

ADDENDUM TO AGREEMENT AND GLOBAL SETTLEMENT

Florida Gas Transmission Company, LLC (“FGT”) and the State of Florida, Department of Transportation (“FDOT”) (together the “Parties” and each a “Party”) enter into this Addendum to Agreement and Global Settlement (“Addendum”) this 19th day of September, 2013, as follows:

RECITALS

WHEREAS, FGT and FDOT are parties to that certain Agreement and Global Settlement (“Agreement”) dated August 21, 2013; and

WHEREAS, Paragraph 33 of the Agreement provides that within fifteen (15) days of the execution of the Agreement, (i) the Parties shall enter into certain further agreements with respect to the selection of a mutually agreeable Escrow Agent, and the creation of a mutually agreeable form of Escrow Agreement, and (ii) the Parties, in lieu of including certain provisions in such mutually agreeable form of Escrow Agreement, may agree to an alternative procedure for determining venue with respect to escrow agreements contemplated by Paragraph 33 (the further agreements described in the foregoing clauses (i) and (ii), the “Subsequent Agreements Regarding Escrow Terms”); and

WHEREAS, FGT and FDOT have extended the deadline for completing the Subsequent Agreements Regarding Escrow Terms through the date hereof; and

WHEREAS, FGT and FDOT desire to enter into this Addendum setting forth the Subsequent Agreements Regarding Escrow Terms.

THEREFORE, the Parties agree as follows:

1. The mutually agreeable Escrow Agent is the State of Florida, Department of Financial Services, Division of Treasury.
2. The mutually agreeable form of Escrow Agreement is attached hereto as Exhibit “1”.
3. With respect to each Escrow Agreement entered into by the Parties pursuant to Paragraph 33 of the Agreement, each of which will correspond to a Cost Reimbursement Agreement in the form attached to the Agreement as Exhibit “G” or to a Cost Reimbursement Agreement in the form attached to the Natural Gas Pipeline Easement Agreement as Exhibit “C,” FGT and FDOT hereby agree as follows: FDOT waives any right to assert a home venue privilege in Leon County with respect to the escrow agreement, will not assert that the Escrow Agent is an indispensable party in any dispute between FGT and FDOT, and will not encourage the Escrow Agent to file an interpleader action to resolve any dispute over the funds in the escrow account. Should any legal or administrative action concerning any dispute over the escrowed funds be filed in a county other than the county in which the applicable project is located, including but

not limited to an action for interpleader (the "Disputed Funds Lawsuit"), FGT shall file a lawsuit where the project is located (the "Project Dispute Lawsuit"). Two (2) business days after the Project Dispute Lawsuit is filed, the FDOT shall initiate the process for depositing monies in an amount equal to the escrowed funds into the registry of the court where the Project Dispute Lawsuit is filed (and shall continue such process in good faith). If a lawsuit concerning the project is already pending when the Disputed Funds Lawsuit is filed, the FDOT shall, within two (2) business days from the date that the Disputed Funds Lawsuit is filed, initiate the process for depositing an amount equal to the amount of escrowed funds that are in dispute into the registry of the court where the pending lawsuit has been filed (and shall continue such process in good faith). Within 24 hours of the deposit into the court registry, FGT shall provide written consent to the Escrow Agent for release of the monies from the escrow account (or registry of the court where the Disputed Funds Lawsuit is filed) to the FDOT. Any delay in providing such consent will result in a corresponding delay in FDOT's payment of a corresponding amount in the next interim reimbursement of Reimbursable Costs. Following such deposit and release of the monies from the escrow account or court registry to FDOT, FDOT and FGT will jointly move to dismiss the Disputed Funds Lawsuit. In addition, prior to the date of such deposit, if FGT so requests in writing, the parties will jointly move to stay the Disputed Funds Lawsuit.

4. This Addendum may be executed in two or more counterparts, including counterparts transmitted by facsimile or electronic transmission, each of which shall be an original as against any party whose signature appears thereon and all of which together shall constitute one and the same instrument. This Addendum shall become effective when one or more counterparts, individually or taken together, shall bear the signatures of all of the Parties reflected as signatories, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

FLORIDA GAS TRANSMISSION COMPANY, LLC

By:

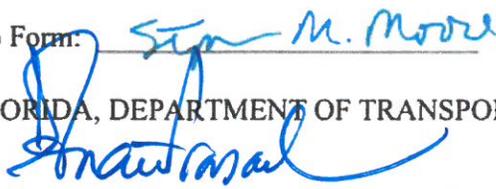

L.T. Stone

Title: Senior Vice President of Operations

Approved as to Form:

STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION

By:


Ananth Prasad, P.E.

Title: Secretary

Approved as to Form:

U. J. L.

EXHIBIT 1

ESCROW AGREEMENT

This **Escrow Agreement** is made and entered into this ___ day of ___, 2___, between the State of Florida Department of Transportation (“FDOT”) and Florida Gas Transmission Company, LLC (“FGT”).

WHEREAS, FDOT has entered into an Agreement and Global Settlement dated August 21, 2013 (the “Settlement Agreement”) with FGT; and

WHEREAS, pursuant to the Settlement Agreement, FDOT is required to reimburse FGT for certain specified costs (“Reimbursable Costs”) that will be incurred by FGT as a consequence of FDOT's construction of a certain project (“the Project”), more particularly described as: [Insert Project details here or reference a separate attachment describing project] ; and

WHEREAS, FDOT and FGT have entered a Cost Reimbursement Agreement itemizing the Reimbursable Costs; and

WHEREAS, the FDOT and FGT desire to establish a secure mechanism for FDOT to meet its reimbursement obligations for the Project by utilization of an interest-bearing Escrow Account in the State Treasury administered by the State of Florida Department of Financial Services, Division of Treasury, acting solely in the capacity of Escrow Agent (“the Escrow Agent”) in accordance with the terms of this Agreement.

NOW THEREFORE, in consideration of the covenants set forth herein, and for other consideration, the parties agree as follows:

1. FDOT and the Escrow Agent agree to establish a restricted escrow account (“the Escrow Account”) as a separate account within the State Treasury, to be held in trust and applied only as provided in this Escrow Agreement. An initial deposit in the amount of \$ _____ will be made by FDOT into the Escrow Account within ___ days from the effective date of this Escrow Agreement. The Escrow Agent will provide FGT with electronic confirmation of this initial deposit within 24 hours of its receipt.
2. Additional funds shall be deposited by FDOT into the Escrow Account on a periodic basis as may be necessary to enable FDOT to comply with its obligations under the Settlement Agreement. FDOT shall provide written notice of its intent to deposit additional funds to FGT and the Escrow Agent. Any additional deposits shall be received and properly accounted for by the Escrow Agent.
3. Within 30 days of the end of each fiscal quarter and as requested by FGT from time to time, FDOT shall provide to FGT a written statement in reasonable detail showing, as of the date of the statement, a) the amount of cash held in the account, and b) the earnings credited to the account. This statement shall be based on information supplied to FDOT by the Escrow Agent.

4. FDOT shall be entitled to withdraw funds from the Escrow Account only upon authorization from FGT. Such withdrawals shall correspond with, and be limited to, amounts already paid by FDOT to FGT as interim reimbursement for Reimbursable Costs under the Cost Reimbursement Agreement. Within 24 hours of receipt by FGT of an interim reimbursement of FGT's Reimbursable Costs, FGT shall notify the Escrow Agent in writing that an amount contained in the Escrow Account equal to the accepted interim reimbursement should be released to FDOT. Any delay in providing such notice will result in a corresponding delay in FDOT's payment of a corresponding amount in the next interim reimbursement of Reimbursable Costs. Upon the Escrow Agent's receipt of such notice, the amount identified therein will be credited to FDOT, FLAIR Account Code 55-10-2-540001-55000000-00-01500-00, as soon as practicable. Under no circumstances shall the Escrow Agent release funds to FDOT before receiving authorization from FGT.

5. This Escrow Agreement shall terminate upon written notice from FGT and FDOT that the Escrow Account is no longer required because the Project has been closed. Upon the mutually agreed completion of FDOT's reimbursement of FGT's Reimbursable Costs under the Cost Reimbursement Agreement, FDOT and FGT shall notify the Escrow Agent that the funds contained in the Escrow Account should be released to FDOT and Escrow Account terminated as of the date of release.

6. Notices required to be given to FGT, FDOT and Escrow Agent under the provisions of this Agreement may be given by any one or more of the following methods: overnight next day courier service, certified mail, return receipt requested, facsimile or email transmission. Notices shall be sent to the following contacts:

FDOT: Florida Department of Transportation
605 Suwannee Street, MS 58
Tallahassee, Florida 32399
Name of Contact: Jerry Curington
FDOT General Counsel
Telephone No.: 850-414-5265
Fax No.: 850-414-5264
Email Address: Jerry.Curington@dot.state.fl.us

FGT: Florida Gas Transmission Company, LLC
1300 Main Street
Houston, Texas 77002
Name of Contact: Stephen M. Moore
FGT General Counsel
Telephone No.: 713-989-2558
Fax No.: 713-989-1212
Email Address: steve.moore@energytransfer.com

Escrow Agent: Florida Department of Financial Services
Division of Treasury
200 E. Gaines Street
Tallahassee, FL 32399-0343

Name of Contact: Kenneth Lee
Bureau Chief, Collateral Management

Telephone No.: 850-413-3383
Fax No.: 850-413-2721
Email Address: Kenneth.Lee@myfloridacfo.com

FDOT, FGT and Escrow Agent may, from time to time, change the contact information set forth above by giving notice of such change by any one or more of the methods specified without otherwise amending this Escrow Agreement.

7. The Escrow Agent shall be compensated in accordance with Section 17.61(4)(b), Florida Statutes.

8. The Escrow Agent shall not be liable for any error of judgment or for any act done or omitted by it in good faith, or for anything which it may in good faith do or refrain from doing in connection herewith. FDOT and FGT shall release and hold harmless the Escrow Agent from and against any and all claims, costs, expenses, damages and losses in connection with the performance by the Escrow Agent of its obligations under this Escrow Agreement, except any such claims, costs, expenses, damages, and losses by the gross negligence or willful default of the Escrow Agent.

9. The Escrow Agent is acting in an administrative, non-discretionary role, and shall be obligated to act only in accordance with the terms and provisions herein. Investment of moneys in the Escrow Account shall be made in accordance with Chapter 17, Florida Statutes, with due regard for the times in which withdrawals are expected to be made. There is no guaranteed rate of return. All income, interest, and proceeds of such investments after compensation of the Escrow Agent shall be transferred to FDOT FLAIR Account Code 55-10-2-54000I -55000000-00-000500-00 on a quarterly basis. Any remaining balance in the escrow account at the close of the Project, after subtraction of the Escrow Agent's compensation, will be returned to FDOT, FLAIR Account Code 55-10-2-540001-55000000-00-001500-00, upon the Escrow Agent's receipt of written notice under Paragraph 4 above.

10. This Escrow Agreement shall be governed by the laws of the State of Florida.

IN WITNESS WHEREOF, the Parties certify that they are authorized to execute this Escrow Agreement.

STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION:

By:

Name:

Title:

Date:

Address:

FLORIDA GAS TRANSMISSION COMPANY, LLC:

By:

Name:

Title:

Date:

Address:

FEIN:

ESCROW AGENT:

State of Florida Department of Financial Services

Division of Treasury

1801 Hermitage Blvd.

Room 404

Tallahassee, Florida 32308

By:

Name:

Title:

Date:

Address: