupled with an interest.

12. SEVERABILITY. Any provision of this Security Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

13. PARAGRAPH HEADINGS. The paragraph headings used in this Security Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

14. NO WAIVER; CUMULATIVE REMEDIES. Neither the Collateral Agent nor any of the Lenders shall by any act (except by a written instrument pursuant to Section 15 hereof), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Collateral Agent or any of the Lenders, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Collateral Agent or any of the Lenders of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Collateral Agent or such Lenders would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any rights or remedies provided by law.

15. WAIVERS AND AMENDMENTS; SUCCESSORS AND ASSIGNS; GOVERNING LAW. None of the terms or provisions of this Security Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by each of the Borrowers and the Collateral Agent, provided that any provision of this Security Agreement may be waived by the Collateral Agent in a written letter or agreement executed by the Collateral Agent or by facsimile transmission from the Collateral Agent. This Security Agreement shall be binding upon the successors and assigns of each Borrower and shall inure to the benefit of the Collateral Agent and the Lenders and their respective successors and assigns. This Security Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York.

16. NOTICES. Notices hereunder may be given by mail or by facsimile transmission, addressed or transmitted to the Person to which it is being given at such Person's address or transmission number set forth in the Credit Agreement and shall be effective (a) in the case of mail, 3 days after deposit in the postal system, first class postage pre-paid and (b) in the case of facsimile notices, when sent. Each Borrower may change its address and transmission number by written notice to the Collateral Agent, and the Collateral Agent or any of the Lenders may change its address and transmission number by written notice to each Borrower and, in the case of any of the Lenders, to the Collateral Agent.

17. AUTHORITY OF COLLATERAL AGENT. Each Borrower acknowledges that the rights and responsibilities of the Collateral Agent under this Security Agreement with respect to any action taken by the Collateral Agent or the exercise or non-exercise by the Collateral Agent of any

option, right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Security Agreement shall, as among the Collateral Agent, the Lenders and the Marco Polo Lenders be governed by the Credit Agreement, the Marco Polo Financing Documents, and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Collateral Agent and each Borrower, the Collateral Agent shall be conclusively presumed to be acting as agent for the Lenders, and the Marco Polo Lenders with full and valid authority so to act or refrain from acting, and no Borrower shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, each of the Borrowers has caused this Security Agreement to be duly executed and delivered as of the date first above written.

GULFTERRA ENERGY PARTNERS, L.P.

By: _____
Name: Keith B. Forman
Title: Vice President and Chief Financial Officer

GULFTERRA ENERGY FINANCE CORPORATION

By: _____
Name: Keith B. Forman
Title: Vice President and Chief Financial Officer

Agreed to:

JPMORGAN CHASE BANK,
as Collateral Agent

By: _____
Name: _____
Title: _____

SCHEDULE I

Patents and Patent Licenses

None

SCHEDULE II

Trademarks and Trademark Licenses

None

SCHEDULE III

Vehicles

None

EXHIBIT F

FORM OF SUBSIDIARIES GUARANTEE

Exhibit F

SEVENTH AMENDED AND RESTATED CREDIT AGREEMENT

AMENDED AND RESTATED
SUBSIDIARIES GUARANTEE

AMENDED AND RESTATED SUBSIDIARIES GUARANTEE, dated as of September 26, 2003 (the "Subsidiaries Guarantee"), by each of the corporations, limited liability companies, partnerships and other entities, as the case may be, that are from time to time signatories hereto (the "Guarantors") in favor of the Administrative Agent (as defined below) for the ratable benefit of the Lenders and the Marco Polo Lenders (each as defined below).

W I T N E S S E T H :

WHEREAS, GulfTerra Energy Partners, L.P., a Delaware limited partnership, as borrower ("GTM"), and GulfTerra Energy Finance Corporation, a Delaware corporation, as co-borrower ("GTM Finance" and, together with GTM, the "Borrowers") are parties to that certain Amended and Restated Credit Agreement, dated as of March 23, 1995 and as amended and restated as of September 26, 2003 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement") among the Borrowers, JPMORGAN CHASE BANK, as administrative agent (in such capacity, the "Administrative Agent") and the banks and other financial institutions parties thereto (the "Lenders");

WHEREAS, certain of the Guarantors and the Administrative Agent are parties to the Consolidated Amended and Restated Subsidiaries Guarantee, dated as of October 10, 2002 (as amended, supplemented and otherwise modified prior to the date hereof, the "Existing Subsidiary Guarantee");

WHEREAS, pursuant to the terms of the Credit Agreement and the other Loan Documents, the Lenders have agreed to make certain Extensions of Credit (as hereinafter defined) to or for the benefit of the Borrowers;

WHEREAS, the Borrowers are members of an affiliated group of entities that includes each Guarantor;

WHEREAS, the Borrowers and the Guarantors are engaged in related businesses, and each Guarantor will derive substantial direct and indirect benefit from the making of the Extensions of Credit; and

WHEREAS, pursuant to the provisions of Section 7.10 of the Credit Agreement, each Borrower agreed that each Guarantor would be required to guarantee all of the "Obligations" of the Borrowers under and as defined in the Credit Agreement;

NOW, THEREFORE, in consideration of the premises and to induce the Lenders to comply with the requirements of Section 7.10 of the Credit Agreement, each Guarantor hereby agrees with the Administrative Agent, for the ratable benefit of the Lenders and the Marco Polo Lenders, that the Existing Subsidiary Guarantee is hereby amended and restated to read in its entirety as follows:

1. DEFINED TERMS. As used in this Guarantee, terms defined in the Credit Agreement are used herein as therein defined, and the following terms shall have the following meanings:

"Adjusted Net Worth": of any Guarantor shall mean, as of any date of determination thereof, the excess of (i) the amount of the "present fair saleable value" of the assets of such Guarantor as of the date of such determination, over (ii) the amount of all "liabilities of such Guarantor, contingent or otherwise", as of the date of such determination, as such quoted terms are determined in accordance with applicable federal and state laws governing determinations of the insolvency of debtors.

"Commitments": the "Revolving Loan Commitments" and "Additional Term Loan Commitments" as defined in the Credit Agreement.

"Determination Date": with respect to any Guarantor, the earlier of (a) the date of commencement of a case under Title 11 of the United States Code in which such Guarantor is a debtor and (b) the date enforcement hereunder is sought with respect to such Guarantor.

"Extension of Credit": (i) all loans or advances made to the Borrowers under any Loan Document, (ii) all letters of credit issued for the account of either of the Borrowers under any Loan Document, (iii) all bankers' acceptances created for the account of either of the Borrowers under any Loan Document and (iv) all other extensions of credit to or for the benefit of either of the Borrowers under any Loan Document.

"Maximum Guaranteed Amount": for any Guarantor, as of the Determination Date for such Guarantor, the sum of (i) an amount equal to the sum of each Extension of Credit (or portion thereof) the proceeds of which are used to make a Valuable Transfer (as defined below) to such Guarantor plus interest on such amount at the rate specified in the Credit Agreement, plus (ii) the greater of (I) ninety-five percent (95%) of the Adjusted Net Worth of such Guarantor at the date of the execution of this Guarantee before giving effect to any Extensions of Credit made on such date and (II) ninety-five percent (95%) of the Adjusted Net Worth of such Guarantor at the Determination Date for such Guarantor. For purposes hereof, the proceeds of an Extension of Credit (or portion thereof) are considered to be used to make a "Valuable Transfer" to a Guarantor if such proceeds are used to (i) make a loan, advance or capital contribution to such Guarantor, (ii) acquire from such Guarantor debt securities or other obligations of such Guarantor, (iii) acquire property, any interest in which is transferred to such Guarantor (but only to the extent of the economic benefit to such Guarantor of the interest so transferred), (iv) purchase equity securities of such Guarantor or (v) otherwise confer, directly or indirectly, an economic benefit on such Guarantor (but only to the extent of such benefit).

"Obligations": (i) the unpaid principal of and interest on (including, without limitation, interest accruing after the maturity of the Loans and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to any Borrower, whether or not a claim for

post-filing or post-petition interest is allowed in such proceeding) the Notes and all other obligations and liabilities of any Borrower to the Administrative Agent or the Lenders, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter incurred, which may arise under, out of, or in connection with, the Credit Agreement, the other Loan Documents or any other document made, delivered or given in connection therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including, without limitation, all fees and disbursements of counsel to the Administrative Agent or any of the Lenders) or otherwise and (ii) all obligations, liabilities and indebtedness of GTM under and pursuant to the Marco Polo Clawback.

2. GUARANTEE. (a) Each of the Guarantors hereby, jointly and severally, unconditionally and irrevocably, guarantees to the Administrative Agent and the Lenders and their respective successors, indorsees, transferees and assigns, the prompt and complete payment by the Borrowers when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations of the Borrowers, and each Guarantor further agrees to pay any and all expenses (including, without limitation, all fees and disbursements of counsel) which may be paid or incurred by the Administrative Agent or any of the Lenders in enforcing, or obtaining advice of counsel in respect of, any rights with respect to, or collecting, any or all of the Obligations and/or enforcing any rights with respect to, or collecting against, such Guarantor under this Guarantee; provided, however, that, anything herein or in any other Loan Document to the contrary notwithstanding, the maximum liability of each Guarantor hereunder and under the other Loan Documents shall in no event exceed such Guarantor's Maximum Guaranteed Amount as determined at the Determination Date for such Guarantor; and further provided, that the Maximum Guaranteed Amount for each Guarantor hereunder shall in no event exceed the amount which can be guaranteed by such Guarantor under applicable federal and state laws relating to the insolvency of debtors.

(b) Each Guarantor agrees that the Obligations may at any time and from time to time exceed the Maximum Guaranteed Amount of such Guarantor or of all of the Guarantors without impairing this Guarantee or affecting the rights and remedies of the Administrative Agent and the Lenders hereunder.

(c) No payment or payments made by any Borrower, any of the Guarantors, any other guarantor or any other Person or received or collected by the Administrative Agent or any of the Lenders from any Borrower, any of the Guarantors, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of any Guarantor hereunder which shall, notwithstanding any such payment or payments other than payments made by such Guarantor in respect of the Obligations or payments received or collected from such Guarantor in respect of the Obligations, remain liable for the Obligations up to its Maximum Guaranteed Amount until the Obligations are paid in full and the Commitments are terminated.

(d) Each Guarantor agrees that whenever, at any time, or from time to time, it shall make any payment to the Administrative Agent or any of the Lenders on account of

its liability hereunder, it will notify the Administrative Agent in writing that such payment is made under this Guarantee for such purpose.

3. RIGHT OF CONTRIBUTION. Each Guarantor hereby agrees that to the extent that a Guarantor shall have paid more than its proportionate share of any payment made hereunder, such Guarantor shall be entitled to seek and receive contribution from and against any other Guarantor hereunder who has not paid its proportionate share of such payment. Each Guarantor's right of contribution shall be subject to the terms and conditions of Paragraph 5 hereof. The provisions of this Paragraph 3 shall in no respect limit the obligations and liabilities of any Guarantor to the Administrative Agent and the Lenders, and each Guarantor shall remain liable to the Administrative Agent and the Lenders for the full amount guaranteed by such Guarantor hereunder.

4. RIGHT OF SET-OFF. Each Guarantor hereby irrevocably authorizes the Administrative Agent and each of the Lenders at any time and from time to time without notice to such Guarantor or any other Guarantor, any such notice being expressly waived by each Guarantor, to set-off and appropriate and apply any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by the Administrative Agent or such Lender to or for the credit or the account of such Guarantor, or any part thereof in such amounts as the Administrative Agent or such Lenders may elect, against and on account of the obligations and liabilities of such Guarantor to the Administrative Agent and the Lenders hereunder and claims of every nature and description of the Administrative Agent and the Lenders against such Guarantor, in any currency, whether arising hereunder, under the Credit Agreement, the Notes, the other Loan Documents or otherwise, as such Lenders may elect, whether or not the Administrative Agent or any of the Lenders has made any demand for payment. Each of the Lenders agrees to notify such Guarantor promptly of any such set-off and the application made by such Lenders or the Administrative Agent, as the case may be, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each of the Lenders and the Administrative Agent under this paragraph are in addition to other rights and remedies (including, without limitation, other rights of set-off) which such Lenders may have.

5. NO SUBROGATION. Notwithstanding any payment or payments made by any of the Guarantors hereunder or under any other Loan Document or any set-off or application of funds of any of the Guarantors by any of the Lenders or the Administrative Agent, no Guarantor shall be entitled to be subrogated to any of the rights of the Administrative Agent or any of the Lenders against either of the Borrowers or any other Guarantor or any collateral security or guarantee or right of offset held by any of the Lenders or the Administrative Agent for the payment of the Obligations or any guarantee thereof, nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from either of the Borrowers or any other Guarantor in respect of payments made by such Guarantor hereunder or under any other Loan Document, until all amounts owing to the Administrative Agent and the Lenders by the Borrowers on account of the Obligations are paid in full and the Commitments are terminated. If any amount shall be paid to any Guarantor on account of such subrogation rights at any time when all of the Obligations shall not have been paid in full, such amount shall be held by such Guarantor in trust for the Administrative Agent and the Lenders, segregated from other funds of such Guarantor,

and shall, forthwith upon receipt by such Guarantor, be turned over to the Administrative Agent in the exact form received by such Guarantor (duly indorsed by such Guarantor to the Administrative Agent, if required), to be applied against the Obligations, whether matured or unmatured, in such order as the Administrative Agent may determine.

6. AMENDMENTS, ETC. WITH RESPECT TO THE OBLIGATIONS; WAIVER OF RIGHTS. Each Guarantor shall remain obligated hereunder and under the other Loan Documents to which it is a party notwithstanding that, without any reservation of rights against any Guarantor and without notice to or further assent by any Guarantor, any demand for payment of any of the Obligations or any guarantees thereof made by the Administrative Agent or any of the Lenders may be rescinded by such Person and any of the Obligations or any guarantees thereof continued, and the Obligations, or the liability of any other Person upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Administrative Agent or any of the Lenders and the Credit Agreement, the Notes, the other Loan Documents, any other collateral security document or other guarantee or document in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the Administrative Agent and/or any of the Lenders may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by the Administrative Agent or any of the Lenders for the payment of the Obligations may be sold, exchanged, waived, surrendered or released. Neither the Administrative Agent nor any of the Lenders shall have any obligation to protect, secure, perfect or insure any Lien at any time held as security for the Obligations or any guarantees thereof or for this Guarantee or any other Loan Document or any property subject thereto. When making any demand hereunder or under any other Loan Document against any of the Guarantors, the Administrative Agent or any of the Lenders may, but shall be under no obligation to, make a similar demand on either of the Borrowers or any other Guarantor or guarantor, and any failure by the Administrative Agent or any of the Lenders to make any such demand or to collect any payments from either of the Borrowers or any such other Guarantor or guarantor or any release of such Borrower or such other Guarantor or guarantor shall not relieve any of the Guarantors in respect of which a demand or collection is not made or any of the Guarantors not so released of their several obligations or liabilities hereunder and under the other Loan Documents, and shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of the Administrative Agent or any of the Lenders against any of the Guarantors. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

7. GUARANTEE ABSOLUTE AND UNCONDITIONAL. Each Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Obligations and notice of or proof of reliance by the Administrative Agent or any of the Lenders upon this Guarantee or acceptance of this Guarantee or any other Loan Document, the Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon this Guarantee; and all dealings between either of the Borrowers or any of the Guarantors and the Administrative Agent or any of the Lenders shall likewise be conclusively presumed to have been had or consummated in reliance upon this Guarantee and the other Loan Documents. Each Guarantor waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon either of the Borrowers or any of the Guarantors with respect to the Obligations or any guarantee thereof.

Each Guarantor understands and agrees that this Guarantee shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity, regularity or enforceability of the Credit Agreement, the Notes, any of the other Loan Documents, any of the Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Administrative Agent or any of the Lenders, (b) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by the Borrowers against the Administrative Agent or any of the Lenders, or (c) any other circumstance whatsoever (with or without notice to or knowledge of the Borrowers or such Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Borrowers for the Obligations, or of such Guarantor under this Guarantee or any other Loan Document, in bankruptcy or in any other instance. When pursuing its rights and remedies hereunder against any Guarantor, the Administrative Agent and any of the Lenders may, but shall be under no obligation to, pursue such rights and remedies as it may have against the Borrowers or any other Person or against any collateral security or guarantee for the Obligations or any right of offset with respect thereto, and any failure by the Administrative Agent or any of the Lenders to pursue such other rights or remedies or to collect any payments from the Borrowers or any such other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Borrowers or any such other Person or any such collateral security, guarantee or right of offset, shall not relieve such Guarantor of any liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Administrative Agent or any of the Lenders against such Guarantor. This Guarantee shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon each Guarantor and the successors and assigns thereof, and shall inure to the benefit of the Administrative Agent and the Lenders, and their respective successors, indorsees, transferees and assigns, until all the Obligations and the obligations of each Guarantor under this Guarantee shall have been satisfied by payment in full and the Commitments shall be terminated, notwithstanding that from time to time during the term of the Credit Agreement the Borrowers may be free from any Obligations.

8. REINSTATEMENT. This Guarantee shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Obligations is rescinded or must otherwise be restored or returned by the Administrative Agent or any of the Lenders upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of either of the Borrowers or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, either Borrower or any Guarantor or any substantial part of its property, or otherwise, all as though such payments had not been made.

9. PAYMENTS. Each Guarantor hereby guarantees that payments hereunder will be paid to the Administrative Agent without set-off or counterclaim in U.S. Dollars at the office of the Administrative Agent located at One Chase Manhattan Plaza, 8th Floor, New York, New York 10081.

10. REPRESENTATIONS AND WARRANTIES. Each Guarantor hereby represents and warrants that:

(a) such Guarantor is duly organized, validly existing and, as applicable, in good standing under the laws of the jurisdiction of its organization and has the power and authority and the legal right to own and operate its property, to lease the property it operates and to conduct the business in which it is currently engaged;

(b) such Guarantor has the power and authority and the legal right to execute and deliver, and to perform its obligations under, this Guarantee, and has taken all necessary action to authorize its execution, delivery and performance of this Guarantee;

(c) this Guarantee constitutes a legal, valid and binding obligation of such Guarantor enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally; and

(d) On the date of execution of this Guarantee and upon each Borrowing Date (i) the amount of the "present fair saleable value" of the assets of each Guarantor that is a "Significant Subsidiary" as defined in the Credit agreement (each a "Significant Guarantor") will, as of each such date, exceed the amount of all "liabilities of such Guarantor, contingent or otherwise", as of such date, as such quoted terms are determined in accordance with applicable federal and state laws governing determinations of the insolvency of debtors, (ii) the present fair saleable value of the assets of each Significant Guarantor will, as of such date, be greater than the amount that will be required to pay the liability of such Guarantor on its debts as such debts become absolute and matured, (iii) each Significant Guarantor will not have, as of such date, an unreasonably small amount of capital with which to conduct its business, and (iv) each Significant Guarantor will be able to pay its debts as they mature. For purposes of this subsection 10(d) "debt" means "liability on a claim", and "claim" means any (x) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured; or (y) right to an equitable remedy for payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured. Each of the Guarantors shall be deemed to make the representation contained in this subsection 10(d) on each Borrowing Date.

Each Guarantor agrees that the foregoing representations and warranties shall be deemed to have been made by such Guarantor on the date of each borrowing by any of the Borrowers under the Credit Agreement on and as of such date of borrowing as though made hereunder on and as of such date.

11. SEVERABILITY. Any provision of this Guarantee which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

12. PARAGRAPH HEADINGS. The paragraph headings used in this Guarantee are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

13. NO WAIVER; CUMULATIVE REMEDIES. Neither the Administrative Agent nor any of the Lenders shall by any act (except by a written instrument pursuant to paragraph 14 hereof), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Administrative Agent or any of the Lenders, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Administrative Agent or any of the Lenders of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Administrative Agent or such Lenders would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any rights or remedies provided by law.

14. INTEGRATION; WAIVERS AND AMENDMENTS; SUCCESSORS AND ASSIGNS; GOVERNING LAW. This Guarantee represents the agreement of each Guarantor with respect to the subject matter hereof and there are no promises or representations by the Administrative Agent or any of the Lenders relative to the subject matter hereof not reflected herein. None of the terms or provisions of this Guarantee may be waived, amended or supplemented or otherwise modified except by a written instrument executed by each Guarantor and the Administrative Agent, provided that any provision of this Guarantee may be waived by the Administrative Agent and the number of Lenders required by the Credit Agreement in a letter or agreement executed by the Administrative Agent or by facsimile transmission from the Administrative Agent. This Guarantee shall be binding upon the successors and assigns of each Guarantor and shall inure to the benefit of the Administrative Agent and the Lenders and their respective successors and assigns. This Guarantee shall be governed by and be construed and interpreted in accordance with the laws of the State of New York.

15. NOTICES. All notices, requests and demands to or upon the Guarantors or the Administrative Agent or any of the Lenders to be effective shall be in writing (including by telecopy) and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered by hand, or three days after deposit in the mail, postage prepaid, or, in the case of telecopy notice, when received, addressed to a party at the address provided for such party in subsection 11.2 of the Credit Agreement.

16. AUTHORITY OF ADMINISTRATIVE AGENT. Each Guarantor acknowledges that the rights and responsibilities of the Administrative Agent under this Guarantee with respect to any action taken by the Administrative Agent or the exercise or non-exercise by the Administrative Agent of any option, right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Guarantee shall, as between the Administrative Agent and the Lenders, be governed by the Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Administrative Agent and such Guarantor, the Administrative Agent shall be conclusively presumed to be acting as agent for the

Lenders with full and valid authority so to act or refrain from acting, and no Guarantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

17. CONSENT TO JURISDICTION AND SERVICE OF PROCESS. EACH GUARANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT IN RESPECT THEREOF MAY BE BROUGHT AGAINST IT IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK, AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, SUCH GUARANTOR HEREBY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE NON-EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS. EACH GUARANTOR FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO SUCH GUARANTOR AT ITS ADDRESS SET FORTH IN SCHEDULE I HERETO. NOTHING HEREIN SHALL AFFECT THE RIGHT OF THE ADMINISTRATIVE AGENT OR ANY HOLDER OF A NOTE TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST SUCH GUARANTOR IN ANY OTHER JURISDICTION.

18. WAIVERS.

(a) EACH GUARANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY ACTION DESCRIBED IN PARAGRAPH 17, OR THAT SUCH PROCEEDING WAS BROUGHT IN AN INCONVENIENT COURT, AND AGREES NOT TO PLEAD OR CLAIM THE SAME.

(b) EACH OF EACH GUARANTOR AND THE ADMINISTRATIVE AGENT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING OR COUNTERCLAIM OF ANY TYPE AS TO ANY MATTER ARISING DIRECTLY OR INDIRECTLY OUT OF OR WITH RESPECT TO THIS AGREEMENT.

19. COUNTERPARTS. This Guarantee may be executed by one or more of the parties hereto on any number of separate counterparts and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, each of the undersigned has caused this Guarantee to be duly executed and delivered by its duly authorized officer as of the day and year first above written.

CAMERON HIGHWAY PIPELINE GP, L.L.C.
CAMERON HIGHWAY PIPELINE I, L.P.
CRYSTAL HOLDING, L.L.C.
FIRST RESERVE GAS, L.L.C.
FLEXTREND DEVELOPMENT COMPANY, L.L.C.
GULFTERRA ALABAMA INTRASTATE, L.L.C
GULFTERRA FIELD SERVICES, L.L.C.
GULFTERRA GC, L.P.
GULFTERRA HOLDING I, L.L.C.
GULFTERRA HOLDING II, L.L.C.
GULFTERRA HOLDING III, L.L.C.
GULFTERRA HOLDING IV, L.P.
GULFTERRA HOLDING V, L.P.
GULFTERRA NGL STORAGE, L.L.C.
GULFTERRA INTRASTATE, L.P.
GULFTERRA OIL TRANSPORT, L.L.C.
GULFTERRA OPERATING COMPANY, L.L.C.
GULFTERRA SOUTH TEXAS, L.P.
GULFTERRA TEXAS PIPELINE, L.P.
HATTIESBURG GAS STORAGE COMPANY
BY: FIRST RESERVE GAS, L.L.C., in its capacity as 50% general partner of Hattiesburg Gas Storage Company; and
BY: HATTIESBURG INDUSTRIAL GAS SALES, L.L.C., in its capacity as 50% general partner of Hattiesburg Gas Storage Company
HATTIESBURG INDUSTRIAL GAS SALES, L.L.C.
HIGH ISLAND OFFSHORE SYSTEM, L.L.C.
BY: GULFTERRA ENERGY PARTNERS, L.P., its sole member
MANTA RAY GATHERING COMPANY, L.L.C.
PETAL GAS STORAGE, L.L.C.
POSEIDON PIPELINE COMPANY, L.L.C.

By: _____
Name: Keith B. Forman
Title: Vice President and Chief Financial Officer

Agreed to:

JPMORGAN CHASE BANK,
as Administrative Agent

By: _____
Name: _____
Title: _____

SCHEDULE I

Addresses of Guarantors

Four Greenway Plaza
Houston, Texas 77046
Attn: Chief Financial Officer
Telecopy: (832) 676-1671

EXHIBIT A

ADDENDUM TO SUBSIDIARIES GUARANTEE

ADDENDUM, dated as of _____, 200_ (this "Addendum"), to that Amended and Restated Subsidiaries Guarantee, dated as of September 26, 2003 (as amended, supplemented or otherwise modified prior to the date hereof, the "Subsidiaries Guarantee"), made by each of the Guarantors listed below in favor of the Administrative Agent for the ratable benefit of the Lenders and the Marco Polo Lenders (each as defined in the Subsidiaries Guarantee). Unless otherwise defined herein, terms defined in the Subsidiaries Guarantee are used herein as therein defined.

W I T N E S S E T H :

WHEREAS, [NAME OF NEW GUARANTOR], [a _____ limited liability company] [a _____ corporation] [a _____ partnership] (the "New Guarantor"), has become a Subsidiary of the Borrowers; and

WHEREAS, pursuant to subsection 8.17 of the Credit Agreement, the New Guarantor is required to become a party to the Subsidiaries Guarantee;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the New Guarantor hereby:

(i) agrees to all of the provisions of the Subsidiaries Guarantee, and

(ii) effective on the date hereof, becomes a party to the Subsidiaries Guarantee, as a Guarantor, with the same effect as if the New Guarantor were an original signatory thereto (with the representations and warranties contained therein being deemed to be made by the New Guarantor as of the date hereof).

IN WITNESS WHEREOF, the New Guarantor has caused this Addendum to be executed and delivered by its duly authorized officer as of the day and year first above written.

[NAME OF NEW GUARANTOR]

By:_____
Title:

Address:

Each of the undersigned Guarantors hereby ratifies and confirms its respective obligations under the Subsidiaries Guarantee, as supplemented by this Addendum:

[List Names Existing Subsidiary Guarantors]

By: _____
_____
_____

EXHIBIT G

FORM OF SUBSIDIARY PLEDGE AGREEMENT

Exhibit G

SEVENTH AMENDED AND RESTATED CREDIT AGREEMENT

AMENDED AND RESTATED
SUBSIDIARY PLEDGE AGREEMENT

AMENDED AND RESTATED SUBSIDIARY PLEDGE AGREEMENT, dated as of September 26, 2003, made by each of the corporations, limited liability companies, partnerships and other entities, as the case may be, that are from time to time signatory hereto (the "Pledgors"), in favor of JPMORGAN CHASE BANK, as collateral agent (in such capacity, the "Collateral Agent") for the ratable benefit of (a) the banks and other financial institutions (the "Lenders") parties to the Amended and Restated Credit Agreement, dated as of March 23, 1995 and as amended and restated as of September 26, 2003 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement") among GulfTerra Energy Partners, L.P., a Delaware limited partnership, as borrower ("GTM"), GulfTerra Energy Finance Corporation, a Delaware corporation, as co-borrower ("GTM Finance"), the Lenders and JPMORGAN CHASE BANK, as administrative agent (in such capacity, the "Administrative Agent"), and (b) the Marco Polo Lenders (as defined in the Credit Agreement).

W I T N E S S E T H :

WHEREAS, certain of the Pledgors and the Collateral Agent are parties to the Consolidated Amended and Restated Subsidiary Pledge Agreement, dated as of October 10, 2002 (as amended, supplemented and otherwise modified prior to the date hereof, the "Existing Subsidiary Pledge Agreement");

WHEREAS, pursuant to the provisions of Section 7.10 of the Credit Agreement, the Pledgors have entered into and delivered to the Collateral Agent, this Agreement;

WHEREAS, each Pledgor (a) owns the limited liability company interests described on Schedule I hereto in the limited liability companies described thereon (collectively referred to herein, together with any other limited liability company interest owned or required by any Pledgor after the date of this Agreement whose ownership interests are, pursuant to the provisions of the Credit Agreement, required to be pledged to the Collateral Agent hereunder, as the "LLCs") and (b) owns the partnership interests described on Schedule I hereto in the general and limited partnerships described thereon (collectively referred to herein, together with any other general or limited partnership interest owned or acquired by any Pledgor after the date of this Agreement whose partnership interests are, pursuant to the provisions of the Credit Agreement, required to be pledged to the Collateral Agent hereunder, as the "Partnerships");

WHEREAS, the Credit Agreement requires that the Capital Stock of certain Subsidiaries of GTM that are controlled indirectly, through one or more intermediaries, by GTM, be pledged to the Collateral Agent;

WHEREAS, the Pledgors own interests in certain of the Subsidiaries; and

WHEREAS, the making of this Agreement by the Pledgors are necessary or convenient to the conduct, promotion, or attainment of the business of the Pledgors;

NOW, THEREFORE, in consideration of the premises and to comply with the requirements of Section 7.10 of the Credit Agreement, the Pledgors hereby agree with the Collateral Agent, for

the ratable benefit of the Lenders and the Marco Polo Lenders, that the Existing Subsidiary Pledge Agreement is hereby amended and restated to read in its entirety as follows:

1. DEFINED TERMS. As used in this Agreement terms defined in the Credit Agreement or in the recitals hereto shall have their defined meanings when used herein and the following terms shall have the following meanings:

"Account Debtor": A Person (other than the Pledgors) obligated on an Account, Chattel Paper, General Intangible.

"Agreement": This Amended and Restated Subsidiary Pledge Agreement, as the same may from time to time be amended, supplemented or otherwise modified.

"Certificate of Formation": With respect to any LLC or any Partnership that is a limited partnership, its certificate of formation.

"Certificate of Incorporation": With respect to any Corporation, its certificate or articles of incorporation, as applicable.

"Collateral": The Interests (including, without limitation, the Pledged Certificates), the Pledged Stock and all Proceeds. The obligations of the Pledgors to provide Collateral are limited by paragraphs (c) and (d) of subsection 7.10 of the Credit Agreement.

"Corporations": Any corporate Subsidiary of GTM in which any Pledgor owns Capital Stock and such Capital Stock is required to be pledged to the Collateral Agent hereunder pursuant to the provisions of the Credit Agreement.

"Interests":

(i) All right, title and interest, now existing or hereafter acquired, of each Pledgor in the Non-Corporate Subsidiaries but not any of its obligations from time to time as a member or partner therein (unless the Collateral Agent shall become a member or partner therein as a result of its exercise of remedies pursuant to the terms hereof);

(ii) any and all moneys due and to become due to each Pledgor now or in the future by way of a distribution made to such Pledgor in its capacity as a member or partner of or the owner of any limited liability company interest, limited or general partner interest or other equity interest in any of the Non-Corporate Subsidiaries or otherwise in respect of each Pledgor's interest as a member of or partner in the Non-Corporate Subsidiaries or the owner of any limited liability company interests, limited or general partner interests or other equity interests in any of the Non-Corporate Subsidiaries;

(iii) any other property of any of the Non-Corporate Subsidiaries to which any Pledgor now or in the future may be entitled in its capacity as a member of, partner in or owner of any limited liability company interest, limited or general partner interest or other equity interest in any such Non-Corporate Subsidiary by way of distribution, return or otherwise;

(iv) any other claim which any Pledgor now has or may in future acquire in its capacity as member of, partner in or owner of any limited liability company interest, limited or general partner interest or other equity interest in any of the Non-Corporate Subsidiaries against any such Non-Corporate Subsidiary and its property;

(v) to the extent not otherwise included, (A) all Proceeds of any or all of the foregoing, and (B) all Supporting Obligations (as such term is defined in the UCC) with respect to the foregoing.

"Governing Documents": (a) With respect to any LLC, its Certificate of Formation and its LLC Agreement; (b) with respect to any Partnership that is a limited partnership, its Certificate of Formation and limited partnership agreement; (c) with respect to any Partnership that is a general partnership, its partnership agreement; (d) with respect to any Corporation, its Certificate of Incorporation and by-laws, and (e) with respect to any other Non-Corporate Subsidiary, its declaration of trust or other governing document.

"LLC Agreement": With respect to any LLC, its limited liability company agreement.

"Non-Corporate Subsidiaries": All Subsidiaries (other than the Corporations) of GTM in which any Pledgor owns of record Capital Stock and such Capital Stock is required to be pledged to the Collateral Agent hereunder pursuant to the provisions of the Credit Agreement.

"Obligations": With respect to any Pledgor, all obligations, liabilities and indebtedness of such Pledgor under and pursuant to the Subsidiaries Guarantee.

"Pledged Certificates": The certificates of limited liability company interests of the LLCs, certificates of partnership interests of the Partnerships, and certificates of equity interests of the other Non-Corporate Subsidiaries listed on Schedule I(A) hereto (if any), together with all limited liability company certificates, partnership interest certificates, stock certificates, equity interest certificates, options or rights of any nature whatsoever that may be issued or granted by any LLC to any Pledgor while this Agreement is in effect.

"Pledged Stock": The shares of capital stock listed on Schedule I(B) hereto (if any), together with all stock certificates, options or rights of any nature whatsoever that may be issued or granted by the issue of such capital stock to any Pledgor while this Agreement is in effect.

"Proceeds": All "proceeds" (as such term is defined in Section 9-102 of the Uniform Commercial Code in effect in the State of New York on the date hereof) and, in any event, shall include, without limitation, all income, gain, credit, distributions, dividends and similar items from or with respect to the Interests (including, without limitation, the Pledged Certificates) and the Pledged Stock, collections thereon or distributions with respect thereto.

"Subsidiaries": Collectively, the Corporations and the Non-Corporate Subsidiaries.

"UCC" or "Uniform Commercial Code": The Uniform Commercial Code from time to time in effect in the State of New York.

2. ASSIGNMENT AND GRANT OF SECURITY INTEREST. As collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of all the Obligations of each Pledgor, such Pledgor hereby delivers to the Collateral Agent all the Pledged Certificates and all the Pledged Stock and sells, assigns, conveys, mortgages, pledges, hypothecates and transfers to the Collateral Agent, and hereby grants to the Collateral Agent, for the ratable benefit of the Lenders and the Marco Polo Lenders, a first security interest in, to and under the Collateral of such Pledgor. The Pledgors will cause each of the Subsidiaries to execute an Acknowledgement and Consent substantially in the form of Exhibit B hereto. Interests in certain of the Non-Corporate Subsidiaries may not be evidenced by certificates. In the case of such Non-Corporate Subsidiaries, the Collateral Agent agrees that it will not give any instructions to the Non-Corporate Subsidiaries pursuant to the provisions of such Acknowledgement and Consent except upon the occurrence and during the continuance of an Event of Default.

3. TRANSFER POWERS. Concurrently with the delivery to the Collateral Agent of each Pledged Certificate and each certificate representing one or more shares of Pledged Stock to the Collateral Agent, each Pledgor shall deliver an undated transfer power covering each such certificate, duly executed in blank by such Pledgor with, if the Collateral Agent so requests, signature guaranteed.

4. REPRESENTATIONS AND WARRANTIES. Each Pledgor represents and warrants that:

(a) each Pledgor has the power and authority and the legal right to execute and deliver, to perform its obligations under, and to grant the Lien on the Collateral pursuant to, this Agreement and has taken all necessary action to authorize its execution, delivery and performance of, and grant of the Lien on the Collateral pursuant to, this Agreement;

(b) this Agreement constitutes a legal, valid and binding obligation of each Pledgor enforceable against such Pledgor in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles;

(c) the execution, delivery and performance of this Agreement will not violate any provision of any Requirement of Law or Contractual Obligation of any Pledgor and will not result in the creation or imposition of any Lien on any of the properties or revenues of any Pledgor pursuant to any Requirement of Law or Contractual Obligation of such Pledgor, except as contemplated hereby;

(d) no consent or authorization of, filing with, or other act by or in respect of, any arbitrator or Governmental Authority and no consent of any other Person (including, without limitation, any creditor of any Pledgor or any of the Subsidiaries), is required in connection with the execution, delivery, performance, validity or enforceability of this Agreement;

(e) each Pledgor is the record and beneficial owner of, and has good and legal title to, the Interests and the Pledged Stock, free of any and all Liens or options in favor of, or claims of, any other Person, except the Liens created by this Agreement or permitted under the Credit Agreement, and (i) all the Pledged Certificates have been duly and validly issued and (ii) all the shares of Pledged Stock have been duly and validly issued and are fully paid and nonassessable;

(f) upon delivery to the Collateral Agent of the Pledged Certificates and the stock certificates evidencing the Pledged Stock and upon the filing of the financing statements described on Schedule II to this Agreement, the Lien granted pursuant to this Agreement will constitute a valid, perfected first priority Lien on the Collateral (except for any Liens on the Collateral permitted to exist under the Credit Agreement), prior to all other Liens on the Collateral created by such Pledgor and in existence on the date hereof, which will be enforceable as such as against all creditors of such Pledgor and any Persons purporting to purchase any Collateral from such Pledgor, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally. All action necessary or desirable to perfect such security interest in each item of the Collateral requested by the Collateral Agent, including the filing of financing statements in the offices referred to on Schedule II to this Agreement has been or will be duly taken;

(g) as of the Restatement Closing Date: (i) the name of each Pledgor as indicated on the public record of such Pledgor's jurisdiction of organization, which shows the Pledgor to have been organized, is as set forth on Schedule III hereto; (ii) the mailing address of each Pledgor is Four Greenway Plaza, Houston, Texas 77046; (iii) with respect to each Pledgor, the type of entity of such Pledgor and the organizational identification number in the State of Delaware for such Pledgor is correctly set forth on Schedule III hereto; (iv) to the extent indicated on Schedule III hereto, the Pledgors therein identified were formerly known by the names set forth on Schedule III hereto; and (v) other than such names, no Pledgor has used any other name or trade name since September 15, 1998; and

(h) as of the Restatement Closing Date: (i) each of the LLCs is a limited liability company duly formed and validly existing under the laws of the State of Delaware, (ii) each of the Partnerships is a general or limited partnership (as the case may be) duly formed and validly existing under the laws of the State of Delaware, (iii) each of the other Non-Corporate Subsidiaries is duly formed and validly existing under the laws of its jurisdiction of formation, and (iv) each of the Corporations is duly organized and validly existing under the laws of the State of Delaware. Except as set forth on Schedule I as of the Restatement Closing Date: (i) each Pledgor is the sole owner (directly or through one or more wholly-owned Subsidiaries) of each of the relevant LLCs, Partnerships, and other Non-Corporate Subsidiaries, and the nature of each Pledgor's interest in each of the LLCs, Partnerships and other Non-Corporate Subsidiaries is as set forth on Schedule I(A) hereto; (ii) the shares of Pledged Stock constitutes each Pledgor's percentage interest of all the issued and outstanding shares of all classes of the capital stock of each Corporation, as such percentage is set forth on Schedule I(B) hereto; (iii) the list of certificates set forth on (A) Schedule I(A) constitutes

a full and complete list of all the certificates of limited liability company interests of the LLCs, the certificates of partnership interests of the Partnerships, and the certificates of equity interests of the other Non-Corporate Subsidiaries, in each case owned by each Pledgor, and (B) Schedule I(B) constitutes a full and complete list of all of the issued and outstanding shares of capital stock of any class of each corporate or other Subsidiary beneficially owned by each Pledgor (whether or not registered in the name of such Pledgor) and said Schedule I(B) correctly identifies the respective class and par value of the shares comprising such Pledged Stock and the respective number of shares (and registered owners thereof) represented by each such certificate, and correct copies of the Governing Documents of each Subsidiary have been delivered to the Collateral Agent.

5. COVENANTS. Each Pledgor covenants and agrees with the Collateral Agent that, from and after the date of this Agreement until the Obligations are paid in full:

(a) If a Pledgor shall, as a result of its ownership of the Collateral, become entitled to receive or shall receive any limited liability company interest, any stock certificate or other certificate (including, without limitation, any certificate representing a stock dividend or distribution in connection with any reclassification, increase or reduction of capital or any certificate issued in connection with any reorganization), option or rights, whether in addition to, in substitution of, as a conversion of, or in exchange for Interests or any shares of the Pledged Stock, or otherwise in respect thereof, such Pledgor shall accept the same as the Collateral Agent's agent, hold the same in trust for the Collateral Agent and deliver the same forthwith to the Collateral Agent in the exact form received, duly indorsed by such Pledgor to the Collateral Agent, if required, together with an undated stock power covering such certificate duly executed in blank and with, if the Collateral Agent so requests, signature guaranteed, to be held by the Collateral Agent hereunder as additional collateral security for the Obligations. Any sums paid upon or in respect of the Pledged Stock upon the liquidation or dissolution of any corporate or other Subsidiary, such payments shall be paid over to the Collateral Agent to be held by it hereunder as additional collateral security for the Obligations, and in case any distribution of capital shall be made on or in respect of the Collateral or any property shall be distributed upon or with respect to the Collateral pursuant to the recapitalization or reclassification of the capital of any of the Subsidiaries, or pursuant to the reorganization thereof, the property so distributed shall be delivered to the Collateral Agent to be held by it, subject to the terms hereof, as additional collateral security for the Obligations. If any sums of money or property so paid or distributed in respect of the Collateral shall be received by any Pledgor, such Pledgor shall, until such money or property is paid or delivered to the Collateral Agent, hold such money or property in trust for the Collateral Agent, segregated from other funds of such Pledgor, as additional collateral security for the Obligations.

(b) The Pledgors will defend the right, title and interest of the Collateral Agent in and to the Collateral against the claims and demands of all Persons whomsoever.

(c) At any time and from time to time, upon the written request of the Collateral Agent, and at the sole expense of the Pledgors, the Pledgors will promptly and

duly execute and deliver such further instruments and documents and take such further actions as the Collateral Agent may reasonably request for the purposes of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted, including, without limitation, the filing of any financing or continuation statements under the Uniform Commercial Code in effect in any jurisdiction with respect to the Lien granted hereby. Each Pledgor hereby authorizes the Collateral Agent, its counsel or its representative, at any time and from time to time, to file financing statements and amendments to financing statements that describe the Collateral, in such jurisdictions as the Collateral Agent may deem necessary or desirable in order to perfect or maintain the perfection of the security interests granted by each Pledgor under this Agreement. Each Pledgor hereby further authorizes the Collateral Agent, its counsel or its representative, at any time and from time to time, to file continuation statements with respect to previously filed financing statements. If any amount payable under or in connection with any of the Collateral shall be or become evidenced by any promissory note or other instrument, such note or instrument shall be immediately pledged hereunder to the Collateral Agent, duly endorsed in a manner satisfactory to the Collateral Agent.

(d) The Pledgors will advise the Collateral Agent promptly, in reasonable detail, of any Lien or claim made or asserted against any of the Collateral other than Liens created hereby and any Lien or claim permitted under the Credit Agreement.

(e) The Pledgors agree to pay, and to save the Collateral Agent harmless from, any and all liabilities with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Agreement.

(f) Promptly, but in no case later than 30 days after any Pledgor forms (or acquires Capital Stock of) a Subsidiary that is to be a Restricted Subsidiary, such Pledgor shall provide to the Collateral Agent a supplement to this Agreement in the form of Exhibit A hereto, which shall include a schedule supplementing Schedule I, Schedule II, or Schedule III, as the case may be, to pledge its ownership interests in such Restricted Subsidiary to the Collateral Agent.

(g) Each Pledgor recognizes that financing statements pertaining to the Collateral have been or may be filed where such Pledgor maintains any Collateral or is organized. Without limitation of any other covenant herein, each Pledgors will not cause or permit (i) any change to be made in its name, identity or corporate structure or (ii) any change to such Pledgor's jurisdiction of organization, unless such Pledgor shall have first (1) notified the Collateral Agent of such change at least thirty (30) days prior to the effective date of such change, and (2) taken all action reasonably requested by the Collateral Agent for the purpose of maintaining the perfection and priority of the Collateral Agent's security interests and rights under this Agreement. In any notice furnished pursuant to this subsection, such Pledgor will expressly state that the notice is required by this Agreement and contains facts that may require additional filings of financing statements or other notices for the purposes of continuing perfection of the Collateral Agent's security interest in the Collateral.

6. CASH DISTRIBUTIONS; CASH DIVIDENDS; VOTING RIGHTS. Unless an Event of Default shall have occurred and be continuing, each Pledgor shall be permitted to receive (a) all cash distributions paid in the normal course of business of the LLCs and to exercise all voting, member and manager rights with respect to the Interests, and (b) all cash dividends paid in the normal course of business of any corporate or other Subsidiary and consistent with past practice, in respect of the Pledged Stock and to exercise all voting and corporate rights with respect to the Pledged Stock; provided, however, that no vote shall be cast or right exercised or other action taken which, in the Collateral Agent's reasonable judgment, would (i) impair the Collateral in a manner that would reasonably be expected to have a Material Adverse Effect or (ii) result in a breach of any provision of the Credit Agreement, the Notes, any other Loan Document or this Agreement.

7. RIGHTS OF THE COLLATERAL AGENT.

(a) If an Event of Default shall occur and be continuing, (i) the Collateral Agent shall have the right to receive and shall receive any and all cash distributions or dividends paid in respect of the Collateral and make application thereof to the Obligations in such order as it may determine, and (ii) to the extent permitted by applicable law, all shares or certificates of or evidencing the Interests and the Pledged Stock shall be registered in the name of the Collateral Agent or its nominee, and (whether or not so registered) the Collateral Agent or its nominee may thereafter exercise (A) all voting, corporate, member, manager and other rights pertaining to the Interests or the shares of the Pledged Stock, as the case may be, and (B) any and all rights of conversion, exchange, subscription and any other rights, privileges or options pertaining to the Interests or such shares of the Pledged Stock, as the case may be, as if it were the absolute owner thereof (including, without limitation, the right to exchange at its discretion any and all of the Interests or the Pledged Stock upon the merger, consolidation, reorganization, recapitalization or other fundamental change in the structure of any of the Subsidiaries, or upon the exercise by any Pledgor or the Collateral Agent of any right, privilege or option pertaining to such shares or certificates of or evidencing the Interests or the Pledged Stock, and in connection therewith, the right to deposit and deliver any and all of the Interests or the Pledged Stock with any committee, depositary, transfer agent, registrar or other designated agency upon such terms and conditions as it may determine), all without liability except to account for property actually received by it, but the Collateral Agent shall have no duty to exercise any such right, privilege or option and shall not be responsible for any failure to do so or delay in so doing.

(b) The rights of the Collateral Agent hereunder shall not be conditioned or contingent upon the pursuit by the Collateral Agent of any right or remedy against any Subsidiary, or against any other Person which may be or become liable in respect of all or any part of the Obligations or against any other collateral security therefor, guarantee thereof or right of offset with respect thereto. The Collateral Agent shall not be liable for any failure to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so, nor shall it be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Pledgor or any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof.

8. COLLATERAL AGENT'S APPOINTMENT AS ATTORNEY-IN-FACT.

(a) Each Pledgor hereby irrevocably constitutes and appoints the Collateral Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Pledgor and in the name of such Pledgor or in its own name, from time to time in the Collateral Agent's discretion, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, hereby gives the Collateral Agent the power and right, on behalf of such Pledgor without notice to or assent by such Pledgor to do the following:

(i) upon the occurrence and continuation of an Event of Default to ask, demand, collect, receive and give acceptances and receipts for any and all moneys due and to become due with respect to the Collateral and, in the name of such Pledgor or its own name or otherwise, to take possession of, endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due with respect to the Collateral and to file any claim or to take any other action or proceeding in any court of law or equity or otherwise as deemed appropriate by the Collateral Agent for the purpose of collecting any and all such moneys due with respect to the Collateral or whenever payable;

(ii) to pay or discharge taxes, liens, security interests or other encumbrances levied or placed on or threatened against the Collateral; and

(iii) upon the occurrence and during the continuance of an Event of Default, (A) to direct any Person liable for any payment to any Pledgor with respect to the Collateral to make payment of any and all moneys due and to become due thereunder directly to the Collateral Agent or as the Collateral Agent shall direct; (B) to receive payment of and receipt for any and all moneys, claims and other amounts due and to become due at any time in respect of or arising out of any Collateral; (C) to sign and indorse any invoices, drafts against debtors, assignments, verifications and notices in connection with accounts and other documents relating to the Collateral; (D) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral and to enforce any other right in respect of any Collateral; (E) to defend any suit, action or proceeding brought against any Pledgor with respect to any Collateral; (F) to settle, compromise or adjust any suit, action or proceeding described above and, in connection therewith, to give such discharges or releases as the Collateral Agent may deem appropriate; and (G) generally, to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Collateral Agent were the absolute owner thereof for all purposes, and to do, at the Collateral Agent's option and at such Pledgor's expense, at any time, or from time to time, all acts and things which the Collateral Agent deems necessary to protect, preserve or realize upon the Collateral and the Collateral Agent's security interest therein, in

order to effect the intent of this Agreement, all as fully and effectively as the Pledgors might do.

Each Pledgor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof.

(b) The powers conferred on the Collateral Agent hereunder are solely to protect its interests in the Collateral and shall not impose any duty upon it to exercise any such powers. The Collateral Agent shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its officers, directors, employees or agents shall be responsible to any Pledgor, any Subsidiary or to any other member or partner of or owner of any limited or general partner interest, limited liability company interest or other equity interest in any Non-Corporate Subsidiary for any act or failure to act.

(c) Each Pledgor also authorizes the Collateral Agent, at any time and from time to time, to execute, in connection with the sale provided for in Section 9 of this Agreement, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral.

9. REMEDIES. If an Event of Default shall occur and be continuing, the Collateral Agent may exercise, in addition to all other rights and remedies granted in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the UCC. Without limiting the generality of the foregoing and to the extent permitted by applicable law, the Collateral Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon any Pledgor, any of the Subsidiaries or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, assign, give option or options to purchase or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, in the over the counter market, at any exchange, broker's board or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. The Collateral Agent shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in any Pledgor, which right or equity is hereby waived or released. The Collateral Agent shall apply any Proceeds from time to time held by it and the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale, after deducting all reasonable costs and expenses of every kind incurred therein or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Collateral Agent hereunder, including, without limitation, reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Obligations, in such order as the Collateral Agent may elect, and only after such application and after the payment by the Collateral Agent of any other amount required by any provision of law, including, without limitation, Section 9-615 of the UCC, need the Collateral Agent account for the surplus, if any, to any Pledgor. To the extent

permitted by applicable law, each Pledgor waives all claims, damages and demands it may acquire against the Collateral Agent arising out of the exercise by the Collateral Agent of any of its rights hereunder except to the extent any thereof arise solely from the willful misconduct of the Collateral Agent. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition. The Pledgors shall remain liable for any deficiency if the proceeds of any sale or other disposition of Collateral are insufficient to pay the Obligations and the fees and disbursements of any attorneys employed by the Collateral Agent or any of the Lenders to collect such deficiency.

10. REGISTRATION RIGHTS; PRIVATE SALES.

(a) If the Collateral Agent shall determine to exercise its right to sell any or all of the Interests or the Pledged Stock, as the case may be, pursuant to paragraph 9 hereof, and if in the opinion of the Collateral Agent it is necessary or advisable to have the Interests or the Pledged Stock, as the case may be, or that portion thereof to be sold, registered under the provisions of the Securities Act of 1933, as amended (the "SECURITIES ACT"), each Pledgor will cause the relevant Subsidiaries to (i) execute and deliver, and cause the managers, directors or officers of the relevant Subsidiaries to execute and deliver, all such instruments and documents, and do or cause to be done all such other acts as may be, in the opinion of the Collateral Agent, necessary or advisable to register the Interests or the Pledged Stock, as the case may be, or that portion thereof to be sold, under the provisions of the Securities Act, (ii) use its best efforts to cause the registration statement relating thereto to become effective and to remain effective for a period of one year from the date of the first public offering of the Interests, or that portion thereof to be sold, and (iii) make all amendments thereto and/or to the related prospectus which, in the opinion of the Collateral Agent, are necessary or advisable, all in conformity with the requirements of the Securities Act and the rules and regulations of the Securities and Exchange Commission applicable thereto. Each Pledgor agrees to cause the relevant Subsidiaries to comply with the provisions of the securities or "Blue Sky" laws of any and all jurisdictions which the Collateral Agent shall designate and to make available to its security holders, as soon as practicable, an earnings statement (which need not be audited) which will satisfy the provisions of Section 11(a) of the Securities Act.

(b) Each Pledgor recognizes that the Collateral Agent may be unable to effect a public sale of any or all the Interests, by reason of certain prohibitions contained in the Securities Act and applicable state securities laws or otherwise, and may be compelled to resort to one or more private sales thereof to a restricted group of purchasers which will be obliged to agree, among other things, to acquire such securities for their own account for investment and not with a view to the distribution or resale thereof. Each Pledgor acknowledges and agrees that any such private sale may result in prices and other terms less favorable to the Collateral Agent than if such sale were a public sale and agrees that such circumstances shall not, in and of themselves, result in a determination that such sale was not made in a commercially reasonable manner. The Collateral Agent shall be under no obligation to delay a sale of any of the Interests or the Pledged Stock, as the case may be, for the period of time necessary to permit any of the relevant Subsidiaries to

register such securities for public sale under the Securities Act, or under applicable state securities laws, even if such Subsidiaries would agree to do so.

(c) Each Pledgor further agrees to use its best efforts to do or cause to be done all such other acts as may be necessary to make any sale or sales of all or any portion of the Interests or the Pledged Stock pursuant to this Section valid and binding and in compliance with any and all other applicable Requirements of Law. Each Pledgor further agrees that a continuing breach of any of the covenants contained in this Section will cause irreparable injury to the Collateral Agent and the Lenders, that the Collateral Agent and the Lenders have no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section shall be specifically enforceable against any Pledgor, and each Pledgor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that no Event of Default has occurred.

11. LIMITATION ON DUTIES REGARDING COLLATERAL. The Collateral Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the UCC or otherwise, shall be to deal with it in the same manner as the Collateral Agent deals with similar securities and property for its own account. Neither the Collateral Agent nor any of its directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Pledgor or otherwise.

12. POWERS COUPLED WITH AN INTEREST. All authorizations and agencies herein contained with respect to the Collateral are irrevocable and powers coupled with an interest.

13. SEVERABILITY. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

14. PARAGRAPH HEADINGS. The paragraph headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

15. NO WAIVER; CUMULATIVE REMEDIES; INTEGRATION. The Collateral Agent shall not by any act (except by a written instrument pursuant to this paragraph), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Event of Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Collateral Agent, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Collateral Agent of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Collateral Agent would otherwise have on any future occasion. The rights and

remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any rights or remedies provided by law. This Agreement represents the agreement of the Pledgors and the Collateral Agent with respect to the subject matter hereof and there are no promises or representations by the Collateral Agent relative to the subject matter hereof not reflected herein.

16. WAIVERS AND AMENDMENTS; SUCCESSORS AND ASSIGNS; GOVERNING LAW. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by each of the Pledgors and the Collateral Agent, provided that any provision of this Agreement that imposes an obligation solely on a Pledgor or provides a right in favor solely of the Collateral Agent may be waived by the Collateral Agent in a letter or agreement executed by the Collateral Agent or by facsimile transmission from the Collateral Agent. This Agreement shall be binding upon the successors and assigns of the Pledgors and shall inure to the benefit of the Collateral Agent and its successors and assigns. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

17. CONSENT TO JURISDICTION AND SERVICE OF PROCESS. EACH PLEDGOR HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT IN RESPECT THEREOF MAY BE BROUGHT AGAINST IT IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK, AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH PLEDGOR HEREBY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE NON-EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS. EACH PLEDGOR FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO EACH PLEDGOR AT THE ADDRESS SET FORTH FOR GTM IN THE CREDIT AGREEMENT. NOTHING HEREIN SHALL AFFECT THE RIGHT OF THE COLLATERAL AGENT OR ANY HOLDER OF A NOTE TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST ANY PLEDGOR IN ANY OTHER JURISDICTION.

18. WAIVERS.

(a) EACH PLEDGOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY ACTION DESCRIBED IN PARAGRAPH 17, OR THAT SUCH PROCEEDING WAS BROUGHT IN AN INCONVENIENT COURT, AND AGREES NOT TO PLEAD OR CLAIM THE SAME.

(b) EACH OF THE PLEDGORS AND THE COLLATERAL AGENT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING OR COUNTERCLAIM OF ANY TYPE AS TO ANY MATTER ARISING DIRECTLY OR INDIRECTLY OUT OF OR WITH RESPECT TO THIS AGREEMENT.

19. NOTICES. All notices, requests and demands to or upon the Collateral Agent, the Pledgors or the Subsidiaries to be effective shall be in writing (including by facsimile transmission), and, unless otherwise expressly provided herein, shall be deemed to have been given or made when actually delivered or, in the case of notice by facsimile transmission, when received, addressed as set forth in the Credit Agreement, in the case of the Pledgors and the Collateral Agent, or as set forth under such party's signature below, in the case of the Subsidiaries. The Pledgors and the Subsidiaries may change their respective addresses and transmission numbers by written notice to the Collateral Agent.

20. IRREVOCABLE AUTHORIZATION AND INSTRUCTION TO SUBSIDIARIES. Each Pledgor hereby authorizes and instructs each of the Subsidiaries to comply with any instruction received by it from the Collateral Agent in writing that (a) states that an Event of Default has occurred and describes such Event of Default and (b) is otherwise in accordance with the terms of this Agreement, without any other or further instructions from any Pledgor, and the Pledgors agree that the Subsidiaries shall be fully protected in so complying.

21. RELEASE OF LIENS. Upon payment and satisfaction in full of the Obligations, the Collateral Agent agrees, upon the written request of each of the Pledgors and at the Pledgors' sole expense, to execute, record and file such instruments and perform such acts as are necessary to release the Collateral from the Lien and security interest of this Agreement or any assignment or other security document entered into pursuant hereto.

22. THE COLLATERAL AGENT NOT A MEMBER. Nothing contained in this Agreement shall be construed or interpreted (a) to transfer to the Collateral Agent any of the obligations of a member, manager, partner or other owner of any of the Subsidiaries or (b) to constitute the Collateral Agent a member, manager, partner or other owner of any of the Subsidiaries.

23. COUNTERPARTS. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed and delivered as of the date first above written.

CAMERON HIGHWAY PIPELINE GP, L.L.C.
CAMERON HIGHWAY PIPELINE I, L.P.
CRYSTAL HOLDING, L.L.C.
FIRST RESERVE GAS, L.L.C.
FLEXTREND DEVELOPMENT COMPANY, L.L.C.
GULFTERRA ALABAMA INTRASTATE, L.L.C
GULFTERRA FIELD SERVICES, L.L.C.
GULFTERRA GC, L.P.
GULFTERRA HOLDING I, L.L.C.
GULFTERRA HOLDING II, L.L.C.
GULFTERRA HOLDING III, L.L.C.
GULFTERRA HOLDING IV, L.P.
GULFTERRA HOLDING V, L.P.
GULFTERRA NGL STORAGE, L.L.C.
GULFTERRA INTRASTATE, L.P.
GULFTERRA OIL TRANSPORT, L.L.C.
GULFTERRA OPERATING COMPANY, L.L.C.
GULFTERRA SOUTH TEXAS, L.P.
GULFTERRA TEXAS PIPELINE, L.P.
HATTIESBURG GAS STORAGE COMPANY
BY: FIRST RESERVE GAS, L.L.C., in its capacity as 50% general partner of Hattiesburg Gas Storage Company; and
BY: HATTIESBURG INDUSTRIAL GAS SALES, L.L.C., in its capacity as 50% general partner of Hattiesburg Gas Storage Company
HATTIESBURG INDUSTRIAL GAS SALES, L.L.C.
HIGH ISLAND OFFSHORE SYSTEM, L.L.C.
BY: GULFTERRA ENERGY PARTNERS, L.P., its sole member
MANTA RAY GATHERING COMPANY, L.L.C.
PETAL GAS STORAGE, L.L.C.
POSEIDON PIPELINE COMPANY, L.L.C.

By: _____
Name: Keith B. Forman
Title: Vice President and Chief Financial Officer

Agreed to:

JPMORGAN CHASE BANK,
as Collateral Agent

By: _____
Name: _____
Title: _____

SCHEDULE I

(A) LIMITED LIABILITY COMPANY INTERESTS, PARTNERSHIP INTERESTS, AND INTERESTS IN OTHER NON-CORPORATE SUBSIDIARIES

Name of Issuer	Defined Term for Issuer	Type of Entity of Issuer	Certificate Number (if any)	Description of Equity Interest and Name of Pledgor owing Equity Interest
LIMITED LIABILITY COMPANIES				
First Reserve Gas, L.L.C.	"First Reserve"	Delaware limited liability company		100% of limited liability company interest directly owned Crystal Holding
GulfTerra Arizona Gas, L.L.C.	"GTM Arizona"	Delaware limited liability company		100% of limited liability company interest directly owned by GTM Field Services
GulfTerra Holding I, L.L.C.	"GTM Holding I"	Delaware limited liability company		100% of limited liability company interest directly owned by GTM GC
GulfTerra Holding II, L.L.C.	"GTM Holding II"	Delaware limited liability company		100% of limited liability company interest directly owned by GTM Holding IV
GulfTerra NGL Storage, L.L.C.	"GTM NGL"	Delaware limited liability company		100% of limited liability company interest directly owned by Crystal Holding
Hattiesburg Industrial Gas Sales, L.L.C.	"Hattiesburg Sales"	Delaware limited liability company		100% of limited liability company interest directly owned by First Reserve
Petal Gas Storage, L.L.C	"Petal"	Delaware limited liability company		100% of limited liability company interest directly owned by Crystal Holding
PARTNERSHIPS				
Cameron Highway Pipeline I, L.P.	"CHP I"	Delaware limited partnership		1% general partnership interest owned directly by CHP GP; 99% limited partnership interest owned directly by GTM
GulfTerra GC, L.P.	"GTM GC"	Delaware limited partnership		1% general partnership interest owned directly GTM Oil Transport; 99% limited partnership interest owned directly by GTM

Name of Issuer	Defined Term for Issuer	Type of Entity of Issuer	Certificate Number (if any)	Description of Equity Interest and Name of Pledgor owing Equity Interest
GulfTerra Holding IV, L.P.	"GTM Holding IV"	Delaware limited partnership		1% general partnership interest owned directly by GTM Holding I; 99% limited partnership interest owned directly by GTM GC
GulfTerra Holding V, L.P.	"GTM Holding V"	Delaware limited partnership		1% general partnership interest owned directly by GTM Holding II; 99% limited partnership interest owned directly by GTM Holding IV
GulfTerra Intrastate, L.P.	"GTM Intrastate"	Delaware limited partnership		1% general partnership interest owned directly by GTM Holding III; 99% limited partnership interest owned directly by GTM
GulfTerra South Texas, L.P.	"GTM South Texas"	Delaware limited partnership		.804% general partnership interest owned directly by GTM Oil Transport; 99.196% limited partnership interest owned directly by GTM GC
GulfTerra Texas Pipeline, L.P.	"GTM Texas Pipeline"	Delaware limited partnership		1% general partnership interest owned directly by GTM Holding III; 99% limited partnership interest owned directly by GTM
Hattiesburg Gas Storage Company	"Hattiesburg Storage"	Delaware general partnership		50% general partnership interest owned directly by First Reserve; 50% general partnership interest owned directly by Hattiesburg Sales

(B) DESCRIPTION OF PLEDGED STOCK

Issuer	Class of Stock*	Stock Certificate No.	No. of Shares
[None]	N/A	N/A	N/A

*Stock is assumed to be common stock unless otherwise indicated.

SCHEDULE II

UCC FILINGS

State	Filing Office	Document Filed
Delaware (with respect to all Pledgors)	Secretary of State	UCC-1

SCHEDULE III

INFORMATION REGARDING THE PLEDGORS

Name of each Pledgor on Public Record of Pledgor's Jurisdiction of Organization	Type of Entity	Defined Term for such Pledgor	Organizational Identification Number in Jurisdiction of Organization	Former Name (if any)
Cameron Highway Pipeline GP, L.L.C.	Delaware limited liability company	"Cameron Highway GP"	3672523	
Cameron Highway Pipeline I, L.P.	Delaware limited partnership	"Cameron Highway I"	3642223	
Crystal Holding, L.L.C.	Delaware limited liability company	"Crystal Holding"	3258369	El Paso Partners Acquisition, L.L.C.
First Reserve Gas, L.L.C.	Delaware limited liability company	"First Reserve"	2227809	First Reserve Gas Company
Flextrend Development Company, L.L.C.	Delaware limited liability company	"Flextrend"	2510310	Acquired by merger: Ewing Bank Gathering Company, L.L.C.
GulfTerra Alabama Intrastate, L.L.C.	Delaware limited liability company	"GTM Alabama"	3605929	EPN Alabama Intrastate, L.L.C.
GulfTerra Field Services, L.L.C.	Delaware limited liability company	"GTM Field Services"	2747220	Delos Offshore Company, L.L.C. and EPN Field Services, L.L.C. Acquired by merger: ANR Central Gulf Gathering Company, L.L.C., Argo, L.L.C., Argo I, L.L.C., Argo II, L.L.C., East Breaks Gathering Company, L.L.C., El Paso Energy Partners Deepwater, L.L.C., El Paso Hub Services, L.L.C., El Paso San Juan, L.L.C., VK Deepwater Gathering Company, L.L.C. and VK-Main Pass Gathering Company, L.L.C.

Name of each Pledgor on Public Record of Pledgor's Jurisdiction of Organization	Type of Entity	Defined Term for such Pledgor	Organizational Identification Number in Jurisdiction of Organization	Former Name (if any)
GulfTerra GC, L.P.	Delaware limited partnership	"GTM GC"	2324709	Green Canyon Pipe Line Company, L.L.C., Green Canyon Pipe Line Company, L.P. and EPN Gulf Coast, L.P. Acquired by merger: El Paso Intrastate-Alabama, Inc.
GulfTerra Holding I, L.L.C.	Delaware limited liability company	"GTM Holding I"	3505818	EPN GP Holding I, L.L.C.
GulfTerra Holding II, L.L.C.	Delaware limited liability company	"GTM Holding II"	3499172	EPN GP Holding, L.L.C.
GulfTerra Holding III, L.L.C.	Delaware limited liability company	"GTM Holding III"	3499171	EPN Pipeline GP Holding, L.L.C.
GulfTerra Holding IV, L.P.	Delaware limited partnership	"GTM Holding IV"	3505820	EPN Holding Company I, L.P.
GulfTerra Holding V, L.P.	Delaware limited partnership	"GTM Holding V"	3499494	EPN Holding Company, L.P. Acquired by merger: El Paso Texas Field Services, L.L.C.
GulfTerra Intrastate, L.P.	Delaware limited partnership	"GTM Intrastate"	0931567	Cornerstone Pipeline Company, El Paso Energy Intrastate Company and El Paso Energy Intrastate, L.P.
GulfTerra NGL Storage, L.L.C.	Delaware limited liability company	"GTM NGL Storage"	3151447	Crystal Properties and Trading, L.L.C. and EPN NGL Storage, L.L.C. Acquired by merger: Crystal Properties and Trading Company
GulfTerra Oil Transport, L.L.C.	Delaware limited liability company	"GTM Oil Transport"	2408384	Leviathan Oil Transport Systems, L.L.C. and El Paso Energy Partners Oil Transport, L.L.C.
GulfTerra Operating Company, L.L.C.	Delaware limited liability company	"GTM Operating Company"	3063154	Leviathan Operating Company, L.L.C. and El Paso Energy Partners Operating Company, L.L.C.

Name of each Pledgor on Public Record of Pledgor's Jurisdiction of Organization	Type of Entity	Defined Term for such Pledgor	Organizational Identification Number in Jurisdiction of Organization	Former Name (if any)
GulfTerra South Texas, L.P.	Delaware limited partnership	"GTM South Texas"	3564426	El Paso South Texas, L.P.
GulfTerra Texas Pipeline, L.P.	Delaware limited liability company	"GTM Texas Pipeline"	2120073	PG&E Texas Pipeline, L.P. and EPGT Texas Pipeline, L.P. Acquired by merger: Seahawk Transmission Company and EPGT Texas LDC, L.P.
Hattiesburg Gas Storage Company	Delaware general partnership	"Hattiesburg Storage"		
Hattiesburg Industrial Gas Sales, L.L.C.	Delaware limited partnership	"Hattiesburg Sales"	2058929	Hattiesburg Industrial Gas Sales Company
High Island Offshore System, L.L.C.	Delaware limited liability company	"High Island"	2999070	High Island Offshore System
Manta Ray Gathering Company, L.L.C.	Delaware limited liability company	"Manta Ray"	2324708	
Petal Gas Storage, L.L.C.	Delaware limited liability company	"Petal"	2310880	Petal Gas Storage Company
Poseidon Pipeline Company, L.L.C.	Delaware limited liability company	"Poseidon Holding"	2487652	

EXHIBIT A

[FORM OF SUBSIDIARY PLEDGE AGREEMENT SUPPLEMENT]

SUBSIDIARY PLEDGE AGREEMENT SUPPLEMENT, dated as of _____, 20__ (this "Supplement"), made by _____(the "Pledgor"), in favor of JPMORGAN CHASE BANK, as collateral agent (in such capacity, the "Collateral Agent") for the ratable benefit of (a) the banks and other financial institutions (the "Lenders") parties to the Seventh Amended and Restated Credit Agreement, dated as of March 23, 1995 and as amended and restated as of September 26, 2003 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement") among GulfTerra Energy Partners, L.P., a Delaware limited partnership ("GTM"), GulfTerra Energy Finance Corporation, a Delaware corporation ("GTM Finance"), the Lenders and the JPMORGAN CHASE BANK, as administrative agent (in such capacity, the "Administrative Agent") and (b) the Marco Polo Lenders (as defined in the Credit Agreement).

1. Reference is hereby made to that certain Amended and Restated Subsidiary Pledge Agreement, dated as of September 26, 2003, among the Pledgors therein identified and the Collateral Agent (as amended, supplemented or modified as of the date hereof, the "Subsidiary Pledge Agreement"). Terms defined in the Subsidiary Pledge Agreement are used herein as therein defined.

2. Pledgor has formed or acquired one or more new Subsidiaries, as follows: [insert name, jurisdiction of formation, and type of entity for each new Subsidiary] (whether one or more, the "New Issuer"). [ADD ONLY IF NEW ISSUER IS A NON-CORPORATE SUBSIDIARY WITH UNCERTIFICATED EQUITY INTERESTS: Pledgor owns a ___% [limited liability company/limited partnership/general partnership/other interest in the New Issuer, and such interest in the New Issuer is uncertificated.]

3. Pledgor hereby confirms and reaffirms the security interest in the Collateral granted to the Collateral Agent for the ratable benefit of the Lenders and the Marco Polo Lenders under the Subsidiary Pledge Agreement. As additional collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of all the Obligations(2) the Pledgor hereby (a) delivers to the Collateral Agent all the Additional Pledged Certificates (as such term is hereinafter defined) and all the Additional Pledged Stock (as such term is hereinafter defined), and (b) sells, assigns, conveys, mortgages, pledges, hypothecates and transfers to the Collateral Agent, and hereby grants to the Collateral Agent, for the ratable benefit of the Lenders and the Marco Polo Lenders, a first security interest in, to and under the Additional Collateral (as such term is hereinafter defined). As used herein, the term "Additional Pledged Certificates" means the certificates of [limited liability company/limited partnership/general partnership/other] interests of the Non-Corporate Subsidiaries (the "Additional Subsidiaries") named on Schedule I(A) hereto (to the extent such interests are certificated), which interests are listed on Schedule I(A), together with all limited liability company certificates, partnership interest certificates, stock certificates, equity interest

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(2) Conform the following description of the additional collateral as necessary, depending on what type of entity the Pledgor is acquiring.

certificates, options or rights of any nature whatsoever that may be issued or granted by any Additional Subsidiary to a Pledgor while the Subsidiary Pledge Agreement is in effect. As used herein, the term "Additional Pledged Stock" means the shares of capital stock listed on Schedule I(B) hereto, together with all stock certificates, options or rights of any nature whatsoever that may be issued or granted by the issuer of such shares of capital stock to a Pledgor while the Subsidiary Pledge Agreement is in effect. As used herein, the term "Additional Collateral" means the Additional Interests (as such term is hereinafter defined) (including, without limitation, the Additional Pledged Certificates), the Additional Pledged Stock, and all Additional Proceeds (as such term is hereinafter defined). As used herein, the term "Additional Interests" means, collectively, the following:

(i) all right, title and interest, now existing or hereafter acquired, of Pledgor in the Additional Subsidiaries, but not any of Pledgor's obligations from time to time as a member, manager or general or limited partner (unless the Collateral Agent shall become a member, manager or general or limited partner as a result of this exercise of remedies pursuant to the terms of the Subsidiary Pledge Agreement) in any Additional Subsidiary;

(ii) any and all monies due and to become due to Pledgor, now or in the future by way of a distribution made to Pledgor in its capacity as a member or owner of any limited liability company interest in the Additional Subsidiaries or otherwise in respect of Pledgor's interest as a member, limited or general partner or other owner of any equity interest in the Additional Subsidiaries;

(iii) any other property of any Additional Subsidiary to which Pledgor now or in the future may be entitled in its capacity as a member, limited or general partner or other owner of any equity interest in such Additional Subsidiary by way of distribution, return or otherwise;

(iv) any other claim which Pledgor now has or may in the future acquire in its capacity as a member, limited or general partner or other owner of any equity interest in any Additional Subsidiary and its property; and

(v) to the extent not otherwise included, all (A) Additional Proceeds of any or all of the foregoing, and (B) all Supporting Obligations (as such term is defined in the UCC) with respect to the foregoing.

As used herein, the term "Additional Proceeds" means all "proceeds" (as such term is defined in Section 9-102 of the Uniform Commercial Code in effect in the State of New York on the date hereof) and, in any event, shall include, without limitation, all income, gain, credit, distributions, dividends and similar items from or with respect to the Additional Interests (including, without limitation, the Additional Pledged Certificates) and the Additional Pledged Stock, collections thereon or distributions with respect thereto.

4. From and after the date of this Supplement, (a) the term "Pledged Certificates" as used in the Subsidiary Pledge Agreement shall be amended to include the Additional Pledged Certificates, (b) the term "Subsidiaries" as used in the Subsidiary Pledge Agreement shall be amended to include the Additional Subsidiaries, (c) the term "Pledged Stock" as used in the

Subsidiary Pledge Agreement shall be amended to include the Additional Pledged Stock, (d) the term "Collateral" as used in the Subsidiary Pledge Agreement shall be amended to include the Additional Collateral, and (e) the term "Proceeds" as used in the Subsidiary Pledge Agreement shall be amended to include the Additional Proceeds.

5. The Pledgor will cause each of the New Issuers to execute an Acknowledgement and Consent substantially in the form of Exhibit B to the Subsidiary Pledge Agreement. Interests in certain of the Additional Subsidiaries may not be evidenced by certificates. In the case of such Additional Subsidiaries, the Collateral Agent agrees that it will not exercise its right under any such Acknowledgement and Consent to give instructions to such Additional Subsidiaries regarding such Pledgor's limited liability company, limited or general partnership or other equity interest in such Additional Subsidiaries except upon the occurrence and during the continuance of an Event of Default.

6. After giving effect to the amendments to the Subsidiary Pledge Agreement set forth in the preceding paragraph, Pledgor hereby represents and warrants that the representations and warranties contained in paragraph 4 of the Subsidiary Pledge Agreement are true and correct on the date of this Supplement.

7. This Supplement is supplemental to the Subsidiary Pledge Agreement, forms a part thereof and is subject to the terms thereof. [Schedule I, Schedule II and/or Schedule III] to the Subsidiary Pledge Agreement shall hereby be deemed to include each item listed on [Schedule I, Schedule II and/or Schedule III] to this Supplement.

IN WITNESS WHEREOF, Pledgor has caused this Supplement to be duly executed and delivered in favor of the Collateral Agent on the date first set forth above.

[_____]

By: _____
Title: _____

SCHEDULE I

(A) ADDITIONAL SUBSIDIARIES

Name of Issuer	Defined Term for Issuer	Type of Entity of Issuer	Certificate Number (if any)	Description of Equity Interest and Name of Pledgor owing Equity Interest

(B) DESCRIPTION OF ADDITIONAL PLEDGED STOCK

Issuer	Class of Stock*	Stock Certificate No.	No. of Shares

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*Stock is assumed to be common stock unless otherwise indicated.

SCHEDULE II

ADDITIONAL UCC FILINGS

State	Filing Office	Document Filed

SCHEDULE III

INFORMATION REGARDING THE PLEDGOR

Name of Pledgor on Public Record of Pledgor's Jurisdiction of Organization	Type of Entity	Defined Term for Pledgor	Organizational Identification Number in the State of Delaware	Former Name (if any)

EXHIBIT B

Form of Acknowledgement and Consent

[NAME OF NEW PLEDGED SUBSIDIARY] (the "Issuer") hereby acknowledges receipt of a copy of the foregoing Supplement and the Subsidiary Pledge Agreement referred to therein and agrees to be bound thereby and to comply with the terms thereof insofar as such terms are applicable to it. The Issuer agrees to notify the Collateral Agent promptly in writing of the occurrence of any of the events described in paragraph 5(a) of the Subsidiary Pledge Agreement, as supplemented by such Supplement. The Issuer further agrees that the terms of paragraph 10(c) of the Subsidiary Pledge Agreement, as supplemented by such Supplement, shall apply to it, mutatis mutandis, with respect to all actions that may be required of it under or pursuant to or arising out of paragraph 10 of the Subsidiary Pledge Agreement, as supplemented by such Supplement. The Issuer hereby also agrees that it will comply with instructions originated by the Collateral Agent without the consent of any Pledgor.

_____, [2003]

[NAME OF NEW PLEDGED SUBSIDIARY]

By: _____
Title:

EXHIBIT H

FORM OF SUBSIDIARY SECURITY AGREEMENT

Exhibit H

SEVENTH AMENDED AND RESTATED CREDIT AGREEMENT

AMENDED AND RESTATED
SUBSIDIARY SECURITY AGREEMENT

AMENDED AND RESTATED SUBSIDIARY SECURITY AGREEMENT, dated as of September 26, 2003, made by the entities identified on Schedule IV hereto, (individually a "Grantor", and collectively the "Grantors"), in favor of JPMORGAN CHASE BANK, as collateral agent (in such capacity, the "Collateral Agent"), for the ratable benefit of (a) the banks and other financial institutions (the "Lenders") parties to the Amended and Restated Credit Agreement, dated as of March 23, 1995 and as amended and restated as of September 26, 2003 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement") among GulfTerra Energy Partners, L.P., a Delaware limited partnership, as the borrower ("GTM"), GulfTerra Energy Finance Corporation, a Delaware corporation, as the co-borrower ("GTM Finance" and, together with GTM, the "Borrowers"), the Lenders and JPMORGAN CHASE BANK, as administrative agent (in such capacity, the "Administrative Agent"), and (b) the Marco Polo Lenders (as defined in the Credit Agreement).

W I T N E S S E T H :

WHEREAS, certain of the Grantors and the Collateral Agent are parties to that Consolidated Amended and Restated Security Agreement, dated as of October 10, 2002 (as amended, supplemented and otherwise modified prior to the date hereof, the "Existing Security Agreement");

WHEREAS, the making of this Security Agreement by each Grantor is necessary or convenient to the conduct, promotion, or attainment of the business of such Grantor; and

WHEREAS, pursuant to the provisions of Section 7.10 of the Credit Agreement, the Borrowers agreed that they would deliver, and would cause each Person that is a party (or is required to be a party) to any Security Document, other than the Collateral Agent, to deliver, amended and restated Security Documents, together with supplemented and corrected schedules, exhibits or other documents, if any, that are necessary to accurately reflect the collateral existing as of the Restatement Closing Date that is pledged as security for GTM and GTM Finance's obligations under the Credit Agreement;

NOW, THEREFORE, in consideration of the premises and to comply with the requirements of Section 7.10 of the Credit Agreement, each Grantor hereby agrees with the Collateral Agent, for the ratable benefit of the Lenders and the Marco Polo Lenders, that the Existing Security Agreement is hereby amended and restated to read in its entirety as follows:

1. DEFINED TERMS. Unless otherwise defined herein, terms which are defined in the Credit Agreement and used herein are so used as so defined; the following terms which are defined in the Uniform Commercial Code in effect in the State of New York on the date hereof are used herein as so defined: Accounts, Chattel Paper, Commercial Tort Claims, Deposit Accounts, Documents, Electronic Chattel Paper, Equipment, Farm Products, General Intangibles, Instruments, Inventory, Investment Property, Letter-of-Credit Rights, Payment Intangibles, Supporting Obligations, Promissory Notes, Proceeds; and the following terms shall have the following meanings:

"Account Debtor": a Person (other than any Grantor) obligated on an Account, Chattel Paper, or General Intangible.

"Collateral": as defined in Section 2 of this Security Agreement. The obligations of the Grantors to provide Collateral are limited by paragraphs (c) and (d) of subsection 7.10 of the Credit Agreement.

"Obligations": with respect to any Grantor, all obligations, liabilities and indebtedness of such Grantor under and pursuant to the Subsidiaries Guarantee.

"Patents": (a) all letters patent of the United States and all reissues and extensions thereof, including, without limitation, any thereof referred to in Schedule I hereto, and (b) all applications for letters patent of the United States and all divisions, continuations and continuations-in-part thereof or any other country, including, without limitation, any thereof referred to in Schedule I hereto.

"Patent License": all agreements, whether written or oral, providing for the grant by any Grantor of any right to manufacture, use or sell any invention covered by a Patent, including, without limitation, any thereof referred to in Schedule I hereto.

"Security Agreement": this Amended and Restated Subsidiary Security Agreement, as amended, supplemented or otherwise modified from time to time.

"Subsidiary Pledge Agreement": the Amended and Restated Subsidiary Pledge Agreement dated as of even date herewith made by the Pledgors party thereto in favor of JPMorgan Chase Bank for the ratable benefit of the Lenders and the Marco Polo Lenders.

"Trademarks": (a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, and the goodwill associated therewith, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, or otherwise, including, without limitation, any thereof referred to in Schedule II hereto, and (b) all renewals thereof.

"Trademark License": any agreement, written or oral, providing for the grant by any Grantor of any right to use any Trademark, including, without limitation, any thereof referred to in Schedule II hereto.

"UCC": the Uniform Commercial Code as from time to time in effect in the State of New York.

"Vehicles": all cars, trucks, trailers, construction and earth moving equipment and other vehicles covered by a certificate of title law of any state and, in any event, shall include, without limitation, the vehicles listed on Schedule III hereto and all tires and other appurtenances to any of the foregoing.

2. GRANT OF SECURITY INTEREST. As collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations of the relevant Grantor, each Grantor hereby grants to the Collateral Agent, for the ratable benefit of the Lenders and the Marco Polo Lenders, a security interest in all of the following property now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest (collectively, the "Collateral"):

(i) all Accounts;

(ii) all Chattel Paper (including, without limitation, all Electronic Chattel Paper and all Tangible Chattel Paper);

(iii) all Documents;

(iv) all Equipment;

(v) all General Intangibles (including, without limitation, all Payment Intangibles);

(vi) all Instruments;

(vii) all Inventory;

(viii) all Investment Property (but excluding any such Investment Property that is subject to the security interests granted by any Grantor in the Subsidiary Pledge Agreement);

(ix) all Patents;

(x) all Patent Licenses;

(xi) all Trademarks;

(xii) all Trademark Licenses;

(xiii) all Vehicles;

(xiv) all Deposit Accounts other than payroll, withholding tax and other fiduciary Deposit Accounts;

(xv) all Letter-of-Credit Rights;

(xvi) all Commercial Tort Claims;

(xvii) all Supporting Obligations;

(xviii) with respect only to any Grantor that is a "transmitting utility" (as defined in the Uniform Commercial Code of the State of Texas (the "Texas

UCC")), any fixtures (as defined in the Texas UCC) physically located in the State of Texas to the extent (but only to the extent) that the filing in the Office of the Secretary of State of the State of Texas of a financing statement substantially in the form of Exhibit A hereto would, under the Texas UCC, result in the perfection of a security interest in such fixtures;

(xix) with respect only to any Grantor that is a "transmitting utility" (as defined in the Uniform Commercial Code of the State of New Mexico (the "New Mexico UCC")), any fixtures (as defined in the New Mexico UCC) physically located in the State of New Mexico to the extent (but only to the extent) that the filing in the Office of the New Mexico Secretary of State of a financing statement substantially in the form of Exhibit A hereto would, under the New Mexico UCC, result in the perfection of a security interest in such fixtures;

(xx) with respect only to any Grantor that is a "transmitting utility" (as defined in the Uniform Commercial Code of the State of Alabama (the "Alabama UCC")), any fixtures (as defined in the Alabama UCC) physically located in the State of Alabama to the extent (but only to the extent) that the filing in the Office of the Alabama Secretary of State of a financing statement substantially in the form of Exhibit A hereto would, under the Alabama UCC, result in the perfection of a security interest in such fixtures; and

(xxi) to the extent not otherwise included, all Proceeds and products and all of the foregoing;

except, in each case of clauses (i) - (xxi) above, to the extent that (I) any consent of any affiliate of any Grantor (other than the Borrowers, a Subsidiary of such Grantor or a Subsidiary of the Borrowers) is required for the grant of such security interest and such consent has not been obtained after such Grantor has made a reasonable effort to seek such consent and (II) any consent of any non-affiliated third party (other than a Governmental Authority) is required for the grant of such security interest and such consent has not been obtained (provided that such Grantor is under no duty to seek such third-party consents); provided that (x) upon the receipt of any such consent referred to in clauses (I) and (II) above, the security interest granted herein shall automatically attach on such property and (y) notwithstanding the foregoing, Accounts, Chattel Paper, Payment Intangibles and Promissory Notes constitute Collateral in which each Grantor is granting a security interest, as permitted by Sections 9-406 and 9-408 of the Uniform Commercial Code in effect in the State of New York on the date hereof.

3. RIGHTS OF COLLATERAL AGENT AND LENDERS; LIMITATIONS ON COLLATERAL AGENT'S AND LENDERS' OBLIGATIONS.

(a) GRANTORS REMAINS LIABLE UNDER ACCOUNTS. Anything herein to the contrary notwithstanding, each Grantor shall remain liable under each of the Accounts, Chattel Paper, and Payment Intangibles to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise to each such Account, Chattel Paper or Payment Intangible. Neither the Collateral Agent nor any of the Lenders shall have any obligation

or liability under any Account, Chattel Paper or Payment Intangible (or any agreement giving rise thereto) by reason of or arising out of this Security Agreement or the receipt by the Collateral Agent or any of the Lenders of any payment relating to such Account, Chattel Paper or Payment Intangible, nor shall the Collateral Agent or any of the Lenders be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Account, Chattel Paper or Payment Intangible (or any agreement giving rise thereto), to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party under any Account, Chattel Paper or Payment Intangible (or any agreement giving rise thereto), to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

(b) NOTICE TO ACCOUNT DEBTORS. Upon the request of the Collateral Agent at any time after the occurrence and during the continuance of an Event of Default, each Grantor shall notify the Account Debtors that the applicable Accounts, Chattel Paper, and Payment Intangibles have been assigned to the Collateral Agent for the ratable benefit of the Lenders and the Marco Polo Lenders and that payments in respect thereof shall be made directly to the Collateral Agent. The Collateral Agent may in its own name or in the name of others communicate with the Account Debtors to verify with them to its satisfaction the existence, amount and terms of any Accounts, Chattel Paper, or Payment Intangibles.

(c) ANALYSIS OF ACCOUNTS, ETC. The Collateral Agent shall have the right to make test verifications of the Accounts, Chattel Paper and Payment Intangibles in any manner and through any medium that it reasonably considers advisable, and each Grantor shall furnish all such assistance and information as the Collateral Agent may require in connection therewith. At any time and from time to time, upon the Collateral Agent's request and at the expense of each Grantor, such Grantor shall furnish to the Collateral Agent reports showing reconciliations, aging and test verifications of, and trial balances for, the Accounts, Chattel Paper and Payment Intangibles.

(d) COLLECTIONS ON ACCOUNT, ETC. The Collateral Agent hereby authorizes each Grantor to collect the Accounts, Chattel Paper and Payment Intangibles subject to the Collateral Agent's direction and control, and the Collateral Agent may curtail or terminate said authority at any time after the occurrence and during the continuance of an Event of Default. If required by the Collateral Agent at any time after the occurrence and during the continuance of an Event of Default, any payments of Accounts, Chattel Paper and Payment Intangibles, when collected by any Grantor, shall be forthwith (and, in any event, within two Business Days) deposited by such Grantor in the exact form received, duly indorsed by such Grantor to the Collateral Agent if required, in a special collateral account maintained by the Collateral Agent, subject to withdrawal by the Collateral Agent for the ratable benefit of the Lenders and the Marco Polo Lenders, as hereinafter provided, and, until so turned over, shall be held by such Grantor in trust for the Collateral Agent for the ratable benefit of the Lenders and the Marco Polo Lenders, segregated from other funds of such Grantor. Each deposit of any such Proceeds shall be accompanied by a report identifying in reasonable detail the nature and source of the

payments included in the deposit. All Proceeds constituting collections of Accounts while held by the Collateral Agent (or by any Grantor in trust for the Collateral Agent for the ratable benefit of the Lenders and the Marco Polo Lenders) shall continue to be collateral security for all of the Obligations and shall not constitute payment thereof until applied as hereinafter provided. At such intervals as may be agreed upon by each Grantor and the Collateral Agent, or, if an Event of Default shall have occurred and be continuing, at any time at the Collateral Agent's election, the Collateral Agent shall apply all or any part of the funds on deposit in said special collateral account on account of the Obligations in such order as the Collateral Agent may elect, and any part of such funds which the Collateral Agent elects not so to apply and deems not required as collateral security for the Obligations shall be paid over from time to time by the Collateral Agent to each Grantor or to whomsoever may be lawfully entitled to receive the same. At the Collateral Agent's request, each Grantor shall deliver to the Collateral Agent all original and other documents evidencing, and relating to, the agreements and transactions which gave rise to the Accounts, including, without limitation, all original orders, invoices and shipping receipts.

4. REPRESENTATIONS AND WARRANTIES. Each Grantor hereby represents and warrants that:

(a) TITLE; NO OTHER LIENS. Except for the Lien granted to the Collateral Agent for the ratable benefit of the Lenders and the Marco Polo Lenders pursuant to this Security Agreement and the other Liens permitted to exist on the Collateral pursuant to the Credit Agreement, each Grantor owns each item of the Collateral free and clear of any and all Liens or claims of others. No security agreement, financing statement or other public notice with respect to all or any part of the Collateral is on file or of record in any public office, except such as may have been filed in favor of the Collateral Agent, for the ratable benefit of the Lenders and the Marco Polo Lenders, pursuant to this Security Agreement or as may be permitted pursuant to the Credit Agreement.

(b) PERFECTED FIRST PRIORITY LIENS. The Liens granted pursuant to this Security Agreement constitute perfected Liens on the Collateral in favor of the Collateral Agent, for the ratable benefit of the Lenders and the Marco Polo Lenders, which are (except for any Liens on the Collateral which are permitted to exist pursuant to the Credit Agreement) prior to all other Liens on the Collateral created by each Grantor and in existence on the date hereof and which are enforceable as such against all creditors of and purchasers from each Grantor and against any owner or purchaser of the real property where any of the Equipment is located and any present or future creditor obtaining a Lien on such real property. All action necessary or desirable to perfect such security interest in each item of the Collateral requested by the Collateral Agent, including the filing of financing statements in the offices referred to on Schedule II hereto, has been or will be duly taken.

(c) ACCOUNTS. The amount represented by each Grantor to the Lenders from time to time as owing by each Account Debtor or by all Account Debtors in respect of the Accounts, Chattel Paper, and Payment Intangibles will at such time be, to such Grantor's best knowledge, the correct amount actually owing by such Account Debtor or Account

Debtors thereunder. No amount payable to each Grantor under or in connection with any Account is evidenced by any Instrument or Chattel Paper which has not been delivered to the Collateral Agent. The place where each Grantor keeps its records concerning the Accounts, Chattel Paper and Payment Intangibles is Four Greenway Plaza, Houston, Texas 77046.

(d) GRANTOR'S NAME, ETC. As of the Restatement Closing Date: (a) the name of each Grantor as indicated on the public record of such Grantor's jurisdiction of organization, which shows such Grantor to have been organized, is as set forth on Schedule IV hereto; (b) the mailing address of each Grantor is Four Greenway Plaza, Houston, Texas 77046; (c) with respect to each Grantor, the type of entity of such Grantor and the organizational identification number for such Grantor in such Grantor's jurisdiction of organization is correctly set forth on Schedule IV hereto; (d) to the extent indicated on Schedule IV hereto, the Grantors therein identified were formerly known by the names set forth on Schedule IV hereto; and (e) other than such names, no Grantor has used any other name or trade name since September 15, 1998.

(e) FARM PRODUCTS. As of the Restatement Closing Date, none of the material Collateral constitutes, or is the Proceeds of, Farm Products.

(f) PATENTS AND TRADEMARKS. Schedule I hereto includes all Patents and Patent Licenses owned by each Grantor in its own name as of the date hereof that are material to the Loan Parties taken as a whole. Schedule II hereto includes all Trademarks and Trademark Licenses owned by each Grantor in its own name as of the date hereof that are material to the Loan Parties taken as a whole.

(g) VEHICLES. As of the Restatement Closing Date, Schedule III is a complete and correct list of all Vehicles owned by each Grantor that are material to the Loan Parties taken as a whole.

(h) GOVERNMENTAL OBLIGORS. None of the obligors on any Grantor's material Accounts, Chattel Paper or Payment Intangibles, and none of the parties to any of Grantor's material contracts, is a Governmental Authority.

(i) POWER AND AUTHORITY; AUTHORIZATION. Each Grantor has the power and authority and the legal right to execute and deliver, to perform its obligations under, and to grant the Lien on the Collateral pursuant to, this Security Agreement and has taken all necessary action to authorize its execution, delivery and performance of, and grant of the Lien on the Collateral pursuant to, this Security Agreement.

(j) ENFORCEABILITY. This Security Agreement constitutes a legal, valid and binding obligation of each Grantor enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally.

(k) NO CHAPTER 35 FILINGS. No Grantor has filed a security instrument with the Secretary of State of the State of Texas electing to be covered by, or is otherwise

subject to the requirements and benefits of, Subchapter A of Chapter 35 of the Texas Business and Commerce Code.

(l) TRANSMITTING UTILITIES. As of the Restatement Closing Date, (X) each of the Grantors listed on Schedule VI hereto is a Person primarily engaged in (i) transmitting goods by pipeline, (ii) transmitting gas, or (iii) producing and transmitting gas, and (Y) such Grantor owns goods and pipelines located in the jurisdictions indicated on such Schedule VI.

5. COVENANTS. Each Grantor covenants and agrees with the Collateral Agent and each of the Lenders that, from and after the date of this Security Agreement until the Obligations are paid in full and the Commitments are terminated:

(a) FURTHER DOCUMENTATION; PLEDGE OF INSTRUMENTS AND CHATTEL PAPER. At any time and from time to time, upon the written request of the Collateral Agent, and at the sole expense of each Grantor, such Grantor will promptly and duly execute and deliver such further instruments and documents and take such further action as the Collateral Agent may reasonably request for the purpose of obtaining or preserving the full benefits of this Security Agreement and of the rights and powers herein granted, including, without limitation, the filing of any financing or continuation statements under the Uniform Commercial Code in effect in any jurisdiction with respect to the Liens created hereby. Each Grantor hereby authorizes the Collateral Agent, its counsel or its representative, at any time and from time to time, to file financing statements and amendments to financing statements that describe the collateral covered by such financing statements as "all assets of the Grantor", "all personal property of the Grantor", or words of similar effect, in such jurisdictions as the Collateral Agent may deem necessary or desirable in order to perfect or maintain the perfection of the security interests granted by such Grantor under this Security Agreement. Each Grantor hereby further authorizes the Collateral Agent, its counsel or its representative, at any time and from time to time, to file continuation statements with respect to previously filed financing statements. A photographic or other reproduction of this Security Agreement shall be sufficient as a financing statement for filing in any jurisdiction. If any amount payable under or in connection with any of the Collateral shall be or become evidenced by any Instrument or Chattel Paper, such Instrument or Chattel Paper shall be immediately delivered to the Collateral Agent, duly endorsed in a manner satisfactory to the Collateral Agent, to be held as Collateral pursuant to this Security Agreement. Upon the request of the Collateral Agent or any of the Lenders, each Grantor shall take or cause to be taken all actions (other than any actions required to be taken by the Collateral Agent or any of the Lenders) necessary to cause the Collateral Agent to have "control" (within the meaning of Sections 9-104, 9-105, 9-106, and 9-107 of the UCC) over any Collateral constituting Deposit Accounts, Electronic Chattel Paper, Investment Property, or Letter-of-Credit Rights, and each Grantor shall promptly notify the Collateral Agent and each of the Lenders of such Grantor's acquisition of any such Collateral. With respect to any goods constituting Collateral that are in the possession of a "bailee" (within the meaning of Section 9-312 of the UCC), each Grantor shall take or cause to be taken all actions (other than any actions required to be taken by the Collateral Agent or any of the Lenders) necessary to cause the Collateral Agent to have a perfected security interest in

such Collateral pursuant to the provisions of Section 9-312 of the UCC, and such Grantor shall provide prompt notice to the Collateral Agent and each of the Lenders of any such Collateral then in the possession of such a "bailee".

(b) INDEMNIFICATION. Each Grantor agrees to pay and to save the Collateral Agent and each of the Lenders harmless from any and all liabilities and reasonable costs and expenses (including, without limitation, legal fees and expenses), (i) with respect to, or resulting from, any delay in paying, any and all excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral, (ii) with respect to, or resulting from, any delay in complying with any Requirement of Law applicable to any of the Collateral or (iii) in connection with any of the transactions contemplated by this Security Agreement. In any suit, proceeding or action brought by the Collateral Agent or the Lenders under any Account, Chattel Paper, or Payment Intangibles, for any sum owing thereunder, or to enforce any provisions of any Account, Chattel Paper, or Payment Intangible, each Grantor will save, indemnify and keep the Collateral Agent and the Lenders harmless from and against all reasonable expense, loss or damage suffered by reason of any defense, setoff, counterclaim, recoupment or reduction or liability whatsoever of the Account Debtor or obligor thereunder, arising out of a breach by any Grantor of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such Account Debtor or obligor or its successors from such Grantor.

(c) MAINTENANCE OF RECORDS. Each Grantor will keep and maintain (or cause to be kept and maintained) at its own cost and expense satisfactory and complete records of the Collateral, including, without limitation, a record of all payments received and all credits granted with respect to the Accounts. For the Collateral Agent's and the Lenders' further security, the Collateral Agent, for the ratable benefit of the Lenders and the Marco Polo Lenders, shall have a security interest in all of each Grantor's books and records pertaining to the Collateral, and each Grantor shall turn over any such books and records to the Collateral Agent or to its representatives during normal business hours at the request of the Collateral Agent.

(d) RIGHT OF INSPECTION. The Collateral Agent and the Lenders shall at all times have full and free access during normal business hours to all the books, correspondence and records of each Grantor, and the Collateral Agent and the Lenders and their respective representatives may examine the same, take extracts therefrom and make photocopies thereof, and each Grantor agrees to render to the Collateral Agent and the Lenders, at such Grantor's cost and expense, such clerical and other assistance as may be reasonably requested with regard thereto. The Collateral Agent and the Lenders and their respective representatives shall at all times also have the right to enter into and upon any premises where any of the Inventory or Equipment is located for the purpose of inspecting the same, observing its use or otherwise protecting its interests therein.

(e) LIMITATION ON LIENS ON COLLATERAL. Each Grantor will not create, incur or permit to exist, will defend the Collateral against, and will take such other action as is necessary to remove, any Lien or claim on or to the Collateral, other than the Liens created hereby and other than as permitted pursuant to the Credit Agreement, and will

defend the right, title and interest of the Collateral Agent and the Lenders in and to any of the Collateral against the claims and demands of all Persons whomsoever.

(f) LIMITATIONS ON MODIFICATIONS, WAIVERS, EXTENSIONS OF AGREEMENTS GIVING RISE TO ACCOUNTS. Except to the extent the same would not reasonably be expected to have a Material Adverse Effect, each Grantor will not (i) except in accordance with the ordinary business practices of such Grantor, amend, modify, terminate or waive any provision of any Chattel Paper or any agreement giving rise to an Account or Payment Intangible in any manner which could reasonably be expected to materially adversely affect the value of such Chattel Paper, Payment Intangible or Account as Collateral or (ii) fail to exercise promptly and diligently each and every material right which it may have under any Chattel Paper and each agreement giving rise to an Account or Payment Intangible (other than any right of termination).

(g) MAINTENANCE OF EQUIPMENT. Each Grantor will maintain each item of Equipment material to the conduct of its business in good operating condition, ordinary wear and tear and immaterial impairments of value and damage by the elements excepted.

(h) FURTHER IDENTIFICATION OF COLLATERAL. Each Grantor will furnish to the Collateral Agent and the Lenders from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Collateral Agent may reasonably request, all in reasonable detail.

(i) NOTICES. Each Grantor will advise the Collateral Agent and the Lenders promptly, in reasonable detail, at their respective addresses set forth in the Credit Agreement, (i) of any Lien (other than Liens created hereby or permitted under the Credit Agreement) on, or claim asserted against, any of the Collateral and (ii) of the occurrence of any other event which could reasonably be expected to have a material adverse effect on the aggregate value of the collateral subject to a Lien created pursuant to the Loan Documents or on such Liens created thereby, taken as a whole

(j) CHANGES IN LOCATIONS, NAME, ETC. Each Grantor recognizes that financing statements pertaining to the Collateral have been or may be filed where such Grantor maintains any Collateral or is organized. Without limitation of any other covenant herein, each Grantor will not cause or permit (i) any change to be made in its name, identity or corporate structure or (ii) any change to (A) the identity of any warehouseman, common carrier, other third-party transporter, bailee or any agent or processor in possession or control of any Collateral or (B) such Grantor's jurisdiction of organization, unless such Grantor shall have first (1) notified the Collateral Agent and the Lenders of such change at least thirty (30) days prior to the effective date of such change, and (2) taken all action reasonably requested by the Collateral Agent or any of the Lenders for the purpose of maintaining the perfection and priority of the Collateral Agent's security interests under this Security Agreement. In any notice furnished pursuant to this subsection, each Grantor will expressly state that the notice is required by this Security Agreement and contains facts that may require additional filings of

financing statements or other notices for the purposes of continuing perfection of the Collateral Agent's security interest in the Collateral.

(k) PATENTS AND TRADEMARKS. Upon request of the Collateral Agent, each Grantor shall execute and deliver any and all agreements, instruments, documents, and papers as the Collateral Agent may request to evidence the Collateral Agent's and the Lender's security interest in any Patent or Trademark and the goodwill and general intangibles of such Grantor relating thereto or represented thereby, and each Grantor hereby constitutes the Collateral Agent its attorney in fact to execute and file all such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power being coupled with an interest is irrevocable until the Obligations are paid in full and the Commitments are terminated.

(l) COMMERCIAL TORT CLAIMS. If any Grantor shall at any time hold or acquire a Commercial Tort Claim that satisfies the requirements of the following sentence, such Grantor shall, within thirty (30) days after such Commercial Tort Claim satisfies such requirements, notify the Collateral Agent and the Lenders in a writing signed by such Grantor containing a brief description thereof, and granting to the Collateral Agent in such writing (for the benefit of the Lenders and the Marco Polo Lenders) a security interest therein and in the Proceeds thereof, all upon the terms of this Security Agreement, with such writing to be in form and substance satisfactory to the Collateral Agent and the Lenders. The provisions of the preceding sentence shall apply only to a Commercial Tort Claim that satisfies the following requirements: (i) the monetary value claimed by or payable to the relevant Grantor in connection with such Commercial Tort Claim shall exceed $20,000,000, and either (ii) (A) such Grantor shall have filed a law suit or counterclaim or otherwise commenced legal proceedings (including, without limitation, arbitration proceedings) against the Person against whom such Commercial Tort Claim is made, or (B) such Grantor and the Person against whom such Commercial Tort Claim is asserted shall have entered into a settlement agreement with respect to such Commercial Tort Claim. In addition, to the extent that the existence of any Commercial Tort Claim held or acquired by any Grantor is disclosed by GTM or any Grantor in any public filing with the Securities Exchange Commission or any successor thereto or analogous Governmental Authority, or to the extent that the existence of any such Commercial Tort Claim is disclosed in any press release issued by GTM or any Grantor, then, upon the request of the Collateral Agent, the relevant Grantor shall, within thirty (30) days after such request is made, transmit to the Collateral Agent and the Lenders a writing signed by such Grantor containing a brief description of such Commercial Tort Claim and granting to the Collateral Agent in such writing (for the benefit of the Lenders and the Marco Polo Lenders) a security interest therein and in the Proceeds thereof, all upon the terms of this Security Agreement, with such writing to be in form and substance satisfactory to the Collateral Agent and the Lenders.

6. COLLATERAL AGENT'S APPOINTMENT AS ATTORNEY-IN-FACT.

(a) POWERS. Each Grantor hereby irrevocably constitutes and appoints the Collateral Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and

stead of such Grantor and in the name of such Grantor or in its own name, from time to time in the Collateral Agent's discretion, for the purpose of carrying out the terms of this Security Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Security Agreement, and, without limiting the generality of the foregoing, each Grantor hereby gives the Collateral Agent the power and right, on behalf of such Grantor, without notice to or assent by such Grantor, to do the following:

(i) in the case of any Account, Chattel Paper or Payment Intangible, at any time when the authority of such Grantor to collect the Accounts, Chattel Paper or Payment Intangible has been curtailed or terminated pursuant to the first sentence of Section 3(d) hereof, or in the case of any other Collateral, at any time when any Event of Default shall have occurred and is continuing, in the name of such Grantor or its own name, or otherwise, to take possession of and indorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any Account, Instrument, General Intangible, Chattel Paper, or Payment Intangible, or with respect to any other Collateral and to file any claim or to take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Collateral Agent for the purpose of collecting any and all such moneys due under any Account, Instrument, or General Intangible or with respect to any other Collateral whenever payable;

(ii) to pay or discharge taxes and Liens levied or placed on or threatened against the Collateral, to effect any repairs or any insurance called for by the terms of this Security Agreement and to pay all or any part of the premiums therefor and the costs thereof; and

(iii) upon the occurrence and during the continuance of any Event of Default, (A) to direct any Person liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Collateral Agent or as the Collateral Agent shall direct; (B) to ask or demand for, collect, receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral; (C) to sign and indorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral; (D) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any thereof and to enforce any other right in respect of any Collateral; (E) to defend any suit, action or proceeding brought against any Grantor with respect to any Collateral; (F) to settle, compromise or adjust any suit, action or proceeding described in clause (E) above and, in connection therewith, to give such discharges or releases as the Collateral Agent may deem appropriate; (G) to assign any Patent or Trademark (along with the goodwill of the business to which any such Trademark pertains), throughout the world for such term or terms, on such conditions, and in such manner, as the Collateral Agent shall in its sole discretion determine; and (H) generally, to sell, transfer, pledge and make any agreement

with respect to or otherwise deal with any of the Collateral as fully and completely as though the Collateral Agent were the absolute owner thereof for all purposes, and to do, at the Collateral Agent's option and such Grantor's expense, at any time, or from time to time, all acts and things which the Collateral Agent deems necessary to protect, preserve or realize upon the Collateral and the Collateral Agent's and the Lenders' Liens thereon and to effect the intent of this Security Agreement, all as fully and effectively as such Grantor might do.

Each Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable.

(b) OTHER POWERS. Each Grantor also authorizes the Collateral Agent and the Lenders, at any time and from time to time, to execute, in connection with the sale provided for in Section 9 hereof, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral.

(c) NO DUTY ON COLLATERAL AGENT OR LENDERS' PART. The powers conferred on the Collateral Agent and the Lenders hereunder are solely to protect the Collateral Agent's and the Lenders' interests in the Collateral and shall not impose any duty upon the Collateral Agent or any of the Lenders to exercise any such powers. The Collateral Agent and the Lenders shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct.

7. PERFORMANCE BY COLLATERAL AGENT OF THE GRANTOR'S OBLIGATIONS. If any Grantor fails to perform or comply with any of its agreements contained herein and the Collateral Agent, as provided for by the terms of this Security Agreement, shall itself perform or comply, or otherwise cause performance or compliance, with such agreement, the expenses of the Collateral Agent incurred in connection with such performance or compliance, together with interest thereon at a rate per annum 3-1/2% above the Alternate Base Rate, shall be payable by such Grantor to the Collateral Agent on demand and shall constitute Obligations secured hereby.

8. PROCEEDS. In addition to the rights of the Collateral Agent and the Lenders specified in Section 3(d) with respect to payments of Accounts, it is agreed that if an Event of Default shall occur and be continuing (a) all Proceeds received by each Grantor consisting of cash, checks and other near-cash items shall be held by such Grantor in trust for the Collateral Agent for the ratable benefit of the Lenders and the Marco Polo Lenders, segregated from other funds of such Grantor, and shall, forthwith upon receipt by such Grantor, be turned over to the Collateral Agent in the exact form received by such Grantor (duly indorsed by such Grantor to the Collateral Agent, if required), and (b) any and all such Proceeds received by the Collateral Agent (whether from a Grantor or otherwise) may, in the sole discretion of the Collateral Agent, be held by the Collateral Agent for the ratable benefit of the Lenders and the Marco Polo Lenders as collateral security for, and/or then or at any time thereafter may be applied by the Collateral Agent against, the Obligations (whether matured or unmatured), such application to be in such order as the Collateral Agent shall elect. Any balance of such Proceeds remaining after

the Obligations shall have been paid in full and the Commitments shall have been terminated shall be paid over to such Grantor or to whomsoever may be lawfully entitled to receive the same.

9. REMEDIES. If an Event of Default shall occur and be continuing, the Collateral Agent, on behalf of the Lenders and the Marco Polo Lenders, may exercise, in addition to all other rights and remedies granted to them in this Security Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the UCC. Without limiting the generality of the foregoing, the Collateral Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon any Grantor or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Collateral Agent or any of the Lenders or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. The Collateral Agent or any of the Lenders shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in any Grantor, which right or equity is hereby waived or released. Each Grantor further agrees, at the Collateral Agent's request, to assemble the Collateral and make it available to the Collateral Agent at places which the Collateral Agent shall reasonably select, whether at such Grantor's premises or elsewhere. The Collateral Agent shall apply the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale, after deducting all reasonable costs and expenses of every kind incurred therein or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Collateral Agent and the Lenders hereunder, including, without limitation, reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Obligations, in such order as the Collateral Agent may elect, and only after such application and after the payment by the Collateral Agent of any other amount required by any provision of law, including, without limitation, Section 9-615 of the UCC, need the Collateral Agent account for the surplus, if any, to such Grantor. To the extent permitted by applicable law, each Grantor waives all claims, damages and demands it may acquire against the Collateral Agent or any of the Lenders arising out of the exercise by them of any rights hereunder except to the extent any thereof arise solely from the willful misconduct of the Collateral Agent. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition. Each Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay the Obligations and the fees and disbursements of any attorneys employed by the Collateral Agent or any of the Lenders to collect such deficiency.

10. LIMITATION ON DUTIES REGARDING PRESERVATION OF COLLATERAL. The Collateral Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the UCC or otherwise, shall be to deal with it

in the same manner as the Collateral Agent deals with similar property for its own account. Neither the Collateral Agent, any of the Lenders, nor any of their respective directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or otherwise.

11. POWERS COUPLED WITH AN INTEREST. All authorizations and agencies herein contained with respect to the Collateral are irrevocable and powers coupled with an interest.

12. SEVERABILITY. Any provision of this Security Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

13. PARAGRAPH HEADINGS. The paragraph headings used in this Security Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

14. NO WAIVER; CUMULATIVE REMEDIES. Neither the Collateral Agent nor any of the Lenders shall by any act (except by a written instrument pursuant to Section 15 hereof), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Collateral Agent or any of the Lenders, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Collateral Agent or any of the Lenders of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Collateral Agent or any such Lenders would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any rights or remedies provided by law.

15. WAIVERS AND AMENDMENTS; SUCCESSORS AND ASSIGNS; GOVERNING LAW. None of the terms or provisions of this Security Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by each of the Grantors and the Collateral Agent, provided that any provision of this Security Agreement may be waived by the Collateral Agent in a written letter or agreement executed by the Collateral Agent or by facsimile transmission from the Collateral Agent. This Security Agreement shall be binding upon the successors and assigns of each Grantor and shall inure to the benefit of the Collateral Agent and the Lenders and their respective successors and assigns. This Security Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York.

16. NOTICES. Notices hereunder may be given by mail or by facsimile transmission, addressed or transmitted to the Person to which it is being given at such Person's address or transmission number set forth in the Credit Agreement and shall be effective (a) in the case of

mail, 3 days after deposit in the postal system, first class postage pre-paid and (b) in the case of facsimile notices, when sent. Each Grantor may change its address and transmission number by written notice to the Collateral Agent, and the Collateral Agent or any of the Lenders may change its address and transmission number by written notice to each Grantor and, in the case of any of the Lenders, to the Collateral Agent.

17. AUTHORITY OF COLLATERAL AGENT. Each Grantor acknowledges that the rights and responsibilities of the Collateral Agent under this Security Agreement with respect to any action taken by the Collateral Agent or the exercise or non-exercise by the Collateral Agent of any option, right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Security Agreement shall, as among the Collateral Agent, the Lenders and the Marco Polo Lenders be governed by the Credit Agreement, the Marco Polo Financing Documents and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Collateral Agent and each Grantor, the Collateral Agent shall be conclusively presumed to be acting as agent for the Lenders and the Marco Polo Lenders with full and valid authority so to act or refrain from acting, and no Grantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

18. CONSENT TO JURISDICTION AND SERVICE OF PROCESS. EACH GRANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT AND EACH OTHER LOAN DOCUMENT TO WHICH IT IS A PARTY OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT IN RESPECT THEREOF MAY BE BROUGHT AGAINST IT IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK, AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT AND SUCH OTHER LOAN DOCUMENTS, EACH GRANTOR HEREBY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE NON-EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS. EACH GRANTOR FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO SUCH GRANTOR AT ITS ADDRESS SET FORTH UNDER ITS SIGNATURE BELOW. NOTHING HEREIN AND IN SUCH OTHER LOAN DOCUMENTS SHALL AFFECT THE RIGHT OF THE COLLATERAL AGENT OR ANY HOLDER OF A NOTE TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR OT COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST EACH GRANTOR IN ANY OTHER JURISDICTION.

19. WAIVERS.

(a) EACH GRANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY ACTION DESCRIBED IN PARAGRAPH 18, OR THAT SUCH PROCEEDING WAS BROUGHT IN AN

INCONVENIENT COURT, AND AGREES NOT TO PLEAD OR CLAIM THE SAME.

(b) EACH GRANTOR AND THE COLLATERAL AGENT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING OR COUNTERCLAIM OF ANY TYPE AS TO ANY MATTER ARISING DIRECTLY OR INDIRECTLY OUT OF OR WITH RESPECT TO THIS AGREEMENT.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, each of the undersigned has caused this Security Agreement to be duly executed and delivered by its duly authorized officer as of the day and year first above written.

CAMERON HIGHWAY PIPELINE GP, L.L.C.
CAMERON HIGHWAY PIPELINE I, L.P.
CRYSTAL HOLDING, L.L.C.
FIRST RESERVE GAS, L.L.C.
FLEXTREND DEVELOPMENT COMPANY, L.L.C.
GULFTERRA ALABAMA INTRASTATE, L.L.C
GULFTERRA FIELD SERVICES, L.L.C.
GULFTERRA GC, L.P.
GULFTERRA HOLDING I, L.L.C.
GULFTERRA HOLDING II, L.L.C.
GULFTERRA HOLDING III, L.L.C.
GULFTERRA HOLDING IV, L.P.
GULFTERRA HOLDING V, L.P.
GULFTERRA NGL STORAGE, L.L.C.
GULFTERRA INTRASTATE, L.P.
GULFTERRA OIL TRANSPORT, L.L.C.
GULFTERRA OPERATING COMPANY, L.L.C.
GULFTERRA SOUTH TEXAS, L.P.
GULFTERRA TEXAS PIPELINE, L.P.
HATTIESBURG GAS STORAGE COMPANY
BY: FIRST RESERVE GAS, L.L.C., in its capacity as 50% general partner of Hattiesburg Gas Storage Company; and
BY: HATTIESBURG INDUSTRIAL GAS SALES, L.L.C., in its capacity as 50% general partner of Hattiesburg Gas Storage Company
HATTIESBURG INDUSTRIAL GAS SALES, L.L.C.
HIGH ISLAND OFFSHORE SYSTEM, L.L.C.
BY: GULFTERRA ENERGY PARTNERS, L.P., its sole member
MANTA RAY GATHERING COMPANY, L.L.C.
PETAL GAS STORAGE, L.L.C.
POSEIDON PIPELINE COMPANY, L.L.C.

By: _____
Name: Keith B. Forman
Title: Vice President and Chief Financial Officer

Agreed to:

JPMORGAN CHASE BANK,
as Collateral Agent

By: _____
Name: _____
Title: _____

SCHEDULE I

Patents and Patent Licenses

None

SCHEDULE II

Trademarks and Trademark Licenses

None

SCHEDULE III

Vehicles

None

SCHEDULE IV

Grantors

Name of each Grantor on Public Record of Grantor's Jurisdiction of Organization	Type of Entity	Defined Term for such Grantor	Organizational Identification Number in Jurisdiction of Organization	Former Name (if any)
Cameron Highway Pipeline GP, L.L.C.	Delaware limited liability company	"Cameron Highway GP"	3672523	
Cameron Highway Pipeline I, L.P.	Delaware limited partnership	"Cameron Highway I"	3642223	
Crystal Holding, L.L.C.	Delaware limited liability company	"Crystal Holding"	3258369	El Paso Partners Acquisition, L.L.C.
First Reserve Gas, L.L.C.	Delaware limited liability company	"First Reserve"	2227809	First Reserve Gas Company
Flextrend Development Company, L.L.C.	Delaware limited liability company	"Flextrend"	2510310	Acquired by merger: Ewing Bank Gathering Company, L.L.C.
GulfTerra Alabama Intrastate, L.L.C.	Delaware limited liability company	"GTM Alabama"	3605929	EPN Alabama Intrastate, L.L.C.
GulfTerra Field Services, L.L.C.	Delaware limited liability company	"GTM Field Services"	2747220	Delos Offshore Company, L.L.C. and EPN Field Services, L.L.C. Acquired by merger: ANR Central Gulf Gathering Company, L.L.C., Argo, L.L.C., Argo I, L.L.C., Argo II, L.L.C., East Breaks Gathering Company, L.L.C., El Paso Energy Partners Deepwater, L.L.C., El Paso Hub Services, L.L.C., El Paso San Juan, L.L.C., VK Deepwater Gathering Company, L.L.C. and VK-Main Pass Gathering Company, L.L.C.

Name of each Grantor on Public Record of Grantor's Jurisdiction of Organization	Type of Entity	Defined Term for such Grantor	Organizational Identification Number in Jurisdiction of Organization	Former Name (if any)
GulfTerra GC, L.P.	Delaware limited partnership	"GTM GC"	2324709	Green Canyon Pipe Line Company, L.L.C., Green Canyon Pipe Line Company, L.P. and EPN Gulf Coast, L.P. Acquired by merger: El Paso Intrastate-Alabama, Inc.
GulfTerra Holding I, L.L.C.	Delaware limited liability company	"GTM Holding I"	3505818	EPN GP Holding I, L.L.C.
GulfTerra Holding II, L.L.C.	Delaware limited liability company	"GTM Holding II"	3499172	EPN GP Holding, L.L.C.
GulfTerra Holding III, L.L.C.	Delaware limited liability company	"GTM Holding III"	3499171	EPN Pipeline GP Holding, L.L.C.
GulfTerra Holding IV, L.P.	Delaware limited partnership	"GTM Holding IV"	3505820	EPN Holding Company I, L.P.
GulfTerra Holding V, L.P.	Delaware limited partnership	"GTM Holding V"	3499494	EPN Holding Company, L.P. Acquired by merger: El Paso Texas Field Services, L.L.C.
GulfTerra Intrastate, L.P.	Delaware limited partnership	"GTM Intrastate"	0931567	Cornerstone Pipeline Company, El Paso Energy Intrastate Company and El Paso Energy Intrastate, L.P.
GulfTerra NGL Storage, L.L.C.	Delaware limited liability company	"GTM NGL Storage"	3151447	Crystal Properties and Trading, L.L.C. and EPN NGL Storage, L.L.C. Acquired by merger: Crystal Properties and Trading Company
GulfTerra Oil Transport, L.L.C.	Delaware limited liability company	"GTM Oil Transport"	2408384	Leviathan Oil Transport Systems, L.L.C. and El Paso Energy Partners Oil Transport, L.L.C.
GulfTerra Operating Company, L.L.C.	Delaware limited liability company	"GTM Operating Company"	3063154	Leviathan Operating Company, L.L.C. and El Paso Energy Partners Operating Company, L.L.C.

Name of each Grantor on Public Record of Grantor's Jurisdiction of Organization	Type of Entity	Defined Term for such Grantor	Organizational Identification Number in Jurisdiction of Organization	Former Name (if any)
GulfTerra South Texas, L.P.	Delaware limited partnership	"GTM South Texas"	3564426	El Paso South Texas, L.P.
GulfTerra Texas Pipeline, L.P.	Delaware limited liability company	"GTM Texas Pipeline"	2120073	PG&E Texas Pipeline, L.P. and EPGT Texas Pipeline, L.P. Acquired by merger: Seahawk Transmission Company and EPGT Texas LDC, L.P.
Hattiesburg Gas Storage Company	Delaware general partnership	"Hattiesburg Storage"		
Hattiesburg Industrial Gas Sales, L.L.C.	Delaware limited partnership	"Hattiesburg Sales"	2058929	Hattiesburg Industrial Gas Sales Company
High Island Offshore System, L.L.C.	Delaware limited liability company	"High Island"	2999070	High Island Offshore System
Manta Ray Gathering Company, L.L.C.	Delaware limited liability company	"Manta Ray"	2324708	
Petal Gas Storage, L.L.C.	Delaware limited liability company	"Petal"	2310880	Petal Gas Storage Company
Poseidon Pipeline Company, L.L.C.	Delaware limited liability company	"Poseidon Holding"	2487652	

SCHEDULE V

UCC FILINGS

STATE	FILING OFFICE	DOCUMENT FILED
Delaware (with respect to all Grantors except Hattiesburg Gas Storage Company)	Secretary of State	UCC-1
Texas (with respect to Hattiesburg Gas Storage Company)	Secretary of State	UCC-1
Texas (with respect to GTM South Texas, GTM Intrastate, GTM GC, and GTM Texas Pipeline)	Secretary of State	UCC-1 as a transmitting utility filing
New Mexico (with respect to GTM GC)	Secretary of State	UCC-1 as a transmitting utility filing
Alabama (with respect to GTM Alabama)	Secretary of State	UCC-1 as a transmitting utility filing

SCHEDULE VI

Transmitting Utilities

NAME OF EACH GRANTOR	TYPE OF ENTITY	JURISDICTION(S) WHERE GRANTOR'S GOODS AND PIPELINES ARE LOCATED
GulfTerra Intrastate, L.P.	Delaware limited partnership	Texas
GulfTerra Texas Pipeline, L.P.	Delaware limited partnership	Texas
GulfTerra GC, L.P.	Delaware limited partnership	Texas & New Mexico
GulfTerra South Texas, L.P.	Delaware limited partnership	Texas
GulfTerra Alabama Intrastate, L.L.C.	Delaware limited liability company	Alabama

EXHIBIT A

ADDENDUM TO SUBSIDIARY SECURITY AGREEMENT

ADDENDUM, dated as of _____, 200_ (this "Addendum"), to that Amended and Restated Subsidiary Security Agreement, dated as of September [__], 2003 (as amended, supplemented or otherwise modified prior to the date hereof, the "Security Agreement"), made by each of the Grantors listed below in favor of JP MORGAN CHASE BANK, as collateral agent (in such capacity, the "Collateral Agent") for the Lenders and the Marco Polo Lenders referred to in the Security Agreement. Unless otherwise defined herein, terms defined in the Security Agreement are used herein as therein defined.

W I T N E S S E T H :

WHEREAS, [NAME OF NEW GRANTOR], [a _____ limited liability company] [a _____ corporation] [a _____ partnership] (the "New Grantor"), has become a Subsidiary of one of the Borrowers; and

WHEREAS, pursuant to subsection 8.17 of the Credit Agreement, the New Grantor is required to become a party to the Security Agreement;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the New Grantor hereby:

(i) agrees to all of the provisions of the Security Agreement, and

(ii) effective on the date hereof, becomes a party to the Security Agreement, as a Grantor, with the same effect as if the New Grantor were an original signatory thereto (with the representations and warranties contained therein being deemed to be made by the New Grantor as of the date hereof);

(iii) represents and warrants as follows:

(a) Schedule I hereto includes all Patents and Patent Licenses owned by New Grantor in its own name as of the date hereof. Schedule II hereto includes all Trademarks and Trademark Licenses owned by New Grantor in its own name as of the date hereof. To the best of New Grantor's knowledge, each Patent and Trademark is valid, subsisting, unexpired, enforceable and has not been abandoned. Except as set forth in either such Schedule, none of such Patents and Trademarks is the subject of any licensing or franchise agreement. No holding, decision or judgment has been rendered by any Governmental Authority which would limit, cancel or question the validity of any Patent or Trademark. No action or proceeding is pending (i) seeking to limit, cancel or question the validity of any Patent or Trademark, or (ii) which, if adversely determined, would have a material adverse effect on the value of any Patent or Trademark;

(b) Schedule III hereto is a complete and correct list of all Vehicles owned by New Grantor;

(c) As of the date hereof: (i) the name of New Grantor as indicated on the public record of New Grantor's jurisdiction of organization, which shows New Grantor to have been organized, is as set forth on Schedule IV hereto; (ii) the mailing address of New Grantor is [_____]; (iii) the type of entity of New Grantor and the organizational identification number for New Grantor in New Grantor's jurisdiction of organization is correctly set forth on Schedule IV hereto; (iv) to the extent indicated on Schedule IV hereto, New Grantor was formerly known by the names set forth on Schedule IV hereto; and (v) other than such names, New Grantor has not used any other name or trade name;

(d) All action necessary or desirable to perfect the Liens and security interest in each item of New Grantor's Collateral requested by the Collateral Agent, including the filing of financing statements in the offices referred to on Schedule V hereto, has been or will be duly taken; and

(e) To the extent indicated on Schedule VI attached hereto, New Grantor is a Person primarily engaged in (i) transmitting goods by pipeline, (ii) transmitting gas, or (iii) producing and transmitting gas, and (ii) New Grantor owns goods and pipelines located in the jurisdictions indicated on such Schedule VI.

IN WITNESS WHEREOF, the New Grantor has caused this Addendum to be executed and delivered by its duly authorized officer as of the day and year first above written.

[NAME OF NEW GRANTOR]

By: _____
Name: _____
Title: _____

Address:

Each of the undersigned Guarantors hereby ratifies and confirms its respective obligations under the Subsidiaries Guarantee, as supplemented by this Addendum:

[List Names of Existing Subsidiary Guarantors]

By: _____
Name: _____
Title: _____

Patents and Patent Licenses

Trademarks and Trademark Licenses

Schedule III to
Subsidiary Security Agreement
Addendum

Vehicles

Schedule III to Exhibit A to Exhibit H (Page 1)

SEVENTH AMENDED AND RESTATED CREDIT AGREEMENT

Schedule IV to
Subsidiary Security Agreement
Addendum

Grantors

Name of each Grantor on Public Record of Grantor's Jurisdiction of Organization	Type of Entity	Defined Term for such Grantor	Organizational Identification Number in Jurisdiction of Organization	Former Name (if any)

Schedule V to
Subsidiary Security Agreement
Addendum

UCC FILINGS

STATE	FILING OFFICE	DOCUMENT FILED

Schedule V to Exhibit A to Exhibit H (Page 1)

SEVENTH AMENDED AND RESTATED CREDIT AGREEMENT

Schedule VI to
Subsidiary Security Agreement
Addendum

Transmitting Utilities

NAME OF EACH GRANTOR	TYPE OF ENTITY	JURISDICTION(S) WHERE GRANTOR'S GOODS AND PIPELINES ARE LOCATED

EXHIBIT I

[FORM OF BORROWING CERTIFICATE]

Pursuant to subsection 6.3(e) of the Seventh Amended and Restated Credit Agreement, dated as of March 23, 1995, as amended and restated through September 26, 2003 (the "Credit Agreement"), among GulfTerra Energy Partners, L.P., a Delaware limited partnership (the "Borrower"), GulfTerra Energy Finance Corporation, a Delaware corporation (the "Co-Borrower"), the several banks and other financial institutions from time to time parties thereto (the "Lenders"), and JPMorgan Chase Bank, as administrative agent (the "Administrative Agent"), the undersigned hereby certifies as follows:

The representations and warranties made by the Borrower in or pursuant to each of the Loan Documents to which it is a party are true and correct in all material respects on and as of the date hereof as if made on and as of the date hereof and after giving effect to the Loans requested to be made pursuant to the Credit Agreement (unless stated to relate to a specific earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date); and

Immediately prior to and immediately after the making of the Loans requested to be made pursuant to the Agreement on the date hereof, no Default or Event of Default will have occurred and will be continuing under the Credit Agreement.

At the time of and immediately after the making of the Loans requested to be made pursuant to the Credit Agreement on the date hereof, the Borrower is in pro forma compliance with Section 8.1 of the Credit Agreement; provided, however, that the foregoing certification contained in this paragraph 3 is made by the Borrower in good faith based upon assumptions believed by the Borrower to be reasonable.

[only if this certificate is delivered in connection with an Additional Term Loan] [Immediately after the making of any Additional Term Loan requested to be made pursuant to the Credit Agreement on the date hereof, the aggregate principal amount of all outstanding Additional Term Loans does not exceed an amount equal to $500,000,000 less, as of the time of such determination, the aggregate outstanding principal amount of the Initial Term Loans.]

Capitalized terms used herein and not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the ___th day of _____, 2002.

GULFTERRA ENERGY PARTNERS, L.P.

By: _____
Name:
Title:

GULFTERRA ENERGY FINANCE CORPORATION

By: _____
Name:
Title:

EXHIBIT J

FORM OF ASSIGNMENT AND ACCEPTANCE

Reference is made to the Seventh Amended and Restated Credit Agreement, dated as of March 23, 1995, as amended and restated through September 26, 2003 (as further amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among GulfTerra Energy Partners, L.P., a Delaware limited partnership (the "Borrower"), GulfTerra Energy Finance Corporation, a Delaware corporation (the "Co-Borrower"), the Lenders named therein and JPMorgan Chase Bank, as administrative agent for the Lenders (in such capacity, the "Administrative Agent"). Terms defined in the Credit Agreement are used herein with the same meanings.

_____ (the "Assignor") and _____ (the "Assignee") agree as follows:

(a) The Assignor hereby irrevocably sells and assigns to the Assignee without recourse to the Assignor, and the Assignee hereby irrevocably purchases and assumes from the Assignor without recourse to the Assignor, as of the Effective Date (as defined below), a ___% interest (the "Assigned Interest") in and to the Assignor's rights and obligations under the Credit Agreement with respect to the credit facility contained in the Credit Agreement as are set forth on Schedule 1 in a principal amount as set forth on Schedule 1.

(b) The Assignor (i) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement, any other Loan Document or any other instrument or document furnished pursuant thereto, other than that it is the legal and beneficial owner of the interest conveyed and it has not created any adverse claim upon the interest being assigned by it hereunder and that such interest is free and clear of any such adverse claim; (ii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower, any of its Subsidiaries or any other obligor or the performance or observance by the Borrower, any of its Subsidiaries or any other obligor of any of their respective obligations under the Credit Agreement or any other Loan Document or any other instrument or document furnished pursuant hereto or thereto; and (iii) attaches the Note(s) held by it evidencing the Assigned Interest and requests that the Administrative Agent exchange such Note(s) for a new Note or Notes payable to the Assignor and (if the Assignor has retained any interest in the Credit Agreement) a new Note or Notes payable to the Assignee in the respective amounts which reflect the assignment being made hereby (and after giving effect to any other assignments which have become effective on the Effective Date).

(c) The Assignee (i) represents and warrants that it is legally authorized to enter into this Assignment and Acceptance; (ii) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements delivered pursuant to Section 5.1 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (iii) agrees that it will, independently and without reliance upon the Assignor, the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time,

continue to make its own credit decisions in taking or not taking action under the Credit Agreement, the other Loan Documents or any other instrument or document furnished pursuant hereto or thereto; (iv) appoints and authorizes the Administrative Agent and the Collateral Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement, the other Loan Documents or any other instrument or document furnished pursuant hereto or thereto as are delegated to the Administrative Agent and the Collateral Agent by the terms thereof, together with such powers as are incidental thereto; (v) agrees that it will be bound by the provisions of the Credit Agreement and will perform in accordance with its terms all the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender including, if it is organized under the laws of a jurisdiction outside the United States, its obligation pursuant to Section 4.10 of the Credit Agreement to deliver the forms prescribed by the Internal Revenue Service of the United States certifying as to the Assignee's exemption from United States withholding taxes with respect to all payments to be made to the Assignee under the Credit Agreement, or such other documents as are necessary to indicate that all such payments are subject to such tax at a rate reduced by an applicable tax treaty; and (vi) agrees that the address for notices pursuant to Section 11.2 of the Credit Agreement to the Assignee is set forth on Schedule I.

(d) The effective date of this Assignment and Acceptance shall be _____, _____ (the "Effective Date"). Following the execution of this Assignment and Acceptance, it will be delivered to the Administrative Agent for acceptance by it and recording by the Administrative Agent pursuant to subsection 11.6(f) of the Credit Agreement, effective as of the Effective Date (which shall not, unless otherwise agreed to by the Administrative Agent, be earlier than five Business Days after the date of such acceptance and recording by the Administrative Agent).

(e) Upon such acceptance and recording, from and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee. The Assignor and the Assignee shall make all appropriate adjustments in payments by the Administrative Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves.

(f) From and after the Effective Date, (i) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and under the other Loan Documents and shall be bound by the provisions thereof and (ii) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement.

(g) This Assignment and Acceptance shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed as of the date first above written by their respective duly authorized officers on Schedule 1 hereto.

Schedule 1
to
Assignment and Acceptance
relating to the Seventh Amended and Restated Credit Agreement,
dated as of March 23, 1995, as amended and restated through September 26, 2003,
among GulfTerra Energy Partners, L.P., GulfTerra Energy Finance Corporation,
the Lenders named therein, and JPMorgan Chase Bank,
as administrative agent for the Lenders (in such capacity, the "Administrative Agent")

Name of Assignor: _____

Name of Assignee: _____

Effective Date of Assignment: _____

Principal Amount of Revolving Loan Assigned: _____

Principal Amount of Initial Term Loan Assigned: _____

Principal Amount of Series [___] Additional Term Loan Assigned: _____

Revolving Credit Commitment Percentage Assigned: [(to at least fifteen decimals) (shown as a percentage of aggregate principal amount of all Lenders)]: _____
_____

Address for Notice to Assignee: _____
_____
_____

Accepted:

JP MORGAN CHASE BANK, as Administrative Agent

By: _____
Name: _____
Title: _____

[ASSIGNOR]

By: _____
Name: _____
Title: _____

[ASSIGNEE]

By: _____
Name: _____
Title: _____

Consented To:

GULFTERRA ENERGY PARTNERS, L.P.

By: _____
Name: _____
Title: _____

==========

PURCHASE AND SALE AGREEMENT

==========

By and Between

GULFTERRA ENERGY PARTNERS, L.P.
(Partnership)

and

GOLDMAN SACHS & CO.
(Investor)

==========

Covering the Acquisition of

3,000,000 SERIES A COMMON UNITS
(Subject Units)

==========

October 2, 2003

TABLE OF CONTENTS

EXHIBITS AND SCHEDULES

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "Agreement") dated as of October 2, 2003 is by and between GulfTerra Energy Partners, L.P., a Delaware limited partnership (the "Partnership"), and Goldman Sachs & Co., a New York limited partnership (the "Investor"). The Partnership and the Investor are sometimes referred to collectively herein as the "Parties" and individually as a "Party."

RECITALS

1. The Partnership desires to issue to the Investor, and the Investor desires to purchase from the Partnership, 3,000,000 newly issued Series A Common Units (defined herein) (the "Subject Units").

2. GulfTerra GP Holding Company, a Delaware corporation ("GulfTerra Holding") and the Investor are parties to that certain Purchase and Sale Agreement, dated the date hereof (the "LLC Purchase Agreement"), whereby GulfTerra Holding will sell to an affiliate of the Investor 100% of the Class A Membership Interest (defined herein) of GulfTerra Energy Company, L.L.C., a Delaware limited liability company (the "General Partner").

AGREEMENT

In consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties, and covenants herein contained, the Parties stipulate and agree as follows:

1. Definitions. Unless otherwise provided for herein, the following terms have the following meanings:

"Adverse Consequences" means all actions, suits, proceedings, hearings, investigations, charges, complaints, claims, demands, injunctions, judgments, orders, decrees, rulings, damages, dues, penalties, fines, costs, amounts paid in settlement, liabilities, obligations, Taxes, liens, losses, expenses, and fees, including court costs and attorneys' fees and expenses, but excluding any punitive, exemplary, special, indirect, remote, speculative or consequential damages (including any damages on account of lost profit or opportunities).

"Affiliate" has the meaning set forth in Rule 12b-2 of the regulations promulgated under the Securities Exchange Act.

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

"CERCLA" means the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 et seq., as amended.

"Class A Membership Interest" means the Class A Membership Interest of the General Partner having the rights, powers and privileges set forth in the Organizational Documents of the General Partner.

"Closing" has the meaning set forth in Section 2(c).

"Closing Date" has the meaning set forth in Section 2(c).

"Code" means the Internal Revenue Code of 1986, as amended, or any successor Law.

"Commitment" means any options, warrants, convertible securities, exchangeable securities, subscription rights, conversion rights, exchange rights or other contracts that could require a Person to issue, redeem, purchase, or sell any of its Equity Interests.

"Compensation Plan" means the Partnership's 1998 Omnibus Compensation Plan, as amended, restated, supplemented or otherwise modified through the date hereof.

"Debt Encumbrances" means any liens or other Encumbrances created pursuant to the Partnership Indentures or the Partnership Entities Credit Agreements.

"Delaware GP Act" means the Delaware Revised Uniform Partnership Act as in effect on the date of this Agreement and as amended, restated or replaced from time to time thereafter.

"Delaware LLC Act" means the Delaware Limited Liability Company Act as in effect on the date of this Agreement and as amended, restated or replaced from time to time thereafter.

"Delaware LP Act" means the Delaware Revised Uniform Limited Partnership Act as in effect on the date of this Agreement and as amended, restated or replaced from time to time thereafter.

"DGCL" means the Delaware General Corporation Law as in effect on the date of this Agreement and as amended, restated or replaced from time to time thereafter.

"Encumbrance" means any mortgage, pledge, lien, encumbrance, charge or security interest.

"Environmental Laws" means any and all laws, statutes, regulations, rules, orders, ordinances, codes, directives, permits, legal requirements and rules of common law of any Governmental Authority pertaining to health, safety or the environment (including, without limitation, any natural resource damages, any generation, use, storage, treatment, Release, threatened Release, or emission of Hazardous Materials into the indoor or outdoor environment, and any exposure to Hazardous Materials) now or hereafter in effect and any judicial or administrative interpretation (including, but not limited to, any judicial or administrative order, consent decree, judgment or settlement) thereof, including, without limitation, CERCLA, the Superfund Amendments Reauthorization Act, 42 U.S.C. Section 11001 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., the Clean Air Act, 42 U.S.C. Section 7401 et seq., the Federal Water Pollution Control Act, 33 U.S.C. Section 1251 et seq., the Oil Pollution Act of 1990, 33 U.S.C. Section 2701 et seq., the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq., the Safe Drinking Water Act, 42 U.S.C. Section 300f et seq., the Occupational Safety and Health Act, 29 U.S.C. Section 651 et seq., and the Federal Hazardous Materials Transportation Law, 49 U.S.C. Section 5101 et seq., as each has been amended from time to time, and all other environmental conservation and protection laws.

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

"Equity Interests" means (a) with respect to a corporation, any and all shares of capital stock and any Commitments with respect thereto, (b) with respect to a partnership, limited liability company, trust or similar Person, any and all units, interests or other partnership, limited liability company, trust or similar interests, and any Commitments with respect thereto, and (c) any other direct equity ownership or participation in a Person.

"ERISA" has the meaning set forth in Section 4(m).

"ERISA Affiliate" means any trade or business (whether or not incorporated) treated as being a "single employer" with the Partnership pursuant to Section 414 of the Code.

"Exchange Agreement" means the Exchange and Registration Rights Agreement in substantially the form of Exhibit A.

"Exchange Period" has the meaning set forth in the Exchange Agreement.

"Fairness Opinion" means the fairness opinion dated October 2, 2003 from a nationally recognized investment banking firm relating to the redemption of the Partnership's Series B Preference Units, the Exchange Agreement and certain other matters.

"GAAP" means accounting principles generally accepted in the United States consistently applied, as in effect at the time of the determination.

"Gateway" means Deepwater Gateway L.L.C., a Delaware limited liability company.

"General Partner" has the meaning set forth in the preface.

"Governmental Authority" means any court, tribunal, arbitrator, authority, agency, commission, official, or other instrumentality of the United States, any foreign country, or domestic or foreign state, county, city, or other political subdivision.

"GTM Finance" means GulfTerra Energy Finance Corporation, a Delaware corporation.

"GulfTerra Holding" has the meaning set forth in the Recitals.

"Hazardous Materials" mean (i) any "hazardous waste," "extremely hazardous waste," "industrial waste," "solid waste," "hazardous material," "hazardous substance," "toxic substance," "hazardous material," "pollutant," or "contaminant" as those or similar terms are defined, identified, or regulated under any Environmental Laws; (ii) any asbestos containing materials, whether in a friable or non-friable condition, polychlorinated biphenyls, or radon; (iii) any oil or gas exploration or production waste or any petroleum, petroleum hydrocarbons, petroleum products, crude oil and any components, fractions, or derivatives thereof; and (iv) any substance that, whether by its nature or its use, is subject to regulation under any Environmental Law or for which any Governmental Authority requires environmental investigation, remediation, or monitoring.

"Indemnified Party" has the meaning set forth in Section 5(d).

"Indemnifying Party" has the meaning set forth in Section 5(d).

"Investor" has the meaning set forth in the preface.

"Investor Indemnitees" means, collectively, the Investor and its Affiliates and each of their respective officers (or natural persons performing similar functions), directors (or natural persons performing similar functions), employees, agents and representatives to the extent acting in such capacity.

"Knowledge" means, with respect to the Partnership, the actual knowledge of the individuals listed on Schedule 1(a) hereto, without independent investigation or inquiry.

"Laws" means any statute, code, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any applicable Governmental Authority.

"LLC Agreement" means that certain First Amended and Restated Limited Liability Company Agreement of the General Partner, dated the date hereof.

"LLC Purchase Agreement" has the meaning set forth in the Recitals.

"Material Adverse Effect" means any material adverse change or effect, individually or in the aggregate, to the businesses, operations, financial condition, assets, liabilities or properties of the Partnership and the Partnership Subsidiaries, taken as a whole, provided that in determining whether a Material Adverse Effect has occurred, changes or effects relating to (i) the general economic conditions in the industries in which the Partnership and the Partnership Subsidiaries operate, (ii) United States or global economic conditions or financial markets in general, or (iii) the transactions contemplated by this Agreement, shall not be considered.

"Ordinary Course of Business" means the ordinary course of business consistent with the applicable Person's past custom and practice (including with respect to quantity and frequency).

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

"Parent Guaranty" has the meaning given such term in the LLC Purchase Agreement.

"Partnership" has the meaning set forth in the preface.

"Partnership Agreement" means the Second Amended and Restated Limited Partnership Agreement of the Partnership, as amended, restated, supplemented or otherwise modified through the date of this Agreement.

"Partnership Assets" means all of the assets of the Partnership and the Partnership Subsidiaries.

"Partnership Contracts" has the meaning set forth in Section 4(k).

"Partnership Entities Credit Agreements" means (a) (i) the Seventh Amended and Restated Credit Agreement among the Partnership, GTM Finance, the several lenders from time to time parties thereto, Fortis Capital Corporation, as Syndication Agent, Credit Lyonnais New York Branch, BNP Paribas and Wachovia Bank, National Association, as Co-Documentation Agents and JPMorgan Chase Bank, as Administrative Agent, dated as of March 23, 1995, as amended and restated through September 25, 2003, and (ii) the other financing documents (as identified therein) and (b) (i) the Credit Agreement dated as of August 15, 2002, among Gateway, as borrower, JPMorgan Chase Bank, individually and as Administrative Agent, Wachovia Bank, National Association and Bank One, N.A., as Syndication Agents, Fortis Capital Corp. and BNP Paribas, as Documentation Agents, and the lenders party thereto, and (ii) the other financing documents (as identified therein); in the case of (a)(i) and (ii) and (b)(i) and (ii) above, as amended, restated, supplemented or otherwise modified through the date hereof.

"Partnership Indemnitees" means, collectively, the Partnership, GulfTerra Holding, EP and each of their respective Affiliates and each of their respective officers (or Persons performing similar functions), directors (or Persons performing similar functions), employees, agents, and representatives.

"Partnership Indentures" means, collectively, (i) the Indenture dated as of May 27, 1999, among the Partnership, GTM Finance, the Subsidiary Guarantors named therein and Chase Bank of Texas, N.A., as Trustee, (ii) the Indenture dated as of May 17, 2001, among the Partnership, GTM Finance, the Subsidiary Guarantors named therein and The Chase Manhattan Bank, as Trustee; (iii) the Indenture dated as of November 27, 2002, among the Partnership, GTM Finance, the Subsidiary Guarantors named therein and JPMorgan Chase Bank, as Trustee; (iv) the Indenture dated as of March 24, 2003, among the Partnership, GTM Finance, the Subsidiary Guarantors named therein and JPMorgan Chase Bank, as Trustee; and (v) the Indenture dated as of July 3, 2003, among the Partnership, GTM Finance, the Subsidiary Guarantors named therein and Wells Fargo Bank, National Association, as Trustee; in the case of (i) through (v) above, as amended, restated, supplemented or otherwise modified through the date hereof.

"Partnership Plans" means any bonus, pension, stock option, stock purchase, benefit, welfare, profit-sharing, retirement, disability, vacation, severance, hospitalization, insurance, incentive, deferred compensation and other similar fringe or employee benefit plans, funds, programs or arrangements of the Partnership.

"Partnership Subsidiaries" means all of the Subsidiaries of the Partnership.

"Party" and "Parties" have the meanings set forth in the preface.

"Permitted Encumbrances" means any of the following: (i) any liens for Taxes and assessments not yet delinquent or, if delinquent, that are being contested in good faith in the Ordinary Course of Business; (ii) any obligations or duties reserved to or vested in any

municipality or other Governmental Authority to regulate any Partnership Asset in any manner including all applicable Laws; (iii) mechanic's, materialmen's, and similar liens; (iv) purchase money liens and liens securing rental payments under capital lease arrangements; or (v) any liens or other Encumbrances created pursuant to the Transaction Agreements or the Organizational Documents of the Partnership or any Partnership Subsidiary.

"Permits" has the meaning given such term in Section 4(i).

"Person" means an individual or entity, including any partnership, corporation, association, joint stock company, trust, joint venture, limited liability company, unincorporated organization, or Governmental Authority (or any department, agency or political subdivision thereof).

"Purchase Price" means $112 million.

"Reduction Agreement" means the Incentive Distribution Rights Reduction Agreement in substantially the form of Exhibit B.

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

"SEC" means the Securities and Exchange Commission.

"SEC Reports" means all filings by the Partnership with the SEC that are required or permitted under the Securities Act or the Securities Exchange Act.

"Securities Act" means the Securities Act of 1933, as amended from time to time.

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

"Series A Common Units" has the meaning given such term in the Partnership Agreement.

"Series B Preference Units" has the meaning given such term in the Partnership Agreement.

"Subject Units" has the meaning set forth in the Recitals.

"Subsidiary" means, with respect to any relevant Person, (a) a corporation of which more than 50% of the Voting Stock is owned, directly or indirectly, at the date of determination, by such relevant Person, by one or more Subsidiaries of such relevant Person or a combination thereof, (b) a partnership (whether general or limited) in which such relevant Person, one or more Subsidiaries of such relevant Person or a combination thereof is, at the date of determination, a general or limited partner of such partnership, but only if more than 50% of the partnership interests of such partnership (considering all of the partnership interests of the partnership as a single class) is owned, directly or indirectly, at the date of determination, by

such relevant Person, by one or more Subsidiaries of such relevant Person, or a combination thereof, or (c) any other Person (other than a corporation or a partnership) in which such relevant Person, one or more Subsidiaries of such relevant Person, or a combination thereof, directly or indirectly, at the date of determination, has (i) at least a majority ownership interest or (ii) the power to elect or direct the election of a majority of the directors or other governing body of such other Person.

"Tax" or "Taxes" means any federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Code Section 59A), custom duties, capital stock, franchise, profits, withholding, social security (or similar excises), unemployment, disability, ad valorem, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax, assessment, fee or other governmental charge of any kind whatsoever, including any interest, penalty or addition thereto, whether disputed or not.

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

"Third Party Claim" has the meaning set forth in Section 5(d).

"Transaction Agreements" means this Agreement, the LLC Agreement, the LLC Purchase Agreement, the Transfer Application, the Parent Guaranty, the Exchange Agreement, the Reduction Agreement and all other agreements, documents, certificates or instruments executed and delivered in connection with the transactions contemplated herein.

"Transfer Application" means a Transfer Application admitting the Investor into the Partnership as an Additional Limited Partner (as such term is defined in the Partnership Agreement) in a form required by the Partnership Agreement.

"Voting Stock" means, with respect to any Person, Equity Interests in such Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or Persons with management authority performing similar functions) of such Person.

2. The Transactions.

(a) Sale of Subject Units. Subject to the terms and conditions of this Agreement, the Partnership agrees to issue and sell the Subject Units to the Investor, and the Investor agrees to purchase the Subject Units from the Partnership.

(b) Consideration. In consideration for the sale of the Subject Units, the Investor agrees to pay the Partnership the Purchase Price in cash payable by wire transfer to the Partnership in immediately available federal funds.

(c) The Closing. The closing of the transactions contemplated by this Agreement (the "Closing") took place at the offices of the Partnership on October 2, 2003 (the "Closing Date").

(d) Deliveries at the Closing. At the Closing,

(i) GulfTerra Holding and the Investor executed and delivered the LLC Purchase Agreement;

(ii) the General Partner, the Investor and the Partnership executed and delivered the Exchange Agreement;

(iii) the Parties executed and delivered, or caused to be executed and delivered, to each other the other Transaction Agreements;

(iv) Akin Gump Strauss Hauer & Feld LLP delivered to the Investor an opinion of counsel in a form reasonably acceptable to the Investor;

(v) the Partnership issued the Subject Units to the Investor and the Investor was admitted to the Partnership as an additional limited partner; and

(vi) the Investor delivered to the Partnership the Purchase Price.

3. Representations and Warranties Concerning the Investor. The Investor hereby represents and warrants to the Partnership that the following statements are true and correct:

(a) Organization of the Investor. The Investor (x) is a limited partnership duly organized, validly existing, and in good standing under the law of the State of New York; (y) is qualified as a foreign limited partnership in each jurisdiction which requires qualification, except where the lack of such qualification has not had, or could reasonably be expected not to have, a material adverse effect on the ability of the Investor to consummate the transactions contemplated by the Transaction Agreements to which it is a party; and (z) has all requisite power and authority to carry on its business as it is now conducted.

(b) Authorization of Transaction. The Investor has full limited partnership power and authority to execute and deliver each Transaction Agreement to which it is a party and to perform its obligations thereunder. Each Transaction Agreement to which the Investor is a party constitutes the valid and legally binding obligation of the Investor, enforceable against it in accordance with its terms and conditions, subject, however, to the effects of bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally, and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at Law). Except as set forth on Schedule 3(b), the Investor need not give any notice to, make any filing with, or obtain any authorization, consent, or approval of any Governmental Authority in order to consummate the transactions contemplated by this Agreement or any other Transaction Agreements to which it is a party.

(c) Noncontravention. Except as specified in Schedule 3(b), neither the execution and delivery of any of the Transaction Agreements to which the Investor is a party, nor the consummation of any of the transactions contemplated thereby, shall (A) violate any Law to which the Investor is subject or any provision of its Organizational Documents or (B) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any Person the right to accelerate, terminate, modify, or cancel, or require any notice, approval or consent under any agreement, contract, lease, license, instrument, or other arrangement (x) to which the Investor is a party or by which it is bound or (y) to which any of its assets is subject (or result in the imposition of any Encumbrance upon any of the Investor's assets), except for such violations, conflicts, breaches, defaults, accelerations, terminations, modifications, cancellations, failures to give notice, Encumbrances or other occurrences that would not have, or would reasonably be expected not to have, a material adverse effect on the ability of the Investor to consummate the transactions contemplated by the Transaction Agreements to which it is a party.

(d) Brokers' Fees. The Investor does not have any liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement for which the Partnership is, or could become, liable or obligated.

(e) Independent Investigation. The Investor has conducted its own independent investigation, review and analysis of the business, operations, assets, liabilities, results of operations, financial condition and prospects of each of the Partnership and the Partnership Subsidiaries, both individually and on a consolidated basis, which investigation, review and analysis was done by the Investor and its Affiliates and, to the extent the Investor deemed necessary or appropriate, by the Investor's representatives.

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

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

4. Representations and Warranties Concerning the Partnership. The Partnership hereby represents and warrants to the Investor that the following statements are true and correct:

(a) Organization and Qualification. The Partnership (x) is a limited partnership duly organized, validly existing, and in good standing under the Delaware LP Act; (y) is qualified as a foreign partnership under the Laws of the state of Texas and in each other jurisdiction which requires qualification, except where the lack of such qualification has not had, or could reasonably be expected not to have, (I) a Material Adverse Effect or (II) a material adverse effect on the ability of the Partnership to consummate the transactions contemplated by the Transaction Agreements to which it is a party; and (z) has all requisite power and authority to carry on its business as it is now conducted.

(b) Authorization of Transaction. The Partnership has full partnership power and authority to execute and deliver each Transaction Agreement to which it is a party and to perform its obligations thereunder. Each Transaction Agreement to which the Partnership is a party constitutes the valid and legally binding obligation of the Partnership, enforceable against it in accordance with its terms and conditions, subject, however, to the effects of bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally, and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at Law). Except as set forth on Schedule 4(b) or as required by the Securities Act, the Securities Exchange Act, the limited partnership, securities or blue sky laws or regulations of the various states and the rules of the New York Stock Exchange, the Partnership need not give any notice to, make any filing with, or obtain any authorization, consent, or approval of any Governmental Authority in order to consummate the transactions contemplated by this Agreement or any other Transaction Agreement to which it is a party, other than filings, registrations, authorizations, consents or approvals the failure to make or obtain which has not had, or could reasonably be expected not to have, (i) a Material Adverse Effect or (ii) a material adverse effect on the ability of the Partnership to consummate the transactions contemplated by the Transaction Agreements to which it is a party.

(c) Noncontravention. Except as specified in Schedule 4(b), neither the execution and delivery of any of the Transaction Agreements to which the Partnership is a party, nor the consummation of any of the transactions contemplated thereby, shall (i) violate any Law to which the Partnership or any of the Partnership Subsidiaries is subject or any provisions of their respective Organizational Documents; or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any Person the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement (x) to which the Partnership or any Partnership Subsidiary is a party or by which the Partnership or any Partnership Subsidiary is bound, or (y) to which any Partnership Assets or any assets of any Partnership Subsidiary are subject (or result in the imposition of any Encumbrance upon any of the Partnership Assets or any of the assets of any Partnership Subsidiary), except for such violations, conflicts, breaches, defaults, accelerations, terminations, modifications, cancellations, failures to give notice, Encumbrances or other occurrences that would not have, or would reasonably be expected not to have (i) a Material Adverse Effect or (ii) a material adverse effect on the ability of the Partnership to consummate the transactions contemplated by the Transactions Agreements.

(d) Capitalization. The Partnership has issued and outstanding (i) a one percent general partner interest, (ii) 50,533,649 of its Series A Common Units, (iii) 123,865 of its Series B Preference Units, (iv) 10,937,500 of its Series C Units and (v) 80 of its Series F convertible units, each of which are validly issued and outstanding, fully paid and (except as set forth in the Delaware LP Act for limited partnership interests) nonassessable. Except with respect to the Partnership's Series F convertible units, the Partnership Plans, the Compensation Plan, the Transaction Agreements or as otherwise provided in Schedule 4(d), there are no Commitments with respect to any Equity Interest of the Partnership.

(e) Subsidiaries. Each Partnership Subsidiary is a corporation, partnership, limited liability company or other entity duly organized, validly existing and in good standing under the laws of its jurisdiction of organization (except where the failure to be duly organized, validly existing and in good standing has not, or could reasonably be expected not to have, a Material Adverse Effect) and has all requisite entity power and authority to carry on its business as it is now being conducted. Each Partnership Subsidiary is duly qualified to do business, and is in good standing, in each jurisdiction where the character of its properties owned or held under lease or the nature of its activities makes such qualification necessary, except where the failure to be so qualified, when taken together with all such failures, has not had, or could reasonably be expected not to have, a Material Adverse Effect. All the outstanding Equity Interests of each Partnership Subsidiary are validly issued, fully paid and (except as set forth in the Delaware LP Act, the Delaware GP Act, the DGCL and the Delaware LLC Act with respect to limited partnership interests, general partnership interests, stock and limited liability company interests) nonassessable. The Partnership owns its interest in each Subsidiary, free and clear of any Encumbrances other than Permitted Encumbrances and Debt Encumbrances.

(f) Adequacy of Assets. Except as set forth on Schedule 4(f), the tangible Partnership Assets are adequate (normal wear and tear excepted) to permit the Partnership and the Partnership Subsidiaries to conduct their respective businesses in substantially the same manner as conducted immediately prior to the date of this Agreement, except for such businesses with respect to which the failure to so conduct does not have, or could reasonably be expected not to have, a Material Adverse Effect.

(g) SEC Reports. Since December 31, 2000, (i) the Partnership has timely made all filings required to be made by the Securities Act and the Securities Exchange Act, (ii) all filings by the Partnership with the SEC, at the time filed (in the case of documents filed pursuant to the Securities Exchange Act) or when declared effective by the SEC (in the case of registration statements filed under the Securities Act) complied in all material respects with the applicable requirements of the Securities Act and the Securities Exchange Act and the rules and regulations of the SEC thereunder, (iii) no such filing, at the time described above, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading, and (iv) all financial statements contained or incorporated by reference therein, complied as to form when filed in all material respects with the rules and regulations of the SEC with respect thereto, were prepared in accordance with GAAP applied on a consistent basis throughout the periods involved (except for pro forma financial statements and as may be indicated therein in the notes thereto and subject, in the case of quarterly financial statements, to normal and recurring year-end adjustments), and fairly present in all material respects the financial condition and results of operations of the Partnership and the Partnership Subsidiaries at and as of the respective dates thereof and the consolidated results of its operations and changes in cash flows for the periods indicated (subject, in the case of unaudited statements, to normal year-end audit adjustments). Since December 31, 2002, (i) there has not occurred any event that (singularly or together with other such events) had or could reasonably be expected to have a Material Adverse Effect or (ii) except for liabilities and obligations as described in the SEC Reports or as incurred in the Ordinary Course of Business, none of the Partnership or any of the Partnership Subsidiaries have incurred any liabilities or obligations (whether direct, indirect, accrued or contingent), individually, or in the aggregate, that would be required to be reflected or reserved against on a balance sheet prepared in accordance with GAAP for such balance sheet not to be materially misleading (without giving effect to the materiality standards in GAAP).

(h) Litigation. Except as disclosed in the SEC Reports or in Schedule 4(h), there is neither (i) any suit, action or proceeding to which the Partnership or any Partnership Subsidiary is a party pending or, to the Partnership's Knowledge, threatened against the Partnership or any of the Partnership Subsidiaries nor (ii) any judgment, decree, injunction, rule or order of any Governmental Authority or arbitrator outstanding against the Partnership or any Partnership Subsidiary, except in the case of (i) and (ii) above those which, alone or in the aggregate, have not had, or could reasonably be expected not to have, a Material Adverse Effect.

(i) Compliance with Applicable Laws.

(i) The Partnership and each of the Partnership Subsidiaries holds all permits, licenses, variances, exemptions, orders, approvals and similar authorizations of all Governmental Authorities necessary or appropriate for the lawful operation of its respective business, except for such permits, licenses, variances, exemptions, orders, approvals and similar authorizations the failure of which to hold, alone or in the aggregate, have not had, or could reasonably be expected not to have a Material Adverse Effect (the "Permits"). Except as disclosed in the SEC Reports or on Schedule 4(i), (A) the Partnership and each of the Partnership Subsidiaries is in compliance in all material respects with the

terms of the Permits, and (B) neither the Partnership nor any Partnership Subsidiary has received any written notice from any Person that the businesses of the Partnership and the Partnership Subsidiaries are being conducted in violation of any law, ordinance or regulation of any Governmental Authority, except for possible violations which alone or in the aggregate have not had, or could reasonably be expected not to have, a Material Adverse Effect.

(ii) None of the Partnership or any of the Partnership Subsidiaries is a "public utility company," "holding company" or "subsidiary" or "affiliate" of a holding company as such terms are defined in the Public Utility Holding Company Act of 1935, as amended.

(iii) None of the Partnership or any of the Partnership Subsidiaries is an "investment company" or a company "controlled by" an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(j) Taxes. Except as otherwise disclosed on Schedule 4(j) or for matters that do not have, or could reasonably be expected not to have, a Material Adverse Effect:

(i) Each of the Partnership and the Partnership Subsidiaries has filed (or has had timely filed on its behalf) all Tax Returns required to be filed by any of them and has paid (or has had paid on its behalf), or has set up an adequate reserve for the payment of, all Taxes required to be paid by any of them. The information contained in such Tax Returns is true, complete and accurate in all respects. No such Tax Return is now under audit or examination by any Governmental Authority. Neither the Partnership nor any Partnership Subsidiary has engaged in a transaction that would be treated as a "reportable transaction" within the meaning of Treasury Regulation Section 1.6011-4 or any predecessor regulation. No claim has ever been made by an authority in a jurisdiction where any of the Partnership and the Partnership Subsidiaries does not file Tax Returns that it is or may be subject to Tax in that jurisdiction. Neither the Partnership nor any Partnership Subsidiary is delinquent in the payment of any Tax. No deficiencies for any Taxes have been proposed, asserted or assessed against the Partnership or any Partnership Subsidiary that have not been finally settled or paid in full, and no requests for waivers of the time to assess any such Tax are pending. There are no liens for Taxes upon the assets of the Partnership or the Partnership Subsidiaries, except for liens for current Taxes not yet due. Each of the Partnership and the Partnership Subsidiaries has withheld and paid all Taxes required to be withheld and paid and has complied with all information and backup withholding requirements, including maintaining all necessary records in connection with amounts paid or owing to any employee, creditor, independent contractor or other third party.

(ii) The Partnership and the Partnership Subsidiaries do not have, in total, liabilities of more than $5.8 million for the Taxes of any Person other than the Partnership and the Partnership Subsidiaries (A) as a transferee or successor,

(B) by contract, (C) pursuant to Treasury Regulation Section 1.1502-6 (or any similar provision of state, local or foreign law), or (D) otherwise.

(k) Contracts and Commitments. Schedule 4(k) includes a list of each contract and agreement (collectively, the "Partnership Contracts") to which the Partnership or any Partnership Subsidiary is subject that was required to be included as an exhibit to a Partnership Annual Report on Form 10-K for the year ended December 31, 2002 and Partnership Quarterly Reports on Form 10-Q for quarterly periods ending in 2003 pursuant to the rules and regulations of the SEC, and, except as set forth in the SEC Reports or on Schedule 4(k)(i), each Partnership Contract is in full force and effect, except where the failure to be in full force and effect has not had, or could reasonably be expected not to have a Material Adverse Effect. Except as set forth in the SEC Reports or on Schedule 4(k)(ii), the Partnership and the Partnership Subsidiaries have performed all material obligations required to be performed by it to date under the Partnership Contracts, and none of them is in default under any material obligation of any such contract, except where such default has not had, or could reasonably be expected not to have a Material Adverse Effect, and, to the Partnership's Knowledge, no other party to any Partnership Contract is in default thereunder.

(l) Environmental Matters. Except as relates to those matters identified in the SEC Reports or on Schedule 4(l) and for any violations of these representations that, individually or in the aggregate, have not had, or could reasonably be expected not to have, a Material Adverse Effect:

(i) The operations, real properties, and assets of the Partnership and each of the Partnership Subsidiaries and their respective predecessors have been and currently are in compliance with all Environmental Laws;

(ii) All permits, registrations, licenses, notices, reportings, consents, exemptions, authorizations, and similar approvals required under Environmental Laws for conducting the operations of the Partnership and each of the Partnership Subsidiaries and their respective predecessors as they have been and are currently being conducted have been obtained and all such currently held permits, registrations, licenses, notices, reportings, consents, exemptions, authorizations, and similar approvals are in full force and effect with neither the Partnership nor any of the Partnership Subsidiaries having received any notice that any Governmental Authority intends to cancel, terminate, or not renew any such current permits, registrations, licenses, notices, reportings, consents, exemptions, authorizations, and similar approvals;

(iii) None of the operations, real properties, or assets of the Partnership or any of the Partnership Subsidiaries are subject to any existing, pending or threatened claims, actions, suits, investigations, inquiries or proceedings under Environmental Laws, and neither the Partnership nor any of the Partnership Subsidiaries has received any written notice of alleged violations under Environmental Laws with respect to such operations, real properties, or assets;

(iv) There has been no Releases or, to the Partnership's Knowledge, threatened Releases of Hazardous Materials on, under, from, or about the Partnership's or any of the Partnership Subsidiaries' respective real properties or assets, and there are no investigations, remediations, or monitorings of Hazardous Materials required under Environmental Law at any on-site or, to the Partnership's Knowledge, offsite locations resulting from or arising out of the Partnership's or any of the Partnership Subsidiaries' respective operations;

(v) None of the real property included in the operations or assets of the Partnership or any of the Partnership Subsidiaries is on the National Priorities List ("NPL") or Comprehensive Environmental Response, Compensation, and Liability Information System ("CERCLIS") list;

(vi) There has not been exposure of persons to a Release or, to the Partnership's Knowledge, threatened Release of Hazardous Materials in connection with the operations of the Partnership or any of the Partnership Subsidiaries that could reasonably be expected to lead to tort claims by third parties for damages or compensation; and

(vii) There are no underground storage tanks that are currently or were formerly owned or operated by the Partnership or any of the Partnership Subsidiaries or their predecessors on any real properties included in the current assets or operations of the Partnership or any of the Partnership Subsidiaries.

(m) Employees; Employee Plans.

(i) Neither the Partnership nor any of its ERISA Affiliates currently has or, during the past three years, has had any employees.

(ii) Neither the Partnership nor any of its ERISA Affiliates sponsors, maintains or contributes to or has an obligation (secondary, contingent or otherwise) to contribute to, or has sponsored, maintained or contributed to or has had an obligation to contribute to, any "employee benefit plan," as defined under Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

(iii) As of the date hereof, neither the Partnership nor any of its ERISA Affiliates has any direct or indirect liability, including secondary liability, arising under, based upon or related to Title IV of ERISA with respect to any plan, including any liability under Section 302 of ERISA or Section 412 of the Code and there is no event that has occurred that, with notice, lapse of time or otherwise, the Partnership reasonably expects to result in such liability.

(n) Fairness Opinion; Special Committee Approval.

(i) The Partnership has received the Fairness Opinion and provided a true and correct copy of the Fairness Opinion to the Investor.

(ii) The transactions contemplated by the Exchange Agreement and the transactions related to the redemption by the Partnership of its Series B Preference Units from an Affiliate of EP have been approved by at least a majority of the directors of the Audits and Conflicts Committee of the General Partner.

(o) Intellectual Property. Each of the Partnership and the Partnership Subsidiaries own, or have obtained valid and enforceable licenses for, or other rights to use, the inventions, patents, trademarks, tradenames, copyrights, trade secrets and other proprietary information (collectively, "Intellectual Property") necessary for the conduct of their respective businesses, except where the failure to own, license or have such rights has not had, or could reasonably be expected not to have, a Material Adverse Effect. None of the Partnership or any Partnership Subsidiary has Knowledge of any infringement of or conflict with asserted rights of others with respect to any Intellectual Property or of any facts or circumstances which would render any Intellectual Property invalid or inadequate to protect the interest of any of the Partnership or the Partnership Subsidiaries, except for any that has not had, or could reasonably be expected not to have, a Material Adverse Effect.

(p) No Default. None of the Partnership, or any of the Partnership Subsidiaries is in violation or default of (i) any Organizational Document, or (ii) the terms of any indenture, contract, lease, mortgage, deed of trust, note agreement, loan agreement or any other agreement, obligation, condition, covenant or instrument to which it is a party or bound or to which its property is subject, in the case of (i) and (ii), other than breaches or violations that have not had, or could reasonably be expected not to have, a Material Adverse Effect.

(q) Independent Accountants. PricewaterhouseCoopers, LLP, who have certified certain financial statements of each of the Partnership and the Partnership Subsidiaries contained in the SEC Reports are independent public accountants as required by the Securities Act and the applicable published rules and regulations thereunder.

(r) Broker's Fees. The Partnership has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement for which the Investor could become, liable or obligated.

(s) GP Capital Account. The General Partner has a balance in its capital account in the Partnership equal to 1.00% of the total positive capital account balances of all of the partners in the Partnership.

(t) NYSE Listing. The New York Stock Exchange has approved the listing of the Subject Units on the New York Stock Exchange.

5. Remedies for Breaches of this Agreement.

(a) Survival of Representations and Warranties. (i) All of the representations and warranties of the Partnership contained in Sections 4(a), 4(b) and 4(r) shall survive the Closing hereunder until the earlier of (A) the date that is 5 years after the Closing Date and (B) the later of (x) 24 months after the Closing Date and (y) the date on which the Exchange Period ends, (ii) all of the representations and warranties contained in Section 4(j) shall survive until 30 days after the expiration of the applicable statute of limitations; (iii) all of the representations and warranties contained in Section 4(l) shall survive the Closing for a period of 30 months after the Closing Date; and (iv) the representations and warranties of the Partnership contained in Section 4 (other than Sections 4(a), 4(b), 4(j), 4(l) and 4(r)) shall survive the Closing for a period of 18 months after the Closing Date. The representations and warranties of the Investor contained in Section 3 shall survive the Closing for a period of 18 months after the Closing Date. The covenants and obligations contained in Section 2 and all other covenants and obligations contained in this Agreement shall survive the Closing without limitation.

(b) Indemnification Provisions for Benefit of the Investor.

(i) Representations and Warranties. In the event: (x) any of the representations or warranties of the Partnership is breached; (y) there is an applicable survival period pursuant to Section 5(a); and (z) the Investor makes a written claim for indemnification against the Partnership pursuant to Section 7(e) within such survival period, then the Partnership agrees to release, indemnify and hold harmless the Investor Indemnitees from and against any Adverse Consequences suffered by the Investor Indemnitees by reason of all such breaches; provided, that the Partnership shall not have any obligation to indemnify any Investor Indemnitees from and against any such Adverse Consequences to the extent the Adverse Consequences the Investor Indemnitees, in the aggregate, have suffered by reason of all such breaches exceeds an aggregate ceiling amount equal to 100% of the Purchase Price (after which point the Partnership shall have no obligation to indemnify the Investor Indemnitees from and against further such Adverse Consequences). Any due diligence or other investigation by or on behalf of the Investor shall not affect its reliance or right to rely on any representation or warranty made by the Partnership in this Agreement.

(ii) Covenants and Obligations. In the event: (x) any of the covenants or obligations of the Partnership in Section 2 or any other covenants or obligations of the Partnership in this Agreement are breached; and (y) the Investor makes a written claim for indemnification against the Partnership pursuant to Section 7(e), then the Partnership agrees to release, indemnify and hold harmless the Investor Indemnitees from and against any Adverse Consequences suffered by the Investor Indemnitees.

(c) Indemnification Provisions for Benefit of the Partnership.

(i) Representations and Warranties. In the event: (x) any of the representations or warranties of the Investor is breached; (y) there is an applicable survival period pursuant to Section 5(a); and (z) the Partnership makes a written claim for indemnification against the Investor pursuant to Section 7(e) within such survival period, then the Investor agrees to release, indemnify and hold harmless the Partnership Indemnitees from and against any Adverse Consequences suffered by such Partnership Indemnitees by reason of all such breaches.

(ii) Covenants and Obligations. In the event: (x) any of the covenants or obligations of the Investor in Section 2 or any other covenants or obligations of the Investor in this Agreement are breached and (y) the Partnership makes a written claim for indemnification against the Investor pursuant to Section 7(e) within such survival period, then the Investor agrees to release, indemnify and hold harmless the Partnership Indemnitees from and against any Adverse Consequences suffered by the Partnership Indemnitees.

(d) Matters Involving Third Parties.

(i) If any third party shall notify any Party (the "Indemnified Party") with respect to any matter (a "Third Party Claim") that may give rise to a claim for indemnification against any other Party (the "Indemnifying Party") under this Section 5, then the Indemnified Party shall promptly notify the Indemnifying Party thereof in writing. Failure to give prompt notice of a Third Party Claim hereunder shall not affect the Indemnifying Party's obligations, except to the extent that the Indemnifying Party is materially prejudiced by such failure to give prompt notice.

(ii) The Indemnifying Party shall have the right to assume and thereafter conduct the defense of the Third Party Claim with counsel of its choice reasonably satisfactory to the Indemnified Party; provided, however, that the Indemnified Party shall have the right to participate in any matter through counsel of its own choosing at its own expense; provided further, however, that the Indemnifying Party shall pay the fees and expenses of separate counsel for the Indemnified Party if (A) the Indemnifying Party has agreed to pay such fees and expenses or (B) the named parties to any such action or proceeding (including any impleaded parties) include both the Indemnified Party and the Indemnifying Party, and such Indemnified Party shall have been advised by counsel that the representation of both parties would be inappropriate due to actual or potential differing interests between them.

(iii) The Indemnifying Party shall not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior written consent of the Indemnified Party (not to be withheld unreasonably) unless the judgment or proposed settlement involves only the

payment of money damages and does not impose an injunction or other equitable relief upon the Indemnified Party.

(iv) Unless and until the Indemnifying Party assumes the defense of the Third Party Claim as provided in Section 5(d)(ii), the Indemnified Party may defend against the Third Party Claim in any manner it reasonably may deem appropriate.

(v) In no event shall the Indemnified Party consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior written consent of the Indemnifying Party which consent shall not be withheld or delayed unreasonably.

(e) Determination of Amount of Adverse Consequences. The Adverse Consequences giving rise to any indemnification obligation hereunder shall be limited to the actual loss suffered by the Indemnified Party (i.e. reduced by any insurance proceeds or other payment or recoupment received, realized or retained by the Indemnified Party as a result of the events giving rise to the claim for indemnification net of any expenses related to the receipt of such proceeds, payment or recoupment, including retrospective premium adjustments, if any), but not reduced by any reduction in Taxes of the Indemnified Party (or the affiliated group of which it is a member) occasioned by such loss or damage. The amount of the actual loss and the amount of the indemnity payment shall be computed by taking into account the timing of the loss or payment, as applicable, using a 10% interest or discount rate, as appropriate. Upon the request of the Indemnifying Party, the Indemnified Party shall provide the Indemnifying Party with information sufficient to allow the Indemnifying Party to calculate the amount of the indemnity payment in accordance with this Section 5(e).

(f) Compliance with Express Negligence Rule. ALL RELEASES, DISCLAIMERS, LIMITATIONS ON LIABILITY AND INDEMNITIES IN THIS AGREEMENT, INCLUDING THOSE IN THIS SECTION 5, SHALL APPLY EVEN IN THE EVENT OF THE SOLE, JOINT AND/OR CONCURRENT NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT OF THE PARTY WHOSE LIABILITY IS RELEASED, DISCLAIMED, LIMITED OR INDEMNIFIED.

(g) Tax Treatment of Indemnity Payments. All indemnification payments made under this Agreement, including any payment made under Section 5, shall be made in cash and treated as purchase price adjustments for Tax purposes.

6. [Intentionally Omitted].

7. Miscellaneous.

(a) Confidentiality, Press Releases and Public Announcements. Prior to Closing, the Parties shall keep all information regarding the terms and conditions of the Transaction Agreements and the transactions related thereto secret and confidential, except (i) for any disclosures made by the Parties and their respective Affiliates and representatives, (ii) pursuant to a mutual agreement between the Parties, or (iii) if required by Law, including Laws promulgated by the SEC, or applicable stock exchange rule, including rules of the New York Stock Exchange. Notwithstanding anything to the contrary in this Agreement (or any other agreement executed in connection therewith), the Parties (and each employee, representative or other agent of the Parties) may disclose to any and all persons, without limitation of any kind, the U.S. federal income Tax treatment and Tax structure of the transactions contemplated herein and all materials of any kind (including opinions and other Tax analyses) that are provided to the Parties relating to such Tax treatment and Tax structure. For this purpose, "Tax structure" is limited to facts relevant to the U.S. federal income Tax treatment of such transactions and does not include information relating to the identity of the Parties, its Affiliates, agents or advisors. Moreover, notwithstanding any other provision of this Agreement (or any other agreement executed in connection therewith), there shall be no limitation on a Party's ability to consult any Tax adviser, whether or not independent from such Party or its Affiliates, regarding the Tax treatment or Tax structure of the transactions contemplated by this Agreement.

(b) No Third Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

(c) Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and assigns. Except as expressly provided in the following sentence, neither Party may assign, transfer or otherwise alienate either this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of the other Party. Notwithstanding the immediately preceding sentence, either Party may assign all or any portion of its rights or interests (but not its obligations) under this Agreement without the consent of the other Party (i) in connection with the granting by such Party of a lien in a bona fide lending transaction, (ii) in any foreclosure or similar proceeding or (iii) as part of a settlement in any foreclosure or similar proceeding.

(d) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but which together shall constitute one and the same instrument.

(e) Notices. All notices, requests, demands, claims, and other communications hereunder shall be in writing. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly given two business days after it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to the intended recipient as set forth below:

If to the Partnership:	GulfTerra Energy Partners, L.P. Attn: President Four Greenway Plaza Houston, Texas 77046 (713) 420-2131
With a copy to:	Akin Gump Strauss Hauer & Feld, LLP 711 Louisiana Street - South Tower, Suite 1900 Houston, Texas 77002 (713) 220-5800 Attn: J. Vincent Kendrick
If to the Investor:	Goldman Sachs & Co. 1 New York Plaza 48th Floor New York, New York 10004 Attn: Raanan Agus Phone: (212) 902-3177 Fax: (212) 346-3124
With a copy to:	General Counsel Fax: (212) 902-346-3142
With a copy to:	Vinson & Elkins L.L.P. 666 Fifth Avenue 26th Floor New York, New York 10103 Facsimile: (917) 206 8100 Attention: Mike Rosenwasser

Any Party may send any notice, request, demand, claim, or other communication hereunder to the intended recipient at the addresses set forth above using any other means (including personal delivery, expedited courier, messenger service, telecopy, ordinary mail, or electronic mail), but no such notice, request, demand, claim, or other communication shall be deemed to have been duly given unless and until it actually is received by the intended recipient. Any Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth.

(f) Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE DOMESTIC LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO ANY CHOICE OR CONFLICT OF LAW PROVISION OR RULE (WHETHER OF THE STATE OF NEW YORK OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF NEW YORK.

(g) Remedy and Waiver. From and after the Closing, the sole remedy of a Party in connection with (i) a breach or inaccuracy of the representations, or breach of warranties, in this Agreement or any certificate or other document delivered pursuant to this Agreement at Closing, or (ii) any failure by a Party to perform or observe any term, provision, covenant or agreement on the part of such Party to be performed or observed under this Agreement, shall, in each case, be the rights of such Party under Section 5 hereof to indemnification and to being released and held harmless, and, as a result, each Party hereby waives any claim or cause of action pursuant to common or statutory law or otherwise (except for fraud) against the other Party arising from any breach or failure described in (i) or (ii) above. Except for the representations, warranties and remedies expressly provided for by this Agreement, the Investor agrees that the Partnership and its Affiliates and representatives have not made any representation or warranty, and the Partnership is relying on no other representation, warranty or remedy (under contract or law).

(h) Further Assurances. In case at any time after the Closing any further action is necessary to carry out the purposes of this Agreement, each of the Parties shall take such further action (including the execution and delivery of such further instruments and documents) as the other Party reasonably may request, all at the sole cost and expense of the requesting Party (unless the requesting Party is entitled to indemnification therefor under Section 5).

(i) Amendments and Waivers. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by the Investor and the Partnership. No waiver by any Party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

(j) Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

(k) Transaction Expenses. Each of the Investor and the Partnership shall bear its own costs and expenses (including legal fees and expenses) incurred in connection with this Agreement and the transactions contemplated hereby.

(l) Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. The Section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement. Any reference to any federal, state, local, or foreign statute or Law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise, and shall include any amendment to such Law now or hereinafter in effect, unless otherwise expressly set forth herein. The word "including" shall mean including without limitation. All personal pronouns used in this Agreement, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa. All references herein to Exhibits, Schedules, Articles, Sections or subdivisions thereof shall refer to the corresponding Exhibits, Schedules, Article, Section or subdivision thereof of this Agreement unless specific reference is made to such exhibits, articles, sections or subdivisions of another document or instrument. Any disclosure made on any Schedule to this Agreement will be considered disclosed on all applicable Schedules to this Agreement. Unless otherwise provided, any reference to any Person in this Agreement shall include such Person's successors and assigns. The terms "will" and "shall" shall be interpreted to have the same meaning. The terms "herein," "hereby," "hereunder," "hereof," "hereinafter," and other equivalent words refer to this Agreement in its entirety and not solely to the particular portion of the Agreement in which such word is used. Each certificate delivered pursuant to this Agreement shall be deemed a part hereof, and any representation, warranty or covenant herein referenced or affirmed in such certificate shall be treated as a representation, warranty or covenant given in the correlated Section hereof on the date of such certificate. Additionally, any representation, warranty or covenant made in any such certificate shall be deemed to be made herein.

(m) Incorporation of Exhibits and Schedules. The Exhibits and Schedules identified in or otherwise attached to this Agreement are incorporated herein by reference and made a part hereof.

(n) Entire Agreement. THIS AGREEMENT (INCLUDING THE DOCUMENTS REFERRED TO HEREIN) CONSTITUTES THE ENTIRE AGREEMENT AMONG THE PARTIES AND SUPERSEDES ANY PRIOR UNDERSTANDINGS, AGREEMENTS, OR REPRESENTATIONS BY OR AMONG THE PARTIES, WRITTEN OR ORAL, TO THE EXTENT THEY HAVE RELATED IN ANY WAY TO THE SUBJECT MATTER HEREOF.

*****

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first set forth in the preamble.

GULFTERRA ENERGY PARTNERS, L.P.

By: /s/ James H. Lytal

Name: James H. Lytal

Title: President

GOLDMAN SACHS & CO.

By: /s/ Raanan Agus

Name: Raanan Agus

Title: Managing Director

Purchase and Sale Agreement (the "Purchase Agreement") dated October 2, 2003, by and between GulfTerra Energy Partners, L.P., a Delaware limited partnership (the "Partnership"), and Goldman Sachs & Co, a New York Limited Partnership, covering the acquisition of 3,000,000 Series A Common Units from the Partnership.

EXHIBITS AND SCHEDULES

Exhibit A:	Form of Exchange Agreement
Exhibit B:	Form of Reduction Agreement
Schedule 1(a):	Knowledge (Partnership)
Schedule 3(b):	Consents (Investor)
Schedule 4(b):	Consents (Partnership)
Schedule 4(d):	Capitalization
Schedule 4(f):	Adequacy of Assets
Schedule 4(h):	Litigation
Schedule 4(i):	Compliance with Applicable Laws
Schedule 4(j):	Taxes
Schedule 4(k):	Contracts and Commitments
Schedule 4(k)(i):	Full Force and Effect
Schedule 4(k)(ii):	Defaults
Schedule 4(l):	Environmental Laws

EXHIBIT A TO
PURCHASE AND SALE AGREEMENT

FORM OF EXCHANGE AGREEMENT

(attached).

EXHIBIT B TO
PURCHASE AND SALE AGREEMENT

FORM OF REDUCTION AGREEMENT

(attached).

SCHEDULE 1(A) TO
PURCHASE AND SALE AGREEMENT

KNOWLEDGE (PARTNERSHIP)

1. Bob Phillips, Chairman and Chief Executive Officer of the Partnership.

2. D. Mark Leland, Senior Vice President and Chief Operating Officer of the Partnership.

3. Keith Forman, Vice President and Chief Financial Officer of the Partnership.

4. Greg Jones, Vice President and General Counsel of the Partnership.

5. Kathy Welch, Vice President and Chief Accounting Officer of the Partnership.

6. Marcus Rex Ferries, Director, Environmental Remediation.

7. Robert Proffit, Vice President of the Partnership.

SCHEDULE 3(B) TO
PURCHASE AND SALE AGREEMENT

CONSENTS (INVESTOR)

None.

SCHEDULE 4(B) TO
PURCHASE AND SALE AGREEMENT

CONSENTS (PARTNERSHIP)

None.

SCHEDULE 4(D) TO
PURCHASE AND SALE AGREEMENT

CAPITALIZATION

As provided in the Partnership Agreement, the Series C Units of the Partnership can be redeemed, under certain circumstances, into Series A Common Units.

SCHEDULE 4(F) TO
PURCHASE AND SALE AGREEMENT

ADEQUACY OF ASSETS

None.

SCHEDULE 4(H) TO
PURCHASE AND SALE AGREEMENT

LITIGATION

None.

SCHEDULE 4(I) TO
PURCHASE AND SALE AGREEMENT

COMPLIANCE WITH APPLICABLE LAWS

None.

SCHEDULE 4(J) TO
PURCHASE AND SALE AGREEMENT

TAXES

None.

SCHEDULE 4(K) TO
PURCHASE AND SALE AGREEMENT

CONTRACTS AND COMMITMENTS

1. Indenture dated as of May 27, 1999 among GulfTerra Energy Partners, L.P., GulfTerra Energy Finance Corporation, the Subsidiary Guarantors named therein and Chase Bank of Texas, as Trustee; First Supplemental Indenture dated as of June 30, 1999; Second Supplemental Indenture dated as of July 27, 1999; Third Supplemental Indenture dated as of March 21, 2000; Fourth Supplemental Indenture dated as of July 11, 2000; Fifth Supplemental Indenture dated as of August 30, 2000; Sixth Supplemental Indenture dated as of April 18, 2002; Seventh Supplemental Indenture dated as of April 18, 2002; Eighth Supplemental Indenture dated as of October 10, 2002; Ninth Supplemental Indenture dated as of November 27, 2002; Tenth Supplemental Indenture dated as of January 1, 2003; Eleventh Supplemental Indenture dated as of June 20, 2003.

2. Indenture dated as of May 11, 2000 among GulfTerra Energy Partners, L.P., GulfTerra Energy Finance Corporation, The Subsidiary Guarantors named therein and The Chase Manhattan Bank, as Trustee; First Supplemental Indenture dated as of April 18, 2002; Second Supplemental Indenture dated as of April 18, 2002; Third Supplemental Indenture dated as of October 10, 2002; Fourth Supplemental Indenture dated as of November 27, 2002; Fifth Supplemental Indenture dated as of January 1, 2003; Sixth Supplemental Indenture dated as of June 20, 2003.

3. Letter agreement dated March 5, 2002, between Crystal Gas Storage, Inc. and GulfTerra Energy Partners, L.P.

4. Registration Rights Agreement by and between El Paso Corporation and GulfTerra Energy Partners, L.P. dated as of November 27, 2002.

5. Indenture dated as of November 27, 2002 by and among GulfTerra Energy Partners, L.P., GulfTerra Energy Finance Corporation, the Subsidiary Guarantors named therein and JPMorgan Chase Bank, as Trustee; First Supplemental Indenture dated as of January 1, 2003; Second Supplemental Indenture dated as of June 20, 2003.

6. A/B Exchange Registration Rights Agreement by and among GulfTerra Energy Partners, L.P., GulfTerra Energy Finance Corporation, the Subsidiary Guarantors party thereto, J.P. Morgan Securities, Inc., Goldman Sachs & Co., UBS Warburg LLC and Wachovia Securities, Inc. dated as of March 24, 2003.

7. Indenture dated as of March 24, 2003 by and among GulfTerra Energy Partners, L.P., GulfTerra Energy Finance Corporation, the Subsidiary Guarantors named therein and JPMorgan Chase Bank, as Trustee dated as of March 24, 2003; First Supplemental Indenture dated as of June 20, 2003.

8. Indenture dated as of July 3, 2003, by and among GulfTerra Energy Partners, L.P., GulfTerra Energy Finance Corporation, the Subsidiary Guarantors named therein and Wells Fargo Bank, National Association, as Trustee.

9. A/B Exchange Registration Rights Agreement dated as of July 3, 2003, by and among GulfTerra Energy Partners, L.P., GulfTerra Energy Finance Corporation, the Subsidiary Guarantors named therein, J.P. Morgan Securities Inc., Banc One Capital Markets, Inc., BNP Paribas Securities Corp., Credit Lyonnais Securities (USA) Inc., Credit Suisse First Boston LLC, Fortis Investment Services LLC, The Royal Bank of Scotland plc, Scotia Capital (USA) Inc., SunTrust Capital Markets, Inc. and Wachovia Securities, LLC.

10. General and Administrative Services Agreement by and between DeepTech International Inc., GulfTerra Energy Company, L.L.C. and El Paso Field Services, L.P. dated as of May 5, 2003.

11. Seventh Amended and Restated Credit Agreement dated as of March 23, 1995, as amended and restated through September 25, 2003, among GulfTerra Energy Partners, L.P., GulfTerra Energy Finance Corporation, the several lenders from time to time parties thereto, Fortis Capital Corp., as Syndication Agent, Credit Lyonnais New York Branch, BNP Paribas and Wachovia Bank, National Association, as Co-Documentation Agents, and JPMorgan Chase Bank, as Administrative Agent

12. Limited Liability Company Agreement for Poseidon Oil Pipeline Company, L.L.C. dated February 14, 1996; First Amendment to the Limited Liability Company Agreement for Poseidon Oil Pipeline Company, L.L.C. dated February 14, 1996.

13. Purchase and Sale Agreement dated as of September 27, 2001 by and between American Natural Offshore Company, Texas Offshore Pipeline System, Inc., Unitex Offshore Transmission Company and ANR Western Gulf Holdings, L.L.C. as Sellers and El Paso Energy Partners Deepwater, L.L.C., as Buyer

14. 1998 Unit Option Plan for Non-Employee Directors Amended and Restated effective as of April 18, 2001; Amendment No. 1 effective as of May 15, 2003.

15. 1998 Omnibus Compensation Plan, Amended and Restated, effective as of January 1, 1999; Amendment No. 1 dated as of December 1, 1999; Amendment No. 2 dated as of May 15, 2003.

16. Purchase, Sale and Merger Agreement by and between El Paso Tennessee Pipeline Co. and GulfTerra Energy Partners, L.P., dated as of April 1, 2002.

17. Contribution Agreement by and between El Paso Field Services Holding Company and GulfTerra Energy Partners, L.P. dated as of April 1, 2002

18. Purchase and Sale Agreement by and between GulfTerra Energy Partners, L.P. and El Paso Production GOM Inc. dated as of April 1, 2002.

19. Letter Agreement by and among GulfTerra Energy Partners, L.P., GulfTerra Energy Finance Corporation, the Subsidiary Guarantors party thereto, JPMorgan Chase Bank, Goldman Sachs Credit Partners L.P., UBS AG, Stamford Branch and Wachovia Bank, National Association dated November 27, 2002.

20. Contribution, Purchase and Sale Agreement by and between El Paso Corporation and GulfTerra Energy Partners, L.P. dated November 21, 2002.

21. Second Amended and Restated Agreement of Limited Partnership of GulfTerra Energy Partners, L.P., a Delaware limited partnership, effective as of August 31, 2003, First Amendment dated November 27, 2003; Second Amendment dated May 5, 2003; Third Amendment dated May 16, 2003; Fourth Amendment dated July 23, 2003; Fifth Amendment dated August 21, 2003.

22. The Participation Agreement and Assignment relating to Cameron Highway Oil Pipeline Company dated July 10, 2003.

23. Registration Rights Agreement dated as of August 28, 2000 by and between Crystal Gas Storage, Inc. and GulfTerra Energy Partners, L.P.

24. A/B Exchange Registration Rights Agreement dated as of May 17, 2002, by and among GulfTerra Energy Partners, L.P., GulfTerra Energy Finance Corporation, the Subsidiary Guarantors party thereto, Credit Suisse First Boston Corporation, Goldman, Sachs & Co., J.P. Morgan Securities Inc., Banc One Capital Markets, Inc., Fleet Securities, Inc., Fortis Investment Services L.L.C., The Royal Bank of Scotland plc, BNP Securities Corp. and First Union Securities, Inc.

25. A/B Exchange Registration Rights Agreement by and among GulfTerra Energy Partners, L.P., GulfTerra Energy Finance Corporation, the Subsidiary Guarantors party thereto, J.P. Morgan Securities Inc., Goldman, Sachs & Co., UBS Warburg LLC and Wachovia Securities, Inc. dated as of November 27, 2002

26. Amended and Restated General and Administrative Services Agreement by and between DeepTech International Inc., El Paso Energy Partners Company and El Paso Field Services, L.P. dated November 27, 2002.

27. Sixth Amended and Restated Credit Agreement dated as of March 23, 1995, as amended and restated through October 10, 2002 by and among El Paso Energy Partners, L.P., El Paso Energy Partners Finance Corporation, Credit Lyonnais New York Branch and First Union National Bank, as Co-Syndication Agents, Fleet National Bank and Fortis Capital Corp., as Co-Documentation Agents, The Chase Manhattan Bank, as Administrative Agent, and the several banks and other financial institutions signatories thereto; First Amendment dated as of November 21, 2002.

28. Amended and Restated Credit Agreement among EPN Holding Company, L.P., the

Lenders party thereto, Banc One Capital Markets, Inc. and Wachovia Bank, N.A., as Co-Syndication Agents, Fleet National Bank and Fortis Capital Corp., as Co-Documentation Agents, and JPMorgan Chase Bank, as Administrative Agent, dated as of April 8, 2002; First Amendment dated as of November 21, 2002.

29. Senior Secured Acquisition Term Loan Credit Agreement dated as of November 27, 2002 among El Paso Energy Partners, L.P., El Paso Energy Partners Finance Corporation, the Lenders party thereto, Goldman Sachs Credit Partners L.P., Documentation Agent, UBS Warburg LLC and Wachovia Bank, National Association, as Co-Syndication Agents and JPMorgan Chase Bank, as Administrative Agent.

SCHEDULE 4(K)(I) TO
PURCHASE AND SALE AGREEMENT

FULL FORCE AND EFFECT

The following agreements, which were each listed as an exhibit to the Partnership's Annual Report on Form 10-K for the year ended December 31, 2002, have terminated in accordance with their terms.

1. Amended and Restated General and Administrative Services Agreement by and between DeepTech International Inc., El Paso Energy Partners Company and El Paso Field Services, L.P. dated November 27, 2002.

2. Sixth Amended and Restated Credit Agreement dated as of March 23, 1995, as amended and restated through October 10, 2002 by and among El Paso Energy Partners, L.P., El Paso Energy Partners Finance Corporation, Credit Lyonnais New York Branch and First Union National Bank, as Co-Syndication Agents, Fleet National Bank and Fortis Capital Corp., as Co-Documentation Agents, The Chase Manhattan Bank, as Administrative Agent, and the several banks and other financial institutions signatories thereto; First Amendment dated as of November 21, 2002.

3. Amended and Restated Credit Agreement among EPN Holding Company, L.P., the Lenders party thereto, Banc One Capital Markets, Inc. and Wachovia Bank, N.A., as Co-Syndication Agents, Fleet National Bank and Fortis Capital Corp., as Co-Documentation Agents, and JPMorgan Chase Bank, as Administrative Agent, dated as of April 8, 2002; First Amendment dated as of November 21, 2002.

4. Senior Secured Acquisition Term Loan Credit Agreement dated as of November 27, 2002 among El Paso Energy Partners, L.P., El Paso Energy Partners Finance Corporation, the Lenders party thereto, Goldman Sachs Credit Partners L.P., Documentation Agent, UBS Warburg LLC and Wachovia Bank, National Association, as Co-Syndication Agents and JPMorgan Chase Bank, as Administrative Agent.

SCHEDULE 4(K)(II) TO
PURCHASE AND SALE AGREEMENT

DEFAULTS

None.

SCHEDULE 4(L) TO
PURCHASE AND SALE AGREEMENT

ENVIRONMENTAL LAWS

None.

EXCHANGE AND REGISTRATION RIGHTS AGREEMENT

This EXCHANGE AND REGISTRATION RIGHTS AGREEMENT (this "AGREEMENT") is entered into as of October 2, 2003 by and among GulfTerra Energy Company, L.L.C., a Delaware limited liability company (the "COMPANY"), GulfTerra Energy Partners, L.P., a Delaware limited partnership (the "PARTNERSHIP"), and Goldman Sachs & Co., a New York limited partnership (the "INVESTOR").

RECITALS

WHEREAS, GulfTerra GP Holding Company, a Delaware corporation ("HOLDING CO.") and the Investor are parties to that certain Purchase and Sale Agreement, dated October 2, 2003 (the "LLC PURCHASE AGREEMENT"), whereby the Investor will purchase from Holding Co. the Class A Membership Interests of the Company (as issued and outstanding on the date of determination, the "CLASS A MEMBERSHIP INTERESTS") from Holding Co.;

WHEREAS, Holding Co. is a wholly owned indirect subsidiary of El Paso Corporation, a Delaware corporation ("EL PASO"), and El Paso has delivered guaranteed certain obligations of Holding Co. under the LLC Purchase Agreement pursuant to a Performance Guaranty, dated October 2, 2003 (the "GUARANTY"), in favor of the Investor;

WHEREAS, the Partnership and the Investor are parties to that certain Purchase and Sale Agreement, dated October 2, 2003 (the "UNIT PURCHASE AGREEMENT," and with the LLC Purchase Agreement, the "PURCHASE AGREEMENTS"), whereby the Investor will purchase from the Partnership 3,000,000 newly issued Series A common units representing limited partner interests in the Partnership ("COMMON UNITS") from the Partnership;

WHEREAS, Holding Co. is and, upon closing of the transaction contemplated by the LLC Purchase Agreement, Holding Co. and the Investor will be parties to that certain First Amended and Restated Limited Liability Company Agreement of the Company, dated October 2, 2003 (as amended, restated, supplemented or otherwise modified from time to time, the "COMPANY LLC AGREEMENT");

WHEREAS, the Partnership and the Company have agreed that upon each such exchange, the Partnership will deliver the Class A Membership Interest received in such Exchange to the Company for cancellation, and the Company will cause the Incentive Distribution Rights (as defined herein) to be reduced as is provided in that certain Incentive Distribution Reduction Agreement, dated October 2, 2003, by and between the Company and the Partnership (the "REDUCTION AGREEMENT," and with the Purchase Agreements, the Guaranty, the Company LLC Agreement and this Agreement, the "TRANSACTION AGREEMENTS");

WHEREAS, this Agreement provides for the holder of the Class A Membership Interest (the "HOLDER") to exchange such Class A Membership Interests for Common Units, subject to the terms and provisions set forth herein, and the Investor desires to limit the number of Common Units it or any subsequent holder ("HOLDER") receives at any one time pursuant to any such Exchange so as to not result in its direct and/or indirect beneficial ownership of 10% of any registered equity security covered by Section 16(a) of the Exchange Act (as defined herein);

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows.

ARTICLE I

SECTION 1.1 DEFINITIONS. In addition to the terms defined elsewhere herein, the following terms shall have the meanings set forth below:

"ACTION" means any action, appeal, petition, plea, charge, complaint, claim, suit, demand, litigation, arbitration, mediation, hearing, inquiry, investigation or similar event, occurrence, or proceeding.

"AFFILIATE" shall have the meaning assigned to such term in the Company LLC Agreement.

"AVAILABLE CASH" has the meaning assigned to such term in the Partnership Agreement.

"BASIS" means any past or current fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction about which the relevant Person has knowledge that forms or could form the basis for any specified consequence.

"BREACH" means any breach, inaccuracy, failure to perform, failure to comply, conflict with, default, violation, acceleration, termination, cancellation, modification, or required notification.

"CHANGE OF CONTROL" means, with respect to a Person, the acquisition by another Person of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of transactions, of 50% or more of the Voting Stock of such Person; provided, however, that for purposes of this Agreement, any Change of Control of El Paso shall not constitute a Change of Control of the Company or the Class B Member and any Change of Control of The Goldman Sachs Group, Inc. or Goldman Sachs & Co. shall not constitute a Change of Control of the Class A Member and; provided, further, that any acquisition by an Affiliate of such Person of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of transactions, of 50% or more of the Voting Stock of such Person shall not constitute a Change in Control.

"CLASS A QUARTERLY DISTRIBUTION" means the product of the amount of the distribution of Available Cash (as defined in the Partnership Agreement) by the Partnership to the Company with respect to its general partner interest in the Partnership and Incentive Distribution Rights times the Sharing Ratio (as defined in the Partnership Agreement) attributable to the Class A Membership Interest.

"CLASS B MEMBER" means Holding Co., or its successor, in its capacity as the owner of the Class B Membership Interests of the Company (as issued and outstanding on the date of determination).

"CLASS B MEMBERSHIP INTEREST" means the Class B Membership Interests of the Company issued and outstanding as of the date of determination.

"CLOSING DATE" shall have the meaning assigned to such term in the Purchase Agreements.

"COMMISSION" means the Securities and Exchange Commission.

"COMMON UNIT QUARTERLY DISTRIBUTION" means the quarterly distribution of Available Cash (as defined in the Partnership Agreement) paid by the Partnership to the holders of its Common Units pursuant to the terms of the Partnership Agreement.

"COMPANY AVAILABLE CASH" shall have the meaning assigned to the term "Available Cash" in the Company LLC Agreement.

"COMPETITOR" shall have the meaning assigned to such term in the Company LLC Agreement.

"CONTRACT" means any contract, agreement, arrangement, commitment, letter of intent, memorandum of understanding, heads of agreement, promise, obligation, right, instrument, document, or other similar understanding, whether written or oral.

"DILUTED BASIS" means, with respect to Limited Partnership Units as of a date of determination, (i) the number of issued and outstanding Limited Partnership Units and (ii) such additional number of Limited Partnership Units as are subject to issuance upon the conversion, exchange or exercise of non-participating, convertible or exchangeable equity, rights, options or warrants, securities of the Partnership or convertible indebtedness of the Partnership if, as of the date of such determination, the conversion, exchange or exercise rights of such equity securities, warrants or indebtedness are "in-the-money" and vested or otherwise then convertible into or exchangeable or exercisable for Limited Partnership Units pursuant to the terms and provisions of such securities.

"ENFORCEABLE" means, with respect to a Contract, that it is the legal, valid, and binding obligation of the applicable Person enforceable against such Person in accordance with its terms, except as such enforceability may be subject to the effects of bankruptcy, insolvency, reorganization, moratorium, or other Laws relating to or affecting the rights of creditors, and general principles of equity.

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

"EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended, or any and successor federal statute, and the rules and regulations thereunder of the Commission or any successor governmental authority, all as shall be in effect at the time of determination.

"GOVERNMENTAL AUTHORITY" means any legislature, agency, bureau, branch, department, division, commission, court, tribunal, magistrate, justice, multi-national organization, quasi-governmental body, or other similar recognized organization or body of any federal, state,

county, municipal, local, or foreign government or other similar recognized organization or body exercising similar powers or authority.

"HIGHEST INCENTIVE DISTRIBUTION SPLITS" shall have the meaning assigned to such term in the Company LLC Agreement.

"INCENTIVE DISTRIBUTIONS" mean any amount of cash distributed to the Company, in its capacity as general partner of the Partnership, pursuant to terms and provisions of the Partnership Agreement which exceeds an amount equal to 1.0% of the aggregate amount of cash then being distributed to all of the partners.

"INCENTIVE DISTRIBUTION RIGHT" means the right of the Company pursuant to the Partnership Agreement, as the holder the 1.0% general partner interest in the Partnership, to receive Incentive Distributions.

"INITIAL EXCHANGE" has the meaning assigned to such term in Section 2.7.

"LAW" means any law (statutory, common, or otherwise), constitution, treaty, convention, ordinance, equitable principle, code, rule, regulation, executive order, or other similar authority enacted, adopted, promulgated, or applied by any Governmental Authority, each as amended and now and hereinafter in effect.

"LIMITED PARTNERSHIP UNITS" means Common Units and any other equity securities of the Partnership that represent a participating interest in quarterly distributions of Available Cash made by the Partnership to its limited partners.

"ORDER" means any order, ruling, decision, verdict, decree, writ, subpoena, mandate, precept, command, directive, consent, approval, award, judgment, injunction, or other similar determination or finding by, before, or under the supervision of any Governmental Authority, arbitrator, or mediator.

"PARTNERSHIP AGREEMENT" means the Second Amended and Restated Agreement of the Limited Partnership of the Partnership, as amended, restated, supplemented or otherwise modified from time to time.

"PERSON" means any individual or entity, including any corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or Governmental Authority (or any department, agency or political subdivision thereof).

"REGISTRABLE SECURITIES" means each Common Unit, each Exchange Unit to be issued pursuant to Article II hereof and each Tag/Drag Unit to be issued pursuant to the Company LLC Agreement until, in the case of any such security, (A) the earliest of (i) its effective registration under the Securities Act and resale in accordance with the Registration Statement covering it, (ii) expiration of the applicable holding period under Rule 144(k) under the Securities Act or (iii) its sale to the public pursuant to Rule 144 under the Securities Act, and (B) as a result of the event or circumstance described in any of the foregoing clauses (i) through (iii), any legends with

respect to transfer restrictions are removed or removable in accordance with the terms of such legend.

"SECURITIES ACT" means the Securities Act of 1933, as amended, or any successor federal statute, and the rules and regulations thereunder of the Commission or any successor governmental authority, all as shall be in effect at the time of determination.

"THREATENED" means a demand or statement has been made (orally or in writing) or a notice has been given (orally or in writing), or any other event has occurred or any other circumstances exist that would lead a prudent Person to conclude that an Action or other matter is likely to be asserted, commenced, taken, or otherwise pursued in the future.

"UNDERWRITTEN OFFERING" means an offering in which Common Units are sold to an underwriter for reoffering to the public.

"VOTING STOCK" shall have the meaning assigned to such term in the Company LLC Agreement.

ARTICLE II
EXCHANGES

SECTION 2.1 EXCHANGE RIGHT. Subject to the provisions of this Article II, the holder of the Class A Membership Interests (the "HOLDER") shall have the right (the "EXCHANGE RIGHT") to make a one-time election, which once made shall be irrevocable, to contribute all (but not less than all) of such Class A Membership Interests to the Partnership in exchange (whether through one or more exchanges, pursuant to this Agreement, each an "EXCHANGE") for a number of Common Units (the "EXCHANGE UNITS") derived by dividing the most recent Class A Quarterly Distribution prior to the date of the Initial Exchange by (ii) the amount per unit distributed to each holder of a Common Unit in respect of the most recent Common Unit Quarterly Distribution prior to the date of the Initial Exchange (the "EXCHANGE FORMULA"); provided, however, that in no event shall the sum of the number of Exchange Units that are to be issued pursuant to this Agreement exceed 9.9% of the sum of the total number of Limited Partnership Units (determined on a Diluted Basis) on the date of the Initial Exchange plus the number of the Exchange Units to be issued in the Initial Exchange and any subsequent Exchanges (the "HARD CAP").

SECTION 2.2 ADJUSTMENTS.

(a) If the amount of the most recent Class A Quarterly Distribution prior to the date of the Initial Exchange was impacted to any material extent by a non-recurring, extraordinary or other similar event, in calculating the Exchange Formula, the parties shall use the most recent Class A Quarterly Distribution not impacted to any material extent by a non-recurring, extraordinary or similar event (the "PRIOR CLASS A DISTRIBUTION") in lieu of the most recent Class A Quarterly Distribution.

(b) If during the time period commencing on the date of the most recent Class A Quarterly Distribution (or in the case where Section 2.2(a) is deemed applicable, the date of the Prior Class A Distribution) preceding the date of the Initial Exchange and ending on the date of

the Initial Exchange, the Partnership has issued limited partner interests or increased or decreased (or declared an increase or decrease) in its regular quarterly distribution of Available Cash to holders of its Common Units, in calculating the Exchange Formula, the parties shall use a pro forma Class A Quarterly Distribution amount that assumes that any and all such issuances or increases or decreases occurred in such quarter; provided, however, no pro forma adjustment shall be made for a distribution impacted to any material extent by a non-recurring, extraordinary or similar event.

SECTION 2.3 EXERCISE; TOTAL NUMBER OF EXCHANGE UNITS.

(a) To exercise the Exchange Right, the Holder shall deliver a written notice (an "EXCHANGE Notice") to each of the Company and the Partnership. Within five business days after the later of the receipt by the Company or the Partnership of such Exchange Notice, the parties shall mutually determine the total number of Exchange Units to be issued to the Holder in exchange for the Class A Membership Interests by application of the Exchange Formula (subject to the Hard Cap) (the "TOTAL NUMBER OF EXCHANGE UNITS") and execute an acknowledgement in the form attached hereto as Exhibit A (the "ACKNOWLEDGEMENT") that sets forth the Total Number of Exchange Units; provided, however, that if the Partnership or the Class B Member requires the Holder to exercise the Exchange Right pursuant to Section 2.5(b) below, no Exchange Notice need be submitted by the Holder and the parties shall instead mutually determine the Total Number of Exchange Units and execute the Acknowledgement within five business days after the receipt by the Holder of the written notice described in such Section 2.5(b); and provided, further, that if the parties are unable to agree upon the Total Number of Exchange Units (including the amount of any adjustment that may be required under Section 2.2 above), the determination shall be made in the manner provided in Section 2.3(b) below. After any determination pursuant to this Section 2.3, the Total Number of Exchange Units, as set forth in the Acknowledgement, shall thenceforth be fixed, subject to adjustment only pursuant to the anti-dilution provisions set forth in Section 2.9.

(b) If the parties are unable to mutually agree on the Total Number of Exchange Units within the periods provided for in Section 2.3(a), each of the Holder, on the one hand, and the Company and the Partnership, on the other hand, shall select a firm of independent accountants of nationally recognized standing with which neither the Holder, on the one hand, or the Company and the Partnership, on the other hand, has any material current business relationship within five business days, which firms shall then mutually agree upon a third firm of independent accountants of nationally recognized standing and refer the matter to such third firm for resolution within five additional business days. Such third firm shall determine the Total Number of Exchange Units within 15 business days of such referral. The aggregate fees and expense of such firms shall be borne in the following manner: one-half by the Holder and one-fourth each by the Company and the Partnership. The determination of the Total Number of Exchange Units by such third firm shall be final, binding and conclusive on the parties.

SECTION 2.4 SOFT CAP. Notwithstanding anything in this Article II to the contrary, in no event shall the number of Exchange Units that are issued to the Holder in any single Exchange exceed that number of Exchange Units that would result in the Holder and/or any of its affiliates directly or indirectly beneficially owning more than 9.9% of any class of equity security of the Partnership which is registered pursuant to Section 12 of the Exchange Act

(calculated pursuant to Section 16(a) of the Exchange Act) (the "SOFT CAP"); provided, however, that the parties hereto hereby expressly acknowledge and agree that at all times during the term of this Agreement (a) the Holder shall have the sole duty and responsibility to determine that the number of Exchange Units issued in any Exchange does not exceed the Soft Cap and (b) neither the Partnership nor the Company shall have any obligation to make any independent calculation or otherwise confirm that the number of Exchange Units issued in any such Exchange does not exceed the Soft Cap limitation.

SECTION 2.5 TIMING OF EXERCISE OF EXCHANGE RIGHT.

(a) The Holder may exercise the Exchange Right at any time after the fifth (5th) anniversary of the Closing Date, subject to earlier exercise upon the occurrence of the events described in Section 2.5(c) below.

(b) If (i) the Holder has not elected to exercise the Exchange Right prior to the seventh (7th) anniversary of the Closing Date, at any time thereafter, (ii) the Class B Member has exercised its "drag along" rights under Section 3.11(b) of the Company LLC Agreement, or (iii) the Class A Member transfers the Class A Membership Interest to a Competitor or upon a Change of Control of the Class A Member that results in a Competitor beneficially owning 50% or more of the Voting Stock of the surviving entity, the Partnership (in the case of clauses (i) and (iii)) or the Class B Member (in the case of clause (ii)) may elect to require the Holder to exercise the Exchange Right by delivering written notice to the Holder. The Exchange Formula applicable in the case of an election by the Partnership or the Class B Member under this Section 2.5 shall be calculated in the same manner as specified in Section 2.1 above (and in accordance with Sections 2.2, 2.10 and other applicable provisions of this Article II); provided, however, that in the case of clause (ii), (x) the Holder shall only be required to Exchange that portion of its Class A Membership Interest in excess of that portion for which it did not elect to, or is not permitted to, receive cash consideration pursuant to Section 3.11(b) of the Company LLC Agreement, (y) the value of the Exchange Units to be issued to the Holder shall not be less than the amount dictated by Section 3.11(b)(i) of the Company LLC Agreement and (z) the Exchange made pursuant thereto shall not be subject to the Soft Cap.

(c) Notwithstanding the limitations on the Holder's right to exercise the Exchange Right in Section 2.5(a), the Holder may exercise the Exchange Right (i) upon the public announcement of execution of definitive transaction documents relating to (and in no event later than 10 days prior to the consummation of such transaction) the (A) completion of a merger of the Partnership with another entity or (B) completion of the sale or other disposition by the Partnership or the Company of all or substantially all of its assets, or (ii) at any time during the 10 days prior to the completion of a direct or indirect Change of Control of Holding Co., (iii) at any time during the 10 days prior to the completion of a liquidation of the Partnership, (iv) at any time during the 10 days after the declaration by the Partnership of a distribution of Cash from Interim Capital Transactions (as such term is defined in the Partnership Agreement) or (v) at any time after the commencement of a voluntary or an involuntary bankruptcy or similar proceeding against El Paso Corporation or any of its material subsidiaries (including Holding Co. or the Company), if at the time of such exercise there is then pending a proceeding seeking payment pursuant to ERISA from the Company of any amounts due relating to the termination of a benefit plan subject to ERISA or (vi) at the closing of the sale or contribution by the Company of the

Highest Incentive Distribution Splits, which sale or contribution is effected in accordance with Section 3.12 of the Company LLC Agreement, if the Holder has timely delivered to the Class B Member the notice of such Exchange Right in accordance with Section 3.12 of the Company LLC Agreement; provided, however, that the foregoing provisions of clauses (i) and (ii) shall not apply if such merger, sale, disposition or Change of Control also triggers the "drag along" rights of Holding Co. contained in Section 3.11(b) of the Company LLC Agreement; and provided, further, that in the case of clause (v) that the Holder may only Exchange that portion of its Class A Membership Interest such that, immediately following such Exchange, the Holder retains not less than 1% of the total Membership Interests (as defined in the Company LLC Agreement) in the Company issued and outstanding at such time.

SECTION 2.6 EXCHANGE PROCEDURES.

(a) Within five business days after the execution of the Acknowledgement, the Holder shall deliver written notice to each of the Company and the Partnership which notice must include a determination, made in good faith, that either (i) the total number of Exchange Units set forth in the Acknowledgement can be issued to the Holder in compliance with the Soft Cap limitation or (ii) a lesser number of Exchange Units must be issued to the Holder in order to maintain compliance with the limitations of the Soft Cap (the "CONFIRMATION NOTICE"). The Holder shall have sole responsibility and liability for determining the number of Exchange Units so included in the Confirmation Notice. The Company and the Partnership shall be entitled to rely, without independent investigation, entirely upon the number of Exchange Units set forth in the Confirmation Notice by the Holder as to the number of Exchange Units that may be issued to the Holder in compliance with the Soft Cap limitation, and the parties hereto hereby expressly acknowledge and agree that neither the Partnership nor the Company shall have any obligation to make any independent calculation or otherwise confirm that the number of Exchange Units issued complies with the Soft Cap limitation. The Holder shall also deliver to the Partnership, along with such Confirmation Notice, a certificate (a "CLASS A CERTIFICATE") representing not less than the portion of the Class A Membership Interest that is to be exchanged at that time. Within five business days after receipt by the Partnership of a valid Confirmation Notice and Class A Certificate conforming to the requirements of this Section 2.6, the Partnership shall issue to the Holder such number of Exchange Units set forth in the Confirmation Notice in fully certificated form. If such Class A Certificate represents more than the percentage ownership interest in the Company to be exchanged, a new Class A Certificate representing the percentage ownership interest not so exchanged shall be reissued to the Holder.

(b) Notwithstanding the foregoing, if any Exchange is effected hereunder following the record date established by the Partnership for its Common Unit Quarterly Distribution for a particular calendar quarter but prior to the record date to be established by the Company for its distribution of Company Available Cash for such quarter, the Holder shall be entitled to receive, upon the date of distribution by the Company, the Class A Quarterly Distribution as if it were still an owner of such Class A Membership Interest on the record date of the Company for its distribution of Company Available Cash for such quarter. For the sake of clarity and to assure that no negative inference is drawn from the language immediately above, in all other circumstances, the Class A Member will be entitled to any distribution from the Company and/or the Partnership if it is the owner of a membership interest of the Company (including any unexchanged Class A Membership Interest) or partnership interest of the Partnership,

respectively, on the applicable record date established for such distribution subject to the provisions of the Company LLC Agreement and the Partnership Agreement. .

SECTION 2.7 ADDITIONAL EXCHANGES.

(a) If the effect of the application of the Soft Cap is to cause the Partnership to issue less than the Total Number of Exchange Units to the Holder in the initial Exchange pursuant to this Article II (the "INITIAL EXCHANGE"), on the first business day of each fiscal quarter of the Partnership commencing thereafter the Holder shall provide written notice (an "UPDATE NOTICE") to the Company and Partnership which must include a determination, made in good faith, whether the Holder may receive additional Exchange Units in compliance with the limitations of the Soft Cap and, if so, the requested number of additional Exchange Units to be issued to the Holder ("ADDITIONAL EXCHANGE UNITS") in exchange for the contribution of a corresponding portion (calculated in accordance with the Exchange Formula) of the Holder's remaining Class A Membership Interests; provided, however, that the maximum number of Additional Exchange Units that the Holder may request to be issued pursuant to any Update Notice, and that the Partnership shall be obligated to issue in response thereto, may not exceed the lesser of (i) the excess of the Total Number of Exchange Units over the sum of all Exchange Units issued to the Holder prior to the date of such Update Notice (including Exchange Units issued in the Initial Exchange and all Additional Exchange Units issued in any subsequent Exchanges) and (ii) the maximum number of Additional Exchange Units that may be issued to the Holder in compliance with the limitation of the Soft Cap; provided, further, the Company and the Partnership shall be entitled to rely, without independent investigation, entirely upon the number of Additional Exchange Units set forth by the Holder in the Update Notice as to the number of Exchange Units that may be issued to the Holder in compliance with the limitation set forth in clause (ii) above, and the parties hereto hereby expressly acknowledge and agree that neither the Partnership nor the Company shall have any obligation to make any independent calculation or otherwise confirm that such number of Additional Exchange Units issued complies with the limitation set forth in clause (ii) above.

(b) If the Partnership receives a valid Update Notice requesting the issuance of Additional Exchange Units, the Holder shall also deliver to the Partnership, along with such Update Notice, a Class A Certificate representing not less than the portion of the Class A Membership Interest that is to be exchanged for such Additional Exchange Units. Within five business days of receipt of such Update Notice and Class A Certificate conforming to the requirements of Sections 2.7(a) and 2.7(b), the Partnership shall issue to the Holder such number of Additional Exchange Units requested in the Update Notice in fully certificated form and, if such Class A Certificate represents more than the percentage ownership interest in the Company to be exchanged, a new Class A Certificate represented the percentage ownership interest not so exchanged shall be reissued to the Holder.

SECTION 2.8 EXCHANGE PERIOD. If the Partnership issues less than the Total Number of Exchange Units in the Initial Exchange, the period from the date of such Initial Exchange through the date of the Exchange after which all of the Total Number of Exchange Units will have been issued to the Holder shall be known, for purposes of the Company LLC Agreement, LLC Purchase Agreement or otherwise, as the "EXCHANGE PERIOD."

SECTION 2.9 REFLECTION OF REDUCED SHARING RATIO. Promptly following each Exchange pursuant to this Article II, (a) the Company's Register (as defined in the Company LLC Agreement) shall be updated in compliance with the procedures set forth therein to reflect the reduced Sharing Ratio (as defined in the Company LLC Agreement) attributable to the Class A Membership Interests as a result of such Exchange, such reduction to be effective as of the same date as the date of the effectiveness of the amendment to the Partnership Agreement referred to in Section 3.3 that corresponds to such Exchange.

SECTION 2.10 ANTI-DILUTION PROVISIONS. During the period that commences upon the date of the initial election to exercise the Exchange Right and continues for so long as less than the Total Number of Exchange Units have been issued to the Holder pursuant to the terms of this Article II, the excess of the Total Number of Exchange Units over the aggregate number of Exchange Units issued in all prior Exchanges (such excess, the "UNISSUED EXCHANGE UNITS") shall be subject to adjustment from time to time upon the happening of certain events as follows:

(a) Reorganization, Merger or Consolidation. If the Partnership reorganizes, merges, consolidates or otherwise combines with another Person in a transaction whereby all of the holders of Common Units will receive securities, property or assets of the Partnership or its successor payable with respect to or in exchange for each Common Unit held, lawful and adequate provision shall be made whereby the Holder shall have the right to receive (in lieu of the Unissued Exchange Units), upon each subsequent Exchange following the consummation of such transaction, the number of securities, property or assets of the Partnership or its successor resulting from such reorganization, merger, consolidation or other transaction as would have been issued or payable to the Holder if the Holder had held a number of Common Units equal to (and in lieu of) the total number of Unissued Exchange Units immediately prior to the consummation of such transaction. The foregoing provisions of this Section 2.10(a) shall similarly apply to successive reorganizations, mergers, consolidations or other applicable transactions and to the stock or securities of any other Person that are at the time receivable upon exercise of the Exchange Right.

(b) Reclassification, etc. If the Partnership, by reclassification of securities or otherwise, changes the Common Units or any other securities as to which the Exchange Right may apply hereunder into the same or a different number of securities of any other class or classes, each subsequent Exchange in respect of Unissued Exchange Units shall thereafter represent the right to acquire upon each such Exchange such number and kind of securities as would have been issuable, as the result of such change, with respect to or in exchange for a number of Common Units equal to the total number of Unissued Exchange Units.

(c) Subdivision or Combination; Unit Dividends. If the Partnership shall split, divide or combine its outstanding Common Units or declare and pay a dividend on its outstanding Common Units which consists of additional Common Units (including a split effected in the form of a dividend), then the total number of Unissued Exchange Units shall be adjusted, as of the opening of business on the effective date of such split, subdivision or combination or the day after the day upon which such dividend or other distribution is paid to unitholders, as the case may be, to a new total number of Unissued Exchange Units determined by multiplying the total number of Unissued Exchange Units immediately prior to such payment or other distribution by a fraction (i) the numerator of which shall be the total number of outstanding Common Units

immediately after such split, dividend, combination or distribution and (ii) the denominator of which shall be the total number of outstanding Common Units immediately prior to such split, dividend, combination or distribution.

(d) Other Distributions on Common Units. If the Partnership shall make a distribution on its Common Units which consists of (i) limited partner interests of the Partnership other than additional Common Units, evidences of its indebtedness, or assets (including distributions of Cash from Interim Capital Transactions or securities (other than Common Units), but excluding distributions of Cash from Operations), then the Holder shall be entitled to receive, upon each Exchange for Unissued Exchange Units, that portion of any such distribution which the Holder would have been entitled to receive, had such Exchange occurred immediately prior to the record date of such distribution; provided, however, that if any such distribution consists of property which has a limited life or expiration date (including but not limited to options, warrants or similar instruments), the Holder shall be entitled to receive such property on the date of such distribution. At the time of the record date established for any such distribution, the Partnership shall allocate sufficient reserves to ensure the timely and full performance of the provisions of this Section 2.10(d).

(e) Self Tender. If (i) the Partnership shall engage in a tender offer for more than 10% of the Common Units issued and outstanding at such time and (ii) such tender offer is closed and payment is made for the Common Units purchased therein for a purchase price per unit that is at least 5% greater than the closing sales price per Common Unit on the trading day immediately preceding the announcement of such tender offer (the "PRE-TENDER VALUE"), then the Holder shall be entitled to receive, upon each Exchange for Unissued Exchange Units (in addition to such Exchange Units), the excess of the purchase price per Common Unit paid upon closing of the tender offer over the Pre-Tender Value per Common Unit multiplied by the total number of Unissued Exchange Units which would have been sold by the Holder if it tendered all of the Unissued Exchange Units to the Partnership in such tender offer. Upon the closing of any such tender offer, the Partnership shall allocate sufficient reserves to ensure the timely and full performance of the provisions of this Section 2.10(e).

(f) No Other Adjustments. Other than specifically as set forth above in this Section 2.10, no adjustment shall be made to the total number Unissued Exchange Units as a result of or pursuant to the granting or issuance by the Partnership of additional Common Units, or any security convertible thereinto or exercisable or exchangeable therefore, including without limitation(i) the issuance of Common Units or any other security of the Partnership or any affiliate thereof (including securities convertible into or exchangeable for Common Units) pursuant to an underwritten public offering or a private placement, (ii) the issuance of Common Units or any other security of the Partnership or any affiliate thereof (including securities convertible into or exchangeable for Common Units) as consideration in an acquisition transaction, (iii) the issuance of Common Units or any other security of the Partnership or any affiliate thereof (including securities convertible into or exchangeable for Common Units) in payment or satisfaction of any dividend upon or distribution to any class of unit or equity security of the Partnership other than Common Units and (iv) the issuance of options, restricted Common Units or "phantom" units exercisable for or that upon vesting become Common Units, or the issuance of Common Units upon the exercise or vesting or such options or rights, to

officers, employees or directors of, or consultants to, the Partnership, the Company or any of their affiliates.

(g) No Multiple Adjustments. In the event of any one circumstance which may give rise to an adjustment of the total number of Unissued Exchange Units under one or more of Sections 2.10(a) through 2.10(e) above, the Partnership may only apply the provisions of one of such paragraphs if necessary in order to avoid unreasonable results given the circumstances, such determination to be made in the Partnership's good faith and reasonable discretion; provided, however, that a series of steps in a transaction or action shall not be considered one circumstance for the purposes of this Section 2.10(g).

(h) Calculation of Adjustments. Upon each occurrence of an event causing an adjustment pursuant to this Section 2.10, the Partnership will promptly (i) calculate such adjustment and retain a record of such calculation at its principal office and (ii) deliver to the Holder a certificate signed by an appropriate officer on behalf of the Partnership, setting forth in reasonable detail the event requiring the adjustment, the method of calculation of the adjustment, and the number of Unissued Exchange Units and/or other securities, property or assets after giving effect to such adjustment (an "ADJUSTMENT CERTIFICATE"). If the Holder does not agree with such calculation, the Holder shall give written notice (an "ADJUSTMENT DISPUTE NOTICE") to the Company and the Partnership within ten business days of the receipt of such Adjustment Certificate. If the parties are unable to mutually agree on the calculation of such adjustment within five business days of receipt by the Company and the Partnership of such Adjustment Dispute Notice, the parties shall each select a firm of independent accountants of nationally recognized standing within five business days, which firms shall then mutually agree upon a third firm of independent accountants of nationally recognized standing and refer the matter to such third firm for resolution within five additional business days. Such third firm shall determine the amount of such adjustment to the Total Number of Exchange Units within 15 business days of such referral. The aggregate fees and expense of such firms shall be borne in the following manner: one-half by the Holder and one-half by the Partnership. The determination by such firm of the calculation of the adjustment described in the Adjustment Notice shall be final, binding and conclusive on the parties.

SECTION 2.11 NONSEPARABILITY. The Exchange Right is not separable from the Class A Membership Interest. If the Investor or any subsequent Holder of the Class A Membership Interests transfers such interests (which transfer may only be made in compliance with applicable provisions of the Company LLC Agreement), the Exchange Right shall be transferred to such transferee who shall then constitute the Holder hereunder.

SECTION 2.12 NYSE LISTING. Prior to the issuance of any Exchange Units pursuant to this Article II, the Partnership shall cause such Exchange Units to be approved for listing on the New York Stock Exchange or such other exchange or quotation system on which the Common Units are then listed.

ARTICLE III
[RESERVED]

ARTICLE IV
REGISTRATION RIGHTS

SECTION 4.1 SHELF REGISTRATION STATEMENT. Within 30 days after the Closing Date (the "INITIAL SHELF FILING DEADLINE"), the Partnership shall file with the Commission a "shelf" registration statement on Form S-3 pursuant to Rule 415 under the Securities Act (the "INITIAL SHELF REGISTRATION STATEMENT") providing for the resale of an aggregate of (i) the 3,000,000 Common Units purchased by the Investor pursuant to the Unit Purchase Agreement plus (ii) such number of Exchange Units that may be issued to the Holder pursuant to Article II based on the number of Common Units outstanding on the Closing Date.

SECTION 4.2 ADDITIONAL COMMON UNITS. If the Initial Shelf Registration Statement, even if supplemented or amended, does not have sufficient availability to provide for the resale of (x) Exchange Units issued to the Holder or (y) any Common Units issued to the Holder by the Partnership pursuant to the provisions in the Company LLC Agreement relating to the exercise by the Holder or the Class B Member, as the case may be, of their respective "tag along" or "drag along" rights provided therein ("TAG/DRAG UNITS"), the Holder may request that the Partnership file with the Commission one additional "shelf" registration statement on Form S-3 pursuant to Rule 415 under the Securities Act to accommodate any resale of Tag/Drag Units or Exchange Units in such amounts as are requested at such time by the Holder in writing (a "SHELF NOTICE"). The Partnership shall file such additional "shelf" registration statement (with the Initial Shelf Registration Statement, a "SHELF REGISTRATION STATEMENT"), if any, within 30 days after receipt by the Partnership of a written request from the Holder (with the Initial Shelf Filing Deadline, a "SHELF FILING DEADLINE").

SECTION 4.3 EFFECTIVENESS.

(a) Subject to the provisions of this Article IV, the Partnership shall use its best efforts to cause (i) the Initial Shelf Registration Statement to be declared effective prior to the expiration of the Initial Lock-up Period (as defined below) (the "INITIAL EFFECTIVENESS TARGET DATE") and (ii) any subsequent Shelf Registration Statement to be declared effective no later than 90 days after delivery to the Partnership by the Holder of a Shelf Notice (with the Initial Effectiveness Deadline, the "EFFECTIVENESS TARGET DATE") and in either case shall use best efforts to keep such Shelf Registration Statement continuously effective, supplemented and amended to the extent necessary to assure that it is available for resale of the Common Units by the Holder and that it conforms in all material respects with the requirements the Securities Act, in each case during the entire period (the "EFFECTIVENESS PERIOD") beginning on the date such Shelf Registration Statement shall first be declared effective under the Securities Act and ending on the earlier to occur of (i) the sale pursuant to a Shelf Registration Statement of all of the Registrable Securities registered under such Shelf Registration Statement and (ii) the date on which all of the Common Units registered under such Shelf Registration Statement are no longer Registrable Securities.

(b) The "INITIAL LOCK-UP PERIOD" shall be earliest to occur of a (i) the date that is the earlier of 90 days or the number of days agreed to by the Partnership and the underwriters in the applicable underwriting agreement as a lock-up period in connection with any primary offering of the Partnership that closes prior to November 30, 2003, (ii) waiver by the underwriters of any such offering of any lock-up related thereto, (iii) after the closing of any such offering, the date

of any sale of common units by the Partnership, the Company, El Paso Corporation or its subsidiaries (other than pursuant to the exercise of existing options, warrants or similar securities or agreements or as consideration in an acquisition), or (iv) February 28, 2004.

SECTION 4.4 INFORMATION FURNISHED BY HOLDER. The Holder shall furnish to the Partnership in writing, as soon as practicable after the Closing Date (in the case of the Initial Shelf Registration Statement) or after requesting the filing of an additional Shelf Registration Statement pursuant to Section 4.2, the information specified in Items 507 and 508 of Regulation S-K under the Securities Act and any other information reasonably requested by the Partnership for inclusion in the applicable Shelf Registration Statement pursuant to the Securities Act. Notwithstanding Sections 4.1 and 4.2, the Partnership shall not be required to file any such Shelf Registration Statement until the Holder has complied with the immediately preceding sentence. In addition, the Holder shall promptly furnish to the Partnership (i) any additional information required to be disclosed in such Shelf Registration Statement in order to make the information previously furnished to the Partnership by the Holder not materially misleading and (ii) any additional information as may be reasonably requested by the Partnership for inclusion in any new prospectus or prospectus supplement or post-effective amendment.

SECTION 4.5 REGISTRATION PROCEDURES.

(a) In connection with each Shelf Registration Statement, the Partnership shall comply with all the provisions of Section 4.5(b) hereof and shall, in accordance with Sections 4.1, 4.2, 4.3 and 4.4 hereof, prepare and file with the Commission each Shelf Registration Statement relating to the registration on Form S-3 under the Securities Act.

(b) In connection with each Shelf Registration Statement and any related prospectus or prospectus supplement required by this Agreement to permit the sale or resale of Common Units, the Partnership shall:

(i) Subject to any notice by the Partnership in accordance with this Section 4.5(b) of the existence of any fact or event of the kind described in Section 4.5(b)(iii)(D), use its best efforts to keep the Shelf Registration Statement continuously effective during the Effectiveness Period; upon the occurrence of any event that would cause the Shelf Registration Statement or the related prospectus or prospectus supplement (A) to contain a material misstatement or omission or (B) not be effective and usable for resale of Registrable Securities during the Effectiveness Period, the Partnership shall file promptly an appropriate amendment or supplement to or a document to be incorporated by reference into the Shelf Registration Statement or a report filed with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act, in the case of clause (A), correcting any such misstatement or omission, and, in the case of either clause (A) or (B), use its best efforts to cause any such amendment to be declared effective and the Shelf Registration Statement and the related prospectus or prospectus supplement to become usable for their intended purposes as soon as practicable thereafter. Notwithstanding anything in this Agreement to the contrary, the Partnership may suspend the effectiveness or use of and elect not to keep current the Shelf Registration Statement by written notice to the Holder for a period not to exceed an aggregate of 30 days in any 90-day period (each such period a "SUSPENSION PERIOD") if:

(x) an event occurs and is continuing as a result of which the Shelf Registration Statement would, in the Partnership's reasonable judgment, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; and

(y) the Partnership reasonably determines that the disclosure of such event at such time would or could reasonably be expected to either (i) have a material adverse effect on the business or prospects of the Partnership and its subsidiaries, taken as a whole, or (ii) adversely affect a material financing, acquisition or other transaction (existing or planned);

provided, that (A) in the event the disclosure relates to a previously undisclosed proposed or pending material business transaction, the disclosure of which would impede the Partnership's ability to consummate such transaction, the Partnership may extend a Suspension Period from 30 days to 45 days and (B) the Suspension Periods shall not exceed an aggregate of 90 days in any 365-day period. The Holder, by its acceptance of a Registrable Security, agrees to hold in confidence any communication by the Partnership relating to an event described in Section 4.5(b)(i)(x) and (y) or Section 4.5(b)(iii)(D). Notwithstanding the foregoing, the Holder may not use the Shelf Registration Statement or related prospectus during the Initial Lock-up Period.

(ii) Prepare and file with the Commission such amendments and post-effective amendments to the Shelf Registration Statement as may be necessary to keep the Shelf Registration Statement effective during the Effectiveness Period; cause the related prospectus to be supplemented by any required prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 under the Securities Act, and to comply fully with the applicable provisions of Rules 424 and 430A under the Securities Act in a timely manner; and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by the Shelf Registration Statement during the applicable period in accordance with the intended method or methods of distribution by the sellers thereof set forth in the Shelf Registration Statement or supplement to the prospectus.

(iii) Advise the underwriter(s), if any, and, in the case of (A), (C) and (D) below, the Holder promptly and, if requested by such Persons, to confirm such advice in writing:

(A) when the prospectus or any prospectus supplement or post-effective amendment has been filed, and, with respect to the Shelf Registration Statement or any post-effective amendment thereto, when the same has become effective;

(B) of any request by the Commission for amendments to the Shelf Registration Statement or amendments or supplements to the prospectus or for additional information relating thereto;

(C) of the issuance by the Commission of any stop order suspending the effectiveness of the Shelf Registration Statement under the Securities Act or of the suspension by any state securities commission of the qualification of the Registrable

Securities for offering or sale in any jurisdiction, or the initiation of any proceeding for any of the preceding purposes; or

(D) of the existence (but not the nature) of any fact or the happening of any event, during the Effectiveness Period, that makes any statement of a material fact made in the Shelf Registration Statement, the related prospectus, any amendment or supplement thereto, or any document incorporated by reference therein untrue, or that requires the making of any additions to or changes in the Shelf Registration Statement, the related prospectus or any amendment or supplement thereto in order to make the statements therein not misleading.

If at any time the Commission shall issue any stop order suspending the effectiveness of the Shelf Registration Statement, or any state securities commission or other regulatory authority shall issue an order suspending the qualification or exemption from qualification of the Registrable Securities under state securities or Blue Sky laws, the Partnership shall use its best efforts to obtain the withdrawal or lifting of such order at the earliest possible time.

(iv) Furnish to counsel for the Holder and each of the underwriter(s), if any, before filing with the Commission, a copy of the Shelf Registration Statement and copies of any prospectus included therein or any amendments or supplements to either of the Shelf Registration Statement or prospectus (other than documents incorporated by reference after the initial filing of the Shelf Registration Statement), which documents will be subject to the review of such counsel and underwriter(s), if any, for a period of three business days, and the Partnership will not file the Shelf Registration Statement or prospectus or any amendment or supplement to the Shelf Registration Statement or prospectus (other than documents incorporated by reference) to which such counsel or the underwriter(s), if any, shall reasonably object within three business days after the receipt thereof.

(v) Make available pursuant to a confidentiality and non-use agreement at reasonable times for inspection by one or more representatives of the Holder any underwriter, if any, participating in any distribution pursuant to the Shelf Registration Statement, and any attorney or accountant retained by the Holder or any of the underwriter(s), all financial and other records, pertinent corporate documents and properties of the Partnership as shall be reasonably necessary to enable them to exercise any applicable due diligence responsibilities and to supply all information reasonably requested by any such representative or representatives of the Holder, underwriter, attorney or accountant in connection with the Shelf Registration Statement after the filing thereof and before its effectiveness; provided, however, that the Holder shall be responsible for ensuring that any such information shall be kept confidential and not used for any purpose other than as contemplated hereby.

(vi) If requested by the Holder or the underwriter(s), if any, incorporate in the Shelf Registration Statement or prospectus, pursuant to a prospectus supplement or post-effective amendment if necessary, such non-confidential information as the Holder and underwriter(s), if any, may reasonably request to have included therein, including, without limitation: (1) information relating to the "Plan of Distribution" of the Registrable Securities, (2) information with respect to the number of Registrable Securities being sold, (3) the purchase price being paid therefor and (4) any other terms of the offering of the Registrable Securities to be sold in such

offering; and make all required filings of such prospectus supplement or post-effective amendment as soon as reasonably practicable after the Partnership is notified of the matters to be incorporated in such prospectus supplement or post-effective amendment.

(vii) Furnish to the Holder and each of the underwriter(s), if any, without charge, at least one copy of the Shelf Registration Statement, as first filed with the Commission, and of each amendment thereto (and any documents incorporated by reference therein or exhibits thereto (or exhibits incorporated in such exhibits by reference) as such Person may request in writing).

(viii) Deliver to the Holder and each of the underwriter(s), if any, without charge, as many copies of the prospectus (including each preliminary prospectus) and any amendment or supplement thereto as such Persons reasonably may request.

(ix) In the event of an Underwritten Offering, the Partnership shall enter into a standard underwriting agreement with the underwriters and shall:

(A) upon request, furnish to the Holder and each underwriter, if any, in such substance and scope as they may reasonably request and as are customarily made by the Partnership to underwriters in primary underwritten offerings, upon the date of closing of any sale of Registrable Securities in an Underwritten Offering:

(1) an officer's certificate, dated the date of such closing, confirming, as of the date thereof, such matters as such parties may reasonably request;

(2) opinions, each dated the date of such closing, of counsel (inside and outside) to the Partnership covering such matters as are customarily covered in legal opinions to underwriters in connection with primary underwritten offerings of securities by the Partnership; and

(3) customary comfort letters, dated the date of such closing, from the Partnership's independent accountants (and from any other accountants whose report is contained or incorporated by reference in the Shelf Registration Statement), in the customary form and covering matters of the type customarily covered in comfort letters to underwriters in connection with primary underwritten offerings of securities; provided, that if the Partnership has used its best efforts to obtain such letters, the Partnership shall not be responsible if the accountants do not agree to deliver same;

(B) set forth in full in the underwriting agreement, if any, indemnification provisions and procedures which provide rights no less protective than those set forth in Section 4.10 hereof with respect to all parties indemnified; and

(C) deliver such other documents and certificates as may be reasonably requested by such parties to evidence compliance with clause (A) above and with any

customary conditions contained in the underwriting agreement or other agreement entered into by the Holder pursuant to this clause (ix).

(x) Before any public offering of Registrable Securities, cooperate with the Holder, the underwriter(s), if any, and their respective counsel in connection with the registration and qualification of the Registrable Securities under the securities or Blue Sky laws of such jurisdictions as the Holder or underwriter(s), if any, may reasonably request and do any and all other acts or things necessary or reasonably advisable to enable the disposition in such jurisdictions of the Registrable Securities covered by the Shelf Registration Statement; provided, however, that the Partnership shall not be required (A) to register or qualify as a foreign limited partnership or a dealer of securities where it is not now so qualified or to take any action that would subject it to the service of process in any jurisdiction where it is not now so subject or (B) to subject itself to taxation in any such jurisdiction if it is not now so subject.

(xi) Cooperate with the Holder and the underwriter(s), if any, to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any restrictive legends (unless required by applicable securities laws); and enable such Registrable Securities to be in such denominations and registered in such names as the Holder or the underwriter(s), if any, may reasonably request within a reasonable time before any sale of Registrable Securities made by such underwriter(s).

(xii) Use its best efforts to cause the Registrable Securities covered by any Shelf Registration Statement to be registered with or approved by such other U.S. governmental agencies or authorities as may be necessary to enable the seller or sellers thereof or the underwriter(s), if any, to consummate the disposition of such Registrable Securities, subject to the proviso in clause (x) above.

(xiii) Subject to Section 4.5(b)(i) hereof, if any fact or event contemplated by Section 4.5(b)(iii)(D) hereof shall exist or have occurred, use its best efforts to prepare a supplement or post-effective amendment to the Shelf Registration Statement or related prospectus or any document incorporated therein by reference or file any other required document so that, as thereafter delivered to the purchasers of Registrable Securities, the prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading.

(xiv) Provide CUSIP numbers for all Registrable Securities not later than the effective date of the Shelf Registration Statement and provide the transfer agent with certificates for the Common Units that are in a form eligible for transfer in accordance with applicable requirements.

(xv) Cooperate and assist in any filings required to be made with the NASD and in the performance of any due diligence investigation by any underwriter that is required to be retained in accordance with the rules and regulations of the NASD.

(xvi) Otherwise use its best efforts to comply with all applicable rules and regulations of the Commission and all reporting requirements under the rules and regulations of the Exchange Act.

(c) The Holder agrees that, upon receipt of any notice from the Partnership of the existence of any fact of the kind described in Section 4.5(b)(iii)(D) hereof, the Holder will, and will use its best efforts to cause any underwriter(s) in an Underwritten Offering to, forthwith discontinue disposition of Registrable Securities pursuant to the Shelf Registration Statement until:

(xvii) the Holder has received copies of the supplemented or amended prospectus contemplated by Section 4.5(b)(xiii) hereof; or

(xviii) the Holder is advised in writing by the Partnership that the use of the prospectus may be resumed.

If so directed by the Partnership, the Holder will deliver to the Partnership (at the Partnership's expense) all copies, other than permanent file copies then in the Holder's possession, of the prospectus covering such Registrable Securities that was current at the time of receipt of such notice of suspension.

SECTION 4.6 STOP TRANSFER INSTRUCTIONS. The Partnership may give such stop transfer instructions to its transfer agent as it shall deem reasonably necessary to prevent any sale of shares of Common Units under a Shelf Registration Statement at any time when the Holder is not permitted to make such a sale pursuant to this Article IV.

SECTION 4.7 NO PIGGYBACK OR OTHER REGISTRATION RIGHTS. Other than as set forth in this Article IV, the Holder shall have no registration rights with respect to Common Units beneficially owned by the Holder (including any "piggyback" registration rights). In addition, the Partnership shall not be required to include any Common Units acquired by the Holder for resale under a Shelf Registration Statement other than the Common Units that constitute Registrable Securities under this Agreement.

SECTION 4.8 REGISTRATION EXPENSES. The Partnership shall bear all expenses incident to the filing of any Shelf Registration Statement, including without limitation: (i) all registration and filing fees and expenses; (ii) all fees and expenses of compliance with federal securities and state Blue Sky or securities laws; (iii) all fees and disbursements of counsel for the Partnership; (v) all application and filing fees in connection with listing or quoting, as the case may be, the Common Units on each securities exchange or automated quotation system on which the Common Units are then listed or quoted; and (vi) all fees and disbursements of independent certified public accountants of the Partnership (including the expenses of any special audit and comfort letters required by or incident to such performance); provided, however, the Holder shall bear the all the cost of (x) any discount or selling commission incurred in connection with the sale of any of such Common Units and (y) any fees and disbursements of counsel for the Holder or any other professional advisors engaged by the Holder.

SECTION 4.9 RULE 144. The Partnership covenants that it will file at times chosen by the Partnership any reports required to be filed by it under Section 13 or 15(d) of the Exchange Act, all to the extent required from time to time to enable the Holder to sell Registrable Securities without registration under the Act within the limitation of the exemptions provided by Rule 144 under the Act, as such Rule may be amended from time to time (or any similar rule or

regulation hereafter adopted by the Commission). Upon the reasonable request of the Holder, the Partnership will deliver to the Holder a written statement as to whether it has complied with such requirements. The Partnership further covenants that, upon the request of the Holder, it will take any further actions reasonably necessary to permit the Holder to transfer the Common Units under Rule 144, including, without limitation, causing any restrictive legends to be removed from any certificates representing Common Units in accordance with the terms of such legends.

SECTION 4.10 INDEMNIFICATION.

(a) For purposes of this Section 4.10, the following terms shall have the following meanings:

(i) "PRELIMINARY PROSPECTUS" means any preliminary prospectus supplement to the base prospectus included in a Shelf Registration Statement, together with such base prospectus, that describes the Common Units and the offering thereof, filed with the Commission pursuant to Rule 424(a) of the rules and regulations of the Commission under the Act and used prior to the filing of the Prospectus.

(ii) "PROSPECTUS" means the final prospectus supplement, in the form first filed pursuant to Rule 424(b) under the Act, together with the base prospectus included in the Shelf Registration Statement; and any reference herein to any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the Act, as of the date of such Preliminary Prospectus or Prospectus, as the case may be; and any reference to any amendment or supplement to any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include any documents filed after the date of such Preliminary Prospectus or Prospectus, as the case may be, under the Exchange Act.

(iii) "REGISTRATION STATEMENT" means the various parts of the Shelf Registration Statement, including all exhibits thereto and including (i) the information contained in the form of final prospectus supplement to the base prospectus included in the Shelf Registration Statement, filed with the Commission after the date hereof pursuant to Rule 424(b) under the Act in accordance with this Article IV and deemed by virtue of Rule 430A under the Act to be part of the Shelf Registration Statement at the time it was declared effective and (ii) the documents incorporated by reference in such final prospectus supplement.

(b) Each of the Partnership and the Company, jointly and severally, will indemnify and hold harmless the Holder against any losses, claims, damages or liabilities, joint or several, to which the Holder may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement or the Prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse the Holder for any legal or other expenses reasonably incurred by the Holder in connection with investigating or defending any such action or claim as such expenses are incurred; provided, however, that the Partnership and the Company shall not be

liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Prospectus, the Registration Statement or the Prospectus or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Partnership by the Holder expressly for use therein.

(c) The Holder will indemnify and hold harmless the Partnership and the Company against any losses, claims, damages or liabilities to which either the Partnership, the Company or both may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, Registration Statement or Prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in any Preliminary Prospectus, Registration Statement or Prospectus or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Partnership by the Holder expressly for use therein; and will reimburse the Partnership and the Company for any legal or other expenses reasonably incurred by the Partnership and the Company in connection with investigating or defending any such action or claim as such expenses are incurred.

(d) Promptly after receipt by an indemnified party under Sections 4.10(b) or (c) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party otherwise than under such subsection. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the written consent of the indemnified party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability arising out of such action or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party.

(e) If the indemnification provided for in this Section 4.10 is unavailable to or insufficient to hold harmless an indemnified party under Sections 4.10 (b) or (c) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative fault of the Partnership and the Company on the one hand and the Holder on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Partnership and the Company on the one hand or Holder on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Partnership, the Company and the Holder agree that it would not be just and equitable if contributions pursuant to this Section 4.10(e) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 4.10(e). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this Section 4.10(e) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 4.10(e), the Holder shall not be required to contribute any amount in excess of the amount by which the aggregate consideration received by the Holder from the sale of any Registrable Securities pursuant to the relevant Shelf Registration Statement exceeds the amount of any damages which the Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(f) The obligations of the Partnership and the Company under this Section 4.10 shall be in addition to any liability which the Partnership and the Company may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Holder within the meaning of the Act; and the obligations of the Holder under this Section 4.10 shall be in addition to any liability which the Holder may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Company and to each person, if any, who controls the Partnership or the Company within the meaning of the Securities Act.

ARTICLE V
REPRESENTATIONS AND WARRANTIES

SECTION 5.1 REPRESENTATIONS AND WARRANTIES OF THE PARTIES. Each party to this Agreement hereby represents and warrants to each other party that the statements in this Article V are true and correct as of the date of this Agreement.

(a) Such party is an entity duly created, formed or organized, validly existing, and in good standing under the Laws of the jurisdiction of its creation, formation, or organization.

There is no pending or, to such party's knowledge, Threatened, Action (or Basis therefor) for the dissolution, liquidation, insolvency, or rehabilitation of such party.

(b) Such party has the entity power and authority to execute and deliver this Agreement and to perform and consummate the transactions contemplated herein. Such party has taken all actions necessary to authorize the execution and delivery of this Agreement, the performance of such party's obligations hereunder, and the consummation of the transactions contemplated herein. This Agreement has been duly authorized, executed, and delivered by, and is Enforceable against, such party.

(c) The execution and the delivery of this Agreement by such party and the performance and consummation of the transactions contemplated herein by such party will not (i) Breach any provision of its organizational documents, (ii) Breach any Law to which such party is subject, (iii) Breach any Contract or Order to which such party is a party or by which such party is bound or to which any of such party's assets is subject, or (iv) require any approval, consent, ratification, permission, waiver or authorization not already obtained, except in the case of clauses (ii), (iii) and (iv) as would not have a material adverse affect on the ability of such party to perform its obligations hereunder and consummate the transactions contemplated herein.

SECTION 5.2 REPRESENTATION AND WARRANTY OF THE INVESTOR. The Investor represents and warrants to the Company and the Partnership that in acquiring Exchange Units, the Investor is not offering or selling, and shall not offer or sell any Exchange Units, for the Partnership in connection with any distribution of any of the Exchange Units, and the Investor does not have a participation and shall not participate in any such undertaking or in any underwriting of such an undertaking except in compliance with applicable federal and state securities laws. The Investor acknowledges that it is able to fend for itself, can bear the economic risk of its investment in the Exchange Units, and has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of an investment in the Exchange Units. The Investor is an "accredited investor" as such term is defined in Regulation D under the Securities Act. The Investor understands that none of the Exchange Units shall have been registered pursuant to the Securities Act or any applicable state securities laws, that the Exchange Units shall be characterized as "restricted securities" under federal securities laws and that under such laws and applicable regulations none of the Exchange Units can be sold or otherwise disposed of without registration under the Securities Act or an exemption therefrom.

ARTICLE VI
MISCELLANEOUS

SECTION 6.1 NOTICES. All notices and other communications provided for or permitted under this Agreement shall be made in writing by hand delivery, first class mail (registered or certified, return receipt requested), telex, telecopier, or air courier guaranteeing overnight delivery:

if to Investor:

Goldman Sachs & Co.
1 New York Plaza
New York, New York 10004
Facsimile: (212) 346 3124
Attention: Raanan Agus

with a copy to:

Goldman Sachs & Co.
1 New York Plaza
New York, New York 10004
Facsimile: (212) 346 3124
Attention: General Counsel

and a copy to:

Vinson & Elkins L.L.P.
666 Fifth Avenue
26th Floor
New York, New York 10103
Facsimile: (917) 206 8100
Attention: Mike Rosenwasser

if to the Company:

GulfTerra Energy Company, L.L.C.
c/o El Paso Corporation
1001 Louisiana Street
Houston, Texas 77002
Facsimile: (713) 445 8546
Attention: Tom Hart

with a copy to:

GulfTerra Energy Company, L.L.C.
c/o El Paso Corporation
1001 Louisiana Street
Houston, Texas 77002
Facsimile: (713) 420 4601
Attention: Mark Leland

and a copy to:

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

if to the Partnership:

GulfTerra Energy Partners, L.P.
Four Greenway Plaza
Suite 176
Houston, Texas 77046
Facsimile: (832) 676 1665
Attention: Mark Leland

with a copy to:

GulfTerra Energy Partners, L.P.
Four Greenway Plaza
Suite 176
Houston, Texas 77046
Facsimile: (832) 675 8163
Attention: Greg Jones

and a copy to:

Akin Gump Strauss Hauer & Feld LLP
1900 Pennzoil Place, South Tower
711 Louisiana Street
Houston, Texas 77002
Facsimile: (713) 236 0822
Attention: J. Vincent Kendrick

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; five business says after being deposited in the mail, postage prepaid, if mailed; when receipt acknowledged, if telecopied; and on the next business day, if timely delivered to an air courier guaranteeing overnight delivery.

SECTION 6.2 TERMINATION. This Agreement shall terminate upon the later of (i) the conversion of all of the Class A Membership Interest to a Class B Membership Interest, (ii) the retirement of all of such Class A Membership Interest pursuant to the provisions of the Company LLC Agreement or (iii) such time that of the Common Units, Exchange Units and Tag/Drag Units are no longer Registrable Securities. Notwithstanding the foregoing, if any Registrable Securities are sold pursuant to Article IV hereof, the provisions of Section 4.10 hereof shall not terminate and shall survive indefinitely.

SECTION 6.3 THIRD PARTY BENEFICIARY. Each of the parties specifically intends that the Class B Member shall be entitled to assert its rights and remedies hereunder as a third-party beneficiary hereto with respect to those provisions of this Agreement affording a right, benefit or privilege to it (including, without limitation, Section 2.5(b)).

SECTION 6.4 AMENDMENT. This Agreement may be amended or modified from time to time only by written agreement of all the parties hereto. Each such instrument shall be reduced to writing and shall be designated on its face an "amendment" to this Agreement.

SECTION 6.5 SUCCESSORS AND ASSIGNS. All of the terms, agreements, covenants, representations, warranties, and conditions of this Agreement are binding upon, and inure to the benefit of and are enforceable by, the parties hereto and their respective successors and assigns. Except as expressly provided in the following sentence, no party may assign, transfer or otherwise alienate either this Agreement or any of its rights, interest or obligations hereunder without the prior written approval of the other parties. Notwithstanding the immediately preceding sentence, the Holder can transfer Registrable Securities to its Affiliates so long as such transfer is made in accordance with the Securities Act and all of the Holder's obligations under this Agreement remain with Holder; provided, in the event of such a transfer, the Holder may enforce its rights under this Agreement on behalf of such Affiliate.

SECTION 6.6 COUNTERPARTS. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

SECTION 6.7 ARTICLES AND SECTIONS; HEADINGS. Unless otherwise provided, all reference to Articles, Sections and paragraphs herein refer to Articles, Sections and paragraphs of this Agreement. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

SECTION 6.8 GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to the conflict of law rules thereof.

SECTION 6.9 SEVERABILITY. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

SECTION 6.10 ENTIRE AGREEMENT. This Agreement, together with Transaction Agreements to which the parties hereto are party, constitutes the entire agreement and understanding of the parties hereto in respect of its subject matter and supersedes all prior understandings, agreements, or representations by or among such parties, written or oral, to the extent they relate in any way to the subject matter hereof.

* * * * *

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

COMPANY

GulfTerra Energy Company, L.L.C.

By: /s/ JAMES H. LYTAL

James H. Lytal
President

PARTNERSHIP

GulfTerra Energy Partners, L.P.

By: GulfTerra Energy Company, L.L.C.,
its general partner

By: /s/ JAMES H. LYTAL

James H. Lytal
President

INVESTOR

Goldman Sachs & Co.

By: /s/ RAANAN AGUS

Name: Raanan Agus

Title: Managing Director

EXHIBIT A

FORM OF ACKNOWLEDGEMENT

This Acknowledgment, dated as of , 200 , is executed by Holder, the Company and the Partnership (each, as defined in the Exchange and Registration Rights Agreement, dated October 2, 2003, among Goldman Sachs & Co., GulfTerra GP Holding Company and Gulf GulfTerra Energy Company, L.L.C. (the "EXCHANGE AGREEMENT"). Each of such parties hereby acknowledges and agrees that (i) the Total Number of Exchange Units (as defined in the Exchange Agreement) for purposes of the Exchange Agreement shall be the number set forth in the space below and (ii) such Total Number of Exchange Units may only be adjusted or modified pursuant to the provisions of the Exchange Agreement.

- ----------
TOTAL NUMBER OF EXCHANGE UNITS
(as defined in the Exchange Agreement)

HOLDER

By:

Name:
Title:

COMPANY

By:

Name:
Title:

PARTNERSHIP

By:

Name:
Title:

INCENTIVE DISTRIBUTION REDUCTION AGREEMENT

This INCENTIVE DISTRIBUTION REDUCTION AGREEMENT (this "AGREEMENT") is entered into as of October 1, 2003 by and between GulfTerra Energy Company, L.L.C., a Delaware limited liability company (the "COMPANY"), and GulfTerra Energy Partners, L.P., a Delaware limited partnership (the "PARTNERSHIP").

RECITALS

WHEREAS, GulfTerra GP Holding Company, a Delaware corporation ("HOLDING CO.") and Goldman Sachs & Co., a New York limited partnership (the "INVESTOR"), are parties to that certain Purchase and Sale Agreement, dated October 1, 2003 (the "LLC PURCHASE AGREEMENT"), whereby the Investor will purchase from Holding Co. the Class A Membership Interests of the Company (as issued and outstanding on the date of determination, the "CLASS A MEMBERSHIP INTERESTS") from Holding Co.;

WHEREAS, the Partnership and the Investor are parties to that certain Purchase and Sale Agreement, dated October 1, 2003 (the "UNIT PURCHASE AGREEMENT," and with the LLC Purchase Agreement, the "PURCHASE AGREEMENTS"), whereby the Investor will purchase from the Partnership 3,000,000 newly issued Series A common units representing limited partner interests in the Partnership ("COMMON UNITS") from the Partnership;

WHEREAS, the Company, the Partnership and the Investor are parties to that certain Exchange and Registration Rights Agreement, dated October 1, 2003 (the "EXCHANGE AGREEMENT,") whereby, under certain circumstances described therein, the Investor may contribute its Class A Membership to the Partnership in exchange for Exchange Units;

WHEREAS, the Partnership and the Company have agreed that upon each such Exchange pursuant to the Exchange Agreement, the Partnership will deliver the Class A Membership Interest received in such Exchange to the Company for cancellation, and the Company will cause the Incentive Distribution Rights (as defined therein) to be reduced as is provided in this Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows.

ARTICLE I

SECTION 1.1 DEFINITIONS. In addition to the terms defined elsewhere herein, capitalized terms used herein but not defined herein shall have the meanings assigned to such terms in the Exchange Agreement (which is attached as Exhibit A hereto).

ARTICLE II
INCENTIVE DISTRIBUTION REDUCTION

SECTION 2.1 TRANSFER AND REDUCTION. The parties hereto agree and acknowledge that, immediately following any Exchange pursuant to Article II of the Exchange Agreement, (i) the

Class A Membership Interest contributed by the Investor to the Partnership shall be transferred to the Company, (ii) upon receipt thereof, such Class A Membership Interest shall be cancelled by the Company and (iii) the Incentive Distributions payable by the Partnership to the Company shall be reduced by an aggregate dollar amount (the "REDUCTION AMOUNT") equal to the aggregate dollar amount of the most recent Common Unit Quarterly Distribution prior to the Initial Exchange that would have been paid on the number of Exchange Units issued in such Exchange. The Reduction Amount shall be achieved by reducing the percentage allocation to the Company at each target level of the Incentive Distributions (the "HIGH SPLIT ALLOCATION PERCENTAGES") by the same percentage (the "STANDARD REDUCTION FACTOR"); provided, however, that in determining the Standard Reduction Factor, if any distribution is to be paid in respect of an Incentive Distribution target level, the Company shall always receive no less than 1% of such distribution (as required by the Partnership Agreement). The calculation and application of the Standard Reduction Factor is illustrated in the examples set forth in Exhibit B hereto. The new High-Split Allocation Percentages determined pursuant to this Section 2.1 shall be used to determine the Incentive Distributions payable by the Partnership to the Company for all quarterly distributions by the Partnership subsequent to any reduction pursuant to this Section 2.1. The actions described in the initial sentence of this Section 2.1 shall be deemed to occur automatically and in immediate succession. Any administrative actions required to memorialize such steps (such as transfer and cancellation of physical certificates and amendment of the Partnership Agreement) shall be completed within three business days.

SECTION 2.2 AMENDMENTS TO PARTNERSHIP AGREEMENT. In order to give effect to the reduction of the Highest-Split Percentage pursuant to Section 2.1, concurrently therewith, the Company shall amend the Partnership Agreement, in compliance with Section 15.1 thereof, (i) to reflect each reduction in the Highest-Split Percentage and (ii) to make any other changes necessary to effect such reduction in the Incentive Distributions payable by the Partnership to the Company.

SECTION 2.3 CERTIFICATE; DISPUTE RESOLUTION. Upon each reduction of the Highest-Split Percentage pursuant to Section 2.1, the Partnership will within 10 business days of the Exchange by the Holder deliver to the Company (i) a certificate signed by an appropriate officer on behalf of the Partnership that sets forth in reasonable detail the calculation of the new Highest-Split Percentage pursuant to the Reduction Formula and (ii) a copy of the amendment to the Partnership Agreement effected pursuant to Section 2.2. If the Company does not agree with the new Highest-Split Percentage, such party shall give written notice (a "REDUCTION DISPUTE NOTICE") to the Partnership within five business days of the receipt of such certificate. If the parties are unable to mutually agree on the new Highest-Split Percentage within five business days of receipt of such Adjustment Dispute Notice by the other parties, the Company and the Partnership shall each select a firm of independent accountants of nationally recognized standing within five business days, which firms shall then mutually agree upon a third firm of independent accountants of nationally recognized standing and refer the matter to such third firm for resolution within five additional business days. Such third firm shall determine the new Highest-Split Percentage pursuant to the Reduction Formula within 15 business days of such referral The aggregate fees and expense of such firms shall be borne in the following manner: one-half by the Company and one-half by the Partnership. The determination by such third firm of the new Highest-Split Percentage shall be final, binding and conclusive on the parties.

ARTICLE III
MISCELLANEOUS

SECTION 3.1 NOTICES. All notices and other communications provided for or permitted under this Agreement shall be made in writing by hand delivery, first class mail (registered or certified, return receipt requested), telex, telecopier, or air courier guaranteeing overnight delivery:

if to the Company:

GulfTerra Energy Company, L.L.C.
c/o El Paso Corporation
1001 Louisiana Street
Houston, Texas 77002
Facsimile: (713) 445 8546
Attention: Tom Hart

with a copy to:

GulfTerra Energy Company, L.L.C.
c/o El Paso Corporation
1001 Louisiana Street
Houston, Texas 77002
Facsimile: (713) 420 4601
Attention: Mark Leland

and a copy to:

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

if to the Partnership:

GulfTerra Energy Partners, L.P.
Four Greenway Plaza
Suite 176
Houston, Texas 77046
Facsimile: (832) 676 1665
Attention: Mark Leland

with a copy to:

GulfTerra Energy Partners, L.P.
Four Greenway Plaza
Suite 176
Houston, Texas 77046
Facsimile: (832) 675 8163
Attention: Greg Jones

and a copy to:

Akin Gump Strauss Hauer & Feld LLP
1900 Pennzoil Place, South Tower
711 Louisiana Street
Houston, Texas 77002
Facsimile: (713) 236 0822
Attention: J. Vincent Kendrick

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; five business says after being deposited in the mail, postage prepaid, if mailed; when receipt acknowledged, if telecopied; and on the next business day, if timely delivered to an air courier guaranteeing overnight delivery.

SECTION 3.2 TERMINATION. This Agreement shall terminate upon the later to occur of the conversion of all of the Class A Membership Interest to a Class B Membership Interest or the retirement of all of such Class A Membership Interest pursuant to the provisions of the Company LLC Agreement or upon the termination of the Exchange Agreement.

SECTION 3.3 AMENDMENT. This Agreement may be amended or modified from time to time only by written agreement of all the parties hereto. Each such instrument shall be reduced to writing and shall be designated on its face an "amendment" to this Agreement.

SECTION 3.4 SUCCESSORS AND ASSIGNS. All of the terms, agreements, covenants, representations, warranties, and conditions of this Agreement are binding upon, and inure to the benefit of and are enforceable by, the parties hereto and their respective successors and assigns.

SECTION 3.5 COUNTERPARTS. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

SECTION 3.6 ARTICLES AND SECTIONS; HEADINGS. Unless otherwise provided, all reference to Articles, Sections and paragraphs herein refer to Articles, Sections and paragraphs of this Agreement. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

SECTION 3.7 GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to the conflict of law rules thereof.

SECTION 3.8 SEVERABILITY. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

SECTION 3.9 ENTIRE AGREEMENT. This Agreement, together with Transaction Documents to which the parties hereto are party, constitutes the entire agreement and understanding of the parties hereto in respect of its subject matter and supersedes all prior understandings, agreements, or representations by or among such parties, written or oral, to the extent they relate in any way to the subject matter hereof.

* * * * *

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

COMPANY

GulfTerra Energy Company, L.L.C.

By: /s/ James H. Lytal

James H. Lytal
President

PARTNERSHIP

GulfTerra Energy Partners, L.P.

By: GulfTerra Energy Company, L.L.C.,
its general partner

By: /s/ James H. Lytal

James H. Lytal
President

Exhibit A

EXCHANGE AND REGISTRATION RIGHTS AGREEMENT

Exhibit B

EXAMPLE OF CALCULATION OF STANDARD REDUCTION FACTOR

EXHIBIT B TO EXCHANGE AND REGISTRATION RIGHTS AGREEMENT

INCENTIVE DISTRIBUTION REDUCTION CALCULATION EXAMPLE

INVESTOR GP OWNERSHIP	9.9%	
CLASS A QUARTERLY DISTRIBUTION	$ 1.89	MM
COMMON UNIT QUARTERLY DISTRIBUTION	$ 0.07	$/Unit
ANNUALIZED COMMON UNIT DISTRIBUTION	$ 2.80	$/Unit
STATUS QUO COMMON UNITS OUTSTANDING		
Public Common Units	38.757	MM
El Paso Common Units	11.674	
El Paso Series C Units	10.938	
Pro Forma Investor Units	3.000	
Other	--	
Other	--	
Total	64.369	MM
Exchange Units	2.703	MM
PRO FORMA COMMON UNITS OUTSTANDING	67.072	MM
REDUCTION AMOUNT	$ 7.6	MM
STANDARD REDUCTION FACTOR	7.81%	

STATUS QUO

GTM INCENTIVE DISTRIBUTION TABLE ($/UNIT)	SPLITS	ANNUAL DISTRIBUTIONS	ANNUAL DISTRIBUTIONS ($MM)	QUARTERLY ANNUALIZED	DISTRIBUTION LP	DISTRIBUTION GP	TOTAL	LP	GP	TOTAL
MQD	$0.275	$ --	$1.100	99.00%	1.00%	$1.100	$0.011	$1.111	$ 70.81	$ 0.72	$ 71.52
FIRST TIER	$0.325	$1.100	$1.300	99.00%	1.00%	$0.200	$0.002	$0.202	$ 12.87	$ 0.13	$ 13.00
SECOND TIER	$0.375	$1.300	$1.500	85.87%	14.13%	$0.200	$0.033	$0.233	$ 12.87	$ 2.12	$ 14.99

THIRD TIER
$0.425
$1.500
$1.700
75.77%
24.23%
$0.200
$0.064
$0.264 $
12.87 $ 4.12
$ 16.99
THEREAFTER
$0.425
$1.700
$2.800
50.51%
49.49%
$1.100
$1.078
$2.178 $
70.81 $69.38
$140.18 ----
-- ------ --
---- -------
------ -----
-- $2.800
$1.188
$3.988 Total
$180.23
$76.46
$256.69
Quarterly
$0.700
$0.297
$0.997 Total
Per Unit $
2.800 $1.188
$ 3.988

PRO FORMA FOR EXCHANGE UNITS

GTM
INCENTIVE
DISTRIBUTION
TABLE
($/UNIT) ---

SPLITS
ANNUAL
DISTRIBUTIONS
ANNUAL
DISTRIBUTIONS
($MM)
QUARTERLY
ANNUALIZED -

-- ---------

--- --------

DISTRIBUTION
DISTRIBUTION
LP GP LP GP
TOTAL LP GP
TOTAL ------
------ -----
--------- --
---- ------
------ -----
- ------ ---
---- -------
-------- MQD
$0.275 $ --
$1.100
99.00% 1.00%
$1.100
$0.011
$1.111 $
73.78 $ 0.75
$ 74.52
FIRST TIER
$0.325
$1.100
$1.300
99.00% 1.00%
$0.200
$0.002
$0.202 $
13.41 $ 0.14
$ 13.55
SECOND TIER
$0.375
$1.300

$1.500
86.89%
13.11%
$0.200
$0.030
$0.230 $
13.41 $ 2.02
$ 15.44
THIRD TIER
$0.425
$1.500
$1.700
77.58%
22.42%
$0.200
$0.058
$0.258 $
13.41 $ 3.88
$ 17.29
THEREAFTER
$0.425
$1.700
$2.800
54.29%
45.71%
$1.100
$0.926
$2.026 $
73.78 $
62.11
$135.89 ----
-- ------ --
---- -------
- ----- ----
--- $2.800
$1.027
$3.827 Total
$187.80 $
68.89
$256.69
Quarterly
$0.700
$0.257
$0.957
Change $
7.57 $
(7.57) $
(0.00) Total
Per Unit $
2.800 $
1.027 $
3.827 Change
Per Unit $ -
- $(0.161)
$(0.161)

REDEMPTION AND RESOLUTION AGREEMENT

This Redemption and Resolution Agreement (this "Agreement") dated as of October 2, 2003, is by and among El Paso Corporation, a Delaware corporation ("El Paso"), GulfTerra Energy Partners, L.P., a Delaware limited partnership ("GTM"), and El Paso New Chaco Holding, L.P., a Delaware limited partnership ("New Chaco"). El Paso, GTM and New Chaco are sometimes referred to collectively herein as the "Parties" and individually as a "Party."

INTRODUCTION

1. El Paso, through its wholly-owned subsidiary DeepTech International Inc. (the "Holder"), a Delaware corporation, currently owns all 123,865 outstanding Series B Preference Units (defined herein) in GTM.

2. El Paso, through its wholly-owned subsidiary GulfTerra GP Holding Company ("Holding Co."), a Delaware corporation, currently owns 100% of the membership interest in GulfTerra Energy Company, L.L.C. (the "General Partner"), a Delaware limited liability company and sole general partner of GTM.

3. Simultaneously with the execution of this Agreement, (a) Holding Co. will sell to Goldman, Sachs & Co., a New York limited partnership (the "Investor"), a 9.9% membership interest in the General Partner, represented by 100% of the Class A Membership Interest in the General Partner (the "GP Sale"), (b) GTM will issue to the Investor 3,000,000 Series A Common Units (as defined in the Partnership Agreement) in a private transaction exempt from registration (the "Unit Sale"), and (c) in connection with the GP Sale and the Unit Sale, Holding Co., the General Partner, GTM and the Investor will enter into several Transaction Agreements (defined herein). All of the transactions described in (a) through (c), collectively, are referred to herein as the "Transactions".

4. In connection with the Transactions, El Paso and GTM believe it is desirable and in their respective best interests (a) to modify certain prior transactions between the Parties, (b) for El Paso to cause El Paso Energy Service Co., a Delaware corporation ("Service"), to convey certain assets to GTM (or its designee), (c) for GTM to redeem, and for El Paso to cause the Holder to offer for redemption, the Series B Preference Units; all as further described in, and pursuant to the terms of, this Agreement and (d) for EPEC Realty, Inc., a wholly owned indirect subsidiary of El Paso ("EPEC"), and GulfTerra Texas Pipeline, L.P., a Delaware limited partnership and wholly-owned subsidiary of GTM ("GTM Texas"), on the date hereof, to enter into a facility lease agreement for the Gulfdale Building at 10647 Gulfdale Street in San Antonio, Bexar County, Texas ("Facility Lease").

NOW THEREFORE, in consideration of the mutual covenants, conditions and agreements set forth herein, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. Definitions. Any capitalized term used, but not defined herein, will have the meaning given such term in the respective agreement referenced herein, or, if no agreement is

referenced, then such terms shall have the meanings given such terms in the Purchase and Sale Agreement by and between Holding Co. and the Investor dated as of even date herewith. As used herein, "Series B Preference Units" has the same meaning given such term in the Second Amended and Restated Agreement of Limited Partnership of GTM (as amended, the "Partnership Agreement").

2. Termination of Repurchase Requirement. Pursuant to the Repurchase Agreement dated as of November 27, 2002, by and between El Paso and GTM (the "Repurchase Agreement"), (a) El Paso agreed to repurchase, and GTM agreed to cause one of its subsidiaries to sell, the Facility (as defined in the Repurchase Agreement) on October 1, 2021, for a repurchase price equal to $77 million (the "Repurchase Obligation") and (b) upon such repurchase, GTM (or its successor or assignee) would have the right to lease the Facility from El Paso (or any other designated purchaser of the Facility) for a period of at least ten years on the terms and conditions stated in the Repurchase Agreement (the "Lease Obligation"). El Paso and GTM agree that (i) the Repurchase Agreement and all transactions and obligations thereunder, including the Repurchase Obligation and the Lease Obligation, are hereby terminated, and (ii) each of the Parties (x) is hereby released and forever discharged from its obligations under the Repurchase Agreement and (y) hereby waives any and all claims under the Repurchase Agreement.

3. Termination of Tolling Agreement. Pursuant to the Tolling Agreement dated as of October 1, 2001, as amended on November 27, 2002, by and between El Paso (through its wholly-owned subsidiary New Chaco) and GTM (through its wholly owned subsidiary, Delos Offshore Company, L.L.C.) (the "Tolling Agreement"), (a) El Paso remains the owner of the Facility for tax purposes, and (b) GTM remains the lessee. El Paso and GTM agree that (i) the Tolling Agreement and all transactions and obligations thereunder, are hereby terminated, and (ii) each of the Parties (x) is hereby released and forever discharged from its obligations under the Tolling Agreement and (y) hereby waives any and all claims under the Tolling Agreement.

4. Conveyance of Certain Communications Assets. Pursuant to the General and Administrative Services Agreement ("GSA") dated May 5, 2003, by and among the Holder, the General Partner and El Paso Field Services, L.P. ("EPFS"), a Delaware limited partnership, the Holder and EPFS agreed to provide certain services, including Communications Services (as defined in the GSA), to the General Partner. Simultaneous with the execution of this Agreement, El Paso will cause Service to convey to GTM each of the communications assets described on Exhibit A (the "Communications Assets"). To the extent El Paso or any of its applicable subsidiaries (the "El Paso Subsidiaries") are required under the GSA to make any of the Communications Assets available to GTM, El Paso and the El Paso Subsidiaries are hereby relieved of any such further obligations. Simultaneous with the execution of this Agreement, El Paso will cause Service to (a) execute and deliver a Bill of Sale and Assignment to GTM (or its designee), substantially in the form of Exhibit B, and (b) execute such other instruments or certificates and documents as may be necessary or appropriate to convey the Communications Assets to GTM (or its designee) free and clear of all Encumbrances or other limitations or restrictions, except for Permitted Encumbrances. As used herein, the term "El Paso Entity" means each of El Paso, the Holder, and each El Paso Subsidiary.

5. Series B Redemption. Pursuant to that certain Agreement and Plan of Merger dated August 28, 2000, by and among GTM, El Paso Partners Acquisition, L.L.C., Crystal Gas Storage, Inc. and Crystal Holding, Inc., GTM issued, as merger consideration, 170,000 newly created Series B Preference Units to an affiliate of El Paso. As a result of prior redemptions and conversions, the Holder currently holds all 123,865 outstanding Series B Preference Units. Pursuant to the terms of their issuance, the Series B Preference Units are redeemable in cash at any time by GTM. Simultaneous with the execution of this Agreement, (a) GTM will redeem, and the Holder will tender for redemption, all of the Series B Preference Units, (b) the Holder will assign and transfer to GTM all of the right, title and interest in and to the Series B Preference Units free and clear of all Encumbrances or other limitations or restrictions and deliver to GTM duly endorsed stock powers (in blank) covering the Series B Preference Units, which are uncertificated.

6. Payment. In full satisfaction of all payment obligations under this Agreement, in consideration of (a) the termination of (i) the Repurchase Agreement, including El Paso's Repurchase Obligation and GTM's Lease Obligation, and (ii) the Tolling Agreement, (b) the conveyance by El Paso (and/or its applicable subsidiaries) of the Communications Assets to GTM (or its designee), (c) the redemption by GTM of all of the Series B Preference Units, and (d) the other transactions described in this Agreement, upon the execution of this Agreement and the consummation of the transactions contemplated herein, GTM agrees to pay El Paso $155,961,000.

7. Facility Lease. GTM desires GTM Texas to lease from EPEC, and El Paso and EPEC desire to lease to GTM, the building commonly referred to as the Gulfdale Building, located at 10647 Gulfdale Street, San Antonio, Bexar County, Texas. On the date hereof, GTM and El Paso will cause GTM Texas and EPEC, respectively, to execute and deliver the Facility Lease, in substantially the form set forth in Exhibit C.

8. Representations and Warranties of El Paso. El Paso hereby represents and warrants to, and agrees with GTM, that:

(a) Existence and Power. Each El Paso Entity is an entity duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite entity power and authority to consummate the transactions and perform each of its obligations contemplated hereby, as applicable. El Paso has all requisite entity power and authority to execute and deliver this Agreement.

(b) Authority; Approvals.

(i) The execution and delivery of this Agreement by El Paso, the consummation of each of the transactions contemplated hereby and the performance of each of the obligations contemplated hereby by each El Paso Entity have been duly and properly authorized by all necessary entity action on the part of each El Paso Entity. This Agreement has been duly executed and delivered by El Paso, and, assuming the accuracy of the representations and warranties of GTM in Section 9, constitutes the valid and legally binding obligation of El Paso, enforceable against it in accordance with its terms, subject,

as to enforceability, to bankruptcy, insolvency, reorganization, moratorium and other similar Laws relating to or affecting creditors' rights and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at Law).

(ii) The execution and delivery of this Agreement by El Paso and the consummation of each of the transactions and the performance of each of the obligations contemplated hereby by each El Paso Entity (x) do not conflict with or violate (whether with or without notice or a lapse of time or both), require the consent of any Person to or otherwise result in a material detriment to any El Paso Entity under any of their respective Organizational Documents or any agreement to which any El Paso Entity is a party or any Law applicable to any El Paso Entity, in each case in a manner that could reasonably be expected to materially hinder or impair the completion of any of the transactions contemplated hereby or have a material adverse effect on the business, properties, condition (financial or otherwise), liabilities or prospects of any El Paso Entity; and (y) do not impose any penalty or other onerous condition on any El Paso Entity that could reasonably be expected to materially hinder or impact the completion of any of the transactions contemplated hereby.

(iii) No approval from any Governmental Authority is required by or with respect to any El Paso Entity in connection with the execution and delivery by El Paso of this Agreement, the performance by any El Paso Entity of its obligations hereunder or the consummation by any El Paso Entity of the transactions contemplated hereby, except for any such approval the failure of which to be made or obtained (x) has not impaired and could not reasonably be expected to impair the ability of any El Paso Entity to perform its obligations under this Agreement in any material respect and (y) could not reasonably be expected to delay in any material respect or prevent the consummation of any of the transactions contemplated by this Agreement.

(c) Title to and Condition of Assets. The El Paso Subsidiaries have good and marketable title to the Communications Assets, free and clear of all Encumbrances, except for Permitted Encumbrances. The Communications Assets are in sufficient condition and repair (normal wear and tear excepted), are suitable for the purposes for which they are currently used and are not in need of maintenance or repairs except for ordinary routine maintenance and repairs. No El Paso Entity has assigned or conveyed any of its rights, title or interest in the Repurchase Agreement or the Tolling Agreement to any Person.

(d) Ownership of the Series B Preference Units. The Holder is the record and beneficial owner of the Series B Preference Units, free and clear of any Encumbrance or other limitation or restriction with full right and authority to deliver the Series B Preference Units hereunder, and will transfer and deliver to GTM on the date hereof valid title to the Series B Preference Units, free and clear of any Encumbrance and any other limitation or restriction.

(e) Independent Investigation. Each of El Paso and the Holder (a) has the requisite knowledge, sophistication and experience in order to fairly evaluate a disposition of the Series B Preference Units, including the risks associated therewith, and (b) has adequate information and has made its own independent investigation and evaluation to the extent each deems necessary or appropriate concerning the properties, business and financial condition of GTM to make an informed decision regarding the transfer of the Series B Preference Units pursuant to this Agreement.

9. Representations and Warranties of GTM. GTM hereby represents and warrants to, and agrees with El Paso, that:

(a) Existence and Power. GTM is a limited partnership duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite entity power and authority to execute and deliver this Agreement and consummate the transactions and perform each of its obligations contemplated hereby.

(b) Authority; Approvals.

(i) The execution and delivery of this Agreement by GTM, the consummation by GTM of each of the transactions contemplated hereby and the performance by GTM of each of its obligations contemplated hereby have been duly and properly authorized by all necessary partnership action on the part of GTM. This Agreement has been duly executed and delivered by GTM and, assuming the accuracy of the representations and warranties of El Paso in Section 8, constitutes the valid and legally binding obligation of GTM, enforceable against it in accordance with its terms, subject, as to enforceability, to bankruptcy, insolvency, reorganization, moratorium and other similar Laws relating to or affecting creditors' rights and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at Law).

(ii) The execution and delivery of this Agreement by GTM and the consummation of each of the transactions by GTM and the performance of each of the obligations of GTM contemplated hereby (x) do not conflict with or violate (whether with or without notice or a lapse of time or both), require the consent of any Person to or otherwise result in a material detriment to GTM under its Organizational Documents or any agreement to which it is a party or any Law applicable to it, in each case in a manner that could reasonably be expected to materially hinder or impair the completion of any of the transactions contemplated hereby or have a material adverse effect on the business, properties, condition (financial or otherwise), liabilities or prospects of GTM; and (y) do not impose any penalty or other onerous condition on GTM that could reasonably be expected to materially hinder or impact the completion of any of the transactions contemplated hereby.

(iii) No approval from any Governmental Authority is required by or with respect to GTM in connection with the execution and delivery by GTM of

this Agreement, the performance by GTM of its obligations hereunder or the consummation by GTM of the transactions contemplated hereby, except for any such approval the failure of which to be made or obtained (x) has not impaired and could not reasonably be expected to impair the ability of GTM to perform its obligations under this Agreement in any material respect and (y) could not reasonably be expected to delay in any material respect or prevent the consummation of any of the transactions contemplated by this Agreement.

10. Indemnification.

(a) Indemnification by El Paso. El Paso will indemnify and hold harmless GTM and its Subsidiaries and each of their officers (or Persons performing similar functions), directors (or Persons performing similar functions), employees, agents, and representatives (each, a "GTM Indemnitee") against all Adverse Consequences (including the legal fees and other expenses incurred in connection with any Adverse Consequence) arising out of or based on:

(i) any inaccuracy or breach as of the date of this Agreement of any representation or warranty made by El Paso in this Agreement; and

(ii) the breach or default in the performance by any El Paso Entity of any covenant, agreement or obligation to be performed pursuant to this Agreement.

(b) Indemnification by GTM. GTM will indemnify and hold harmless El Paso and its Affiliates (other than any GTM Indemnitee) and each of their officers (or Persons performing similar functions), directors (or Persons performing similar functions), employees, agents, and representatives against all Adverse Consequences (including the legal fees and other expenses incurred in connection with any Adverse Consequence) arising out of or based on:

(i) any inaccuracy or breach as of the date of this Agreement of any representation or warranty made by GTM in this Agreement; and

(ii) the breach or default in the performance by GTM of any covenant, agreement or obligation to be performed by GTM pursuant to this Agreement.

11. Miscellaneous.

(a) Successors and Assigns. This Agreement will be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

(b) Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original but which together will constitute one and the same instrument.

(c) Notices. All notices, requests, demands, claims, and other communications hereunder will be in writing. Any notice, request, demand, claim, or other

communication hereunder will be deemed duly given two business days after it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to the intended recipient as set forth below:

If to El Paso:	El Paso Corporation Attn: President El Paso Building 1001 Louisiana Houston, Texas 77002
If to GTM:	GulfTerra Energy Partners, L.P. Attn: President 4 Greenway Plaza Houston, Texas 77046 (713) 420-2131
With a copy to:	Akin Gump Strauss Hauer & Feld LLP 711 Louisiana Street - South Tower, Suite 1900 Houston, Texas 77002 (713) 220-5800 Attn: J. Vincent Kendrick

Any Party may send any notice, request, demand, claim, or other communication hereunder to the intended recipient at the addresses set forth above using any other means (including personal delivery, expedited courier, messenger service, telecopy, ordinary mail, or electronic mail), but no such notice, request, demand, claim, or other communication will be deemed to have been duly given unless and until it actually is received by the intended recipient. Any Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth.

(d) Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties and no presumption or burden of proof will arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. The Section headings contained in this Agreement are inserted for convenience only and will not affect in any way the meaning or interpretation of this Agreement. Any reference to any federal, state, local, or foreign statute or Law will be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise, and will include any amendment to such Law now or hereinafter in effect, unless otherwise expressly set forth herein. The word "including" will mean including without limitation. All personal pronouns used in this Agreement, whether used in the masculine, feminine or neuter gender, will include all other genders; the singular will include the plural, and vice versa. Unless otherwise provided, any reference to any Person in this Agreement will include such Person's successors and assigns. The terms "herein," "hereby," "hereunder,"

"hereof," "hereinafter," and other equivalent words refer to this Agreement in its entirety and not solely to the particular portion of the Agreement in which such word is used.

(e) GOVERNING LAW. THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE DOMESTIC LAWS OF THE STATE OF TEXAS WITHOUT GIVING EFFECT TO ANY CHOICE OR CONFLICT OF LAW PROVISION OR RULE (WHETHER OF THE STATE OF TEXAS OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF TEXAS. VENUE FOR ANY ACTION ARISING UNDER THIS AGREEMENT WILL LIE EXCLUSIVELY IN ANY STATE OR FEDERAL COURT IN HARRIS COUNTY, TEXAS.

(f) Amendments and Waivers. No amendment of any provision of this Agreement will be valid unless the same will be in writing and signed by both Parties. No waiver by any Party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, will be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

(g) Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction will not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

(h) ENTIRE AGREEMENT. THIS AGREEMENT (INCLUDING THE DOCUMENTS REFERRED TO HEREIN) CONSTITUTES THE ENTIRE AGREEMENT AMONG THE PARTIES AND SUPERSEDES ANY PRIOR UNDERSTANDINGS, AGREEMENTS, OR REPRESENTATIONS BY OR AMONG THE PARTIES, WRITTEN OR ORAL, TO THE EXTENT THEY HAVE RELATED IN ANY WAY TO THE SUBJECT MATTER HEREOF, INCLUDING THE CONFIDENTIALITY AGREEMENT. THE RIGHTS AND OBLIGATIONS CREATED BY THIS AGREEMENT ARE SEPARATE AND INDEPENDENT FROM ANY RIGHTS AND OBLIGATIONS CREATED BY ANY OTHER AGREEMENTS BETWEEN, INCLUDING OR RELATING TO ANY OF THE PARTIES HERETO (OR ANY OF THEIR AFFILIATES).

(i) Damages. In no event will any party to this Agreement be liable to any other party to this Agreement, irrespective of whether alleged to be by way of indemnity or as a result of breach of contract, breach of warranty, tort (including negligence), strict liability, or any other legal theory, for damages that constitute punitive, exemplary, incidental, special, indirect, or consequential damages of any nature whatsoever.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth in the preamble.

EL PASO CORPORATION

By: /s/ Thomas M. Hart III

Name: Thomas M. Hart III

Title: Vice President

GULFTERRA ENERGY PARTNERS, L.P.

By: /s/ James H. Lytal

Name: James H. Lytal

Title: President

EL PASO NEW CHACO HOLDING, L.P.

By: /s/ D. Mark Leland

Name: D. Mark Leland

Title: Senior Vice President

EXHIBIT 23.A

(NETHERLAND, SEWELL & ASSOCIATES, INC. LOGO)

CONSENT OF INDEPENDENT PETROLEUM ENGINEERS AND GEOLOGISTS

We hereby consent to the incorporation by reference into the Prospectus Supplement dated October 10, 2003 to the Prospectuses dated February 7, 2002 and July 25, 2003 of GulfTerra Energy Partners, L.P. (formerly El Paso Energy Partners, L.P.) and the Subsidiary Guarantors listed therein of our reserve reports dated as of December 31, 2000, 2001, and 2002 each of which is included in the Annual Report on Form 10-K of GulfTerra Energy Partners, L.P. for the year ended December 31, 2002. We also consent to the reference to us under the heading of "Experts" in such Prospectus Supplement.

NETHERLAND, SEWELL & ASSOCIATES, INC.

By: /s/ FREDERIC D. SEWELL

Frederic D. Sewell
Chairman and Chief Executive Officer

Dallas, Texas
October 10, 2003