

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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**FORM 8-K**  
**CURRENT REPORT**

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

**April 29, 2008 (April 24, 2008)**

**Date of Report (Date of earliest event reported)**

**INERGY, L.P.**

**(Exact name of Registrant as specified in its charter)**

**Delaware**  
**(State or other jurisdiction**  
**of incorporation)**

**0-32453**  
**(Commission File Number)**

**43-1918951**  
**(IRS Employer**  
**Identification Number)**

**Two Brush Creek Boulevard, Suite 200**

**Kansas City, MO 64112**

**(Address of principal executive offices)**

**(816) 842-8181**

**(Registrant's telephone number, including area code)**

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 1.01 Entry into a Material Definitive Agreement.**

*Purchase Agreement.* On April 24, 2008, Inergy, L.P. (the “Partnership”), Inergy Finance Corp. (“Inergy Finance” and together with the Partnership, the “Issuers”) and certain subsidiary guarantors (the “Subsidiary Guarantors”), entered into a Purchase Agreement (the “Purchase Agreement”) with Wachovia Capital Markets, LLC, J.P. Morgan Securities Inc. and Lehman Brothers Inc. (collectively, the “Initial Purchasers”) to sell an additional \$200 million aggregate principal amount of existing 8 1/4% Senior Notes due 2016 (the “2016 Notes”) in accordance with a private placement (the “Offering”) conducted pursuant to Rule 144A and Regulation S under the Securities Act of 1933, as amended (the “Securities Act”). The Issuers had previously issued \$200 million in aggregate principal amount of notes pursuant to an indenture, dated January 17, 2006, with U.S. Bank National Association, as trustee (the “Original Indenture,” and as amended by the First Supplemental Indenture, dated April 24, 2008, the “Indenture”). The material terms of the 2016 Notes issued under the Indenture are described below in Item 2.03.

*Registration Rights Agreement.* On April 29, 2008, the Issuers and the Subsidiary Guarantors entered into a Registration Rights Agreement with the Initial Purchasers providing the holders of the 2016 Notes certain rights relating to registration of the 2016 Notes under the Securities Act. The material terms of the Registration Rights Agreement are described below in Item 2.03.

The description set forth above is qualified in its entirety by the Purchase Agreement, the Indenture, the form of 2016 Notes and the Registration Rights Agreement, which are filed herewith as exhibits.

**Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

The information set forth in Item 1.01 is incorporated herein by reference.

On April 29, 2008, the Issuers offered and sold to the Initial Purchasers \$200 million aggregate principal amount of the 2016 Notes. The Partnership will use the net proceeds from the Offering to repay outstanding indebtedness under its revolving acquisition credit facility.

The 2016 Notes will mature on March 1, 2016. Interest on the notes accrues from March 1, 2008 and will be payable semi-annually in arrears on March 1 and September 1 of each year, beginning on September 1, 2008. The 2016 Notes are guaranteed on a senior unsecured basis by substantially all of the Partnership’s existing domestic subsidiaries and certain of the Partnership’s future subsidiaries.

At any time prior to March 1, 2009, the Issuers may redeem up to 35% of the aggregate principal amount of notes issued under the Indenture at a redemption price of 108.25% of the principal amount of the 2016 Notes, with the proceeds of certain equity offerings. On and after March 1, 2011, the Issuers may redeem some or all of the notes at redemption prices (expressed as percentages of principal amount) equal to 104.125% for the twelve-month period beginning on March 1, 2011, 102.750% for the twelve-month period beginning on March 1, 2012, 101.375% for the twelve-month period beginning on March 1, 2013 and 100.00% beginning on March 1, 2014 and at any time thereafter, plus accrued and unpaid interest.

The Indenture restricts the Partnership's ability and the ability of certain of its subsidiaries to: (i) sell assets; (ii) pay distributions on, redeem or repurchase its units or redeem or repurchase its subordinated debt; (iii) make investments; (iv) incur or guarantee additional indebtedness or issue preferred units; (v) create or incur certain liens; (vi) enter into agreements that restrict distributions or other payments from its restricted subsidiaries to the Partnership; (vii) consolidate, merge or transfer all or substantially all of its assets; and (viii) create unrestricted subsidiaries. These covenants are subject to a number of important exceptions and qualifications. At any time when the 2016 Notes are rated investment grade by either of Moody's Investors Service, Inc. or Standard & Poor's Ratings Services and no Default or Event of Default (as defined in the Indenture) has occurred and is continuing, many of these covenants will terminate.

The Indenture provides that each of the following is an Event of Default: (i) default for 30 days in the payment when due of interest on the 2016 Notes; (ii) default in payment when due of the principal of, or premium, if any, on the 2016 Notes; (iii) failure by the Partnership to comply with certain covenants relating to merger, consolidation, sale of assets or change of control; (iv) failure by the Partnership for 90 days after notice to comply with certain covenants relating to the filing of annual, quarterly and current reports as would be required to file with the Securities and Exchange Commission; (v) failure by the Partnership to comply for 60 days after notice with any of the other agreements in the Indenture; (vi) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any indebtedness for money borrowed by the Partnership or any of the Partnership's restricted subsidiaries (or the payment of which is guaranteed by the Partnership or any of its restricted subsidiaries), if that default: (a) is caused by a failure to pay principal of, or interest or premium, if any, on such indebtedness prior to the expiration of the grace period provided in such indebtedness on the date of such default (a "Payment Default"); or (b) results in the acceleration of such indebtedness prior to its stated maturity, and, in each case, the principal amount of any such indebtedness, together with the principal amount of any other such indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates \$15.0 million or more; (vii) failure by the Partnership or any of the Partnership's restricted subsidiaries to pay final judgments aggregating in excess of \$15.0 million, which judgments are not paid, discharged or stayed for a period of 60 days; (viii) except as permitted by the Indenture, any subsidiary guarantee shall be held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or any Guarantor, or any person acting on behalf of any Guarantor, shall deny or disaffirm its obligations under its guarantee of the 2016 Notes; and (ix) certain events of bankruptcy or insolvency described in the Indenture with respect to the Issuers or any of the Partnership's significant subsidiaries or any group of restricted subsidiaries that, taken as a whole, would constitute a significant subsidiary. In the case of an Event of Default arising from certain events of bankruptcy or insolvency with respect to either Issuer, any of the Partnership's significant subsidiaries or any group of restricted subsidiaries that, taken as a whole, would constitute a significant subsidiary, all outstanding 2016 Notes will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee or the holders of at least 25% in principal amount of the then outstanding 2016 Notes may declare all the notes to be due and payable immediately.

Pursuant to the Registration Rights Agreement, the Issuers and the Subsidiary Guarantors will file an exchange offer registration statement with the SEC with respect to an offer to exchange the 2016 Notes for substantially identical notes that are registered under the Securities Act within 90 days after the date of the issuance of the 2016 Notes. The Issuers and the Subsidiary Guarantors will use their reasonable best efforts to cause the exchange offer registration statement to be declared effective under the Securities Act within 270 days after the date of the issuance of the 2016 Notes. Additionally, the Issuers and the Subsidiary Guarantors have agreed to as soon as practicable after

the exchange registration statement is declared effective by the SEC, offer the registered notes in exchange for the 2016 Notes. Under some circumstances, in lieu of a registered exchange offer, the Issuers and the Subsidiary Guarantors have agreed to file a shelf registration statement with respect to the 2016 Notes. The Issuers and the Subsidiary Guarantors are required to pay additional interest if they fail to comply with their obligations to register the 2016 Notes within the specified time periods.

The description set forth above is qualified in its entirety by the Purchase Agreement, the Indenture, the form of 2016 Notes and the Registration Rights Agreement, which are filed herewith as exhibits.

#### **Item 7.01 Regulation FD Disclosure.**

In accordance with General Instruction B.2 of Form 8-K, the information presented herein under Item 7.01 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act except as expressly set forth by specific reference in such a filing.

On April 29, 2008, the Partnership issued a press release announcing that it has completed the Offering. The Partnership is furnishing a copy of such press release as Exhibit 99.1 hereto.

#### **Item 9.01 Financial Statements and Exhibits.**

##### **(c) Exhibits.**

<u>Exhibit Number</u>	<u>Description</u>
4.1	First Supplemental Indenture, dated April 24, 2008, to the Indenture, dated January 17, 2006, among Inergy, L.P., Inergy Finance Corp., the Subsidiary Guarantors named therein and U.S. Bank National Association, as trustee.
4.2	Form of 2016 Notes.
4.3	Registration Rights Agreement, dated April 29, 2008, among Inergy, L.P., Inergy Finance Corp., the Subsidiary Guarantors named therein and the Initial Purchasers named therein relating to the 2016 Notes.
10.1	Purchase Agreement, dated April 24, 2008, among Inergy, L.P., Inergy Finance Corp., the Subsidiary Guarantors named therein and the Initial Purchasers named therein relating to the 2016 Notes.

**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.

INERGY, L.P.

By: INERGY GP, LLC,  
Its Managing General Partner

Date: April 29, 2008

By: /s/ R. BROOKS SHERMAN, JR.  
R. Brooks Sherman, Jr.  
Executive Vice President and Chief Financial Officer

INERGY, L.P.

INERGY FINANCE CORP.

and

the Guarantors named herein

8.25% SENIOR NOTES DUE 2016

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FIRST SUPPLEMENTAL INDENTURE  
AND AMENDMENT — SUBSIDIARY GUARANTEE  
DATED AS OF APRIL 24, 2008

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U.S. BANK NATIONAL ASSOCIATION,  
Trustee

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This SUPPLEMENTAL INDENTURE, dated as of April 24, 2008 is among Inergy, L.P., a Delaware limited partnership (the “Company”), Inergy Finance Corp., a Delaware corporation ( “Finance Corp.” and, together with the Company, the “Issuers”), each of the parties identified under the caption “Guarantors” on the signature page hereto (the “Guarantors”) and U.S. Bank National Association, a national banking association, as Trustee.

#### RECITALS

WHEREAS, the Issuers, the initial Guarantors and the Trustee entered into an Indenture, dated as of January 17, 2006 (the “Indenture”), pursuant to which the Company has issued \$200,000,000 in principal amount of 8.25% Senior Notes due 2016 (the “Notes”);

WHEREAS, Section 9.01(g) of the Indenture provides that the Issuers, the Guarantors and the Trustee may amend or supplement the Indenture in order to comply with Section 4.13 or 10.03 thereof, without the consent of the Holders of the Notes; and

WHEREAS, all acts and things prescribed by the Indenture, by law and by the Certificate of Incorporation and the Bylaws (or comparable constituent documents) of the Issuers, of the Guarantors and of the Trustee necessary to make this Supplemental Indenture a valid instrument legally binding on the Issuers, the Guarantors and the Trustee, in accordance with its terms, have been duly done and performed;

NOW, THEREFORE, to comply with the provisions of the Indenture and in consideration of the above premises, the Issuers, the Guarantors and the Trustee covenant and agree for the equal and proportionate benefit of the respective Holders of the Notes as follows:

#### ARTICLE 1

Section 1.01. This Supplemental Indenture is supplemental to the Indenture and does and shall be deemed to form a part of, and shall be construed in connection with and as part of, the Indenture for any and all purposes.

Section 1.02. This Supplemental Indenture shall become effective immediately upon its execution and delivery by each of the Issuers, the Guarantors and the Trustee.

#### ARTICLE 2

From this date, in accordance with Section 4.13 or 10.03 and by executing this Supplemental Indenture, the Guarantors whose signatures appear below are subject to the provisions of the Indenture to the extent provided for in Article 10 thereunder.

#### ARTICLE 3

Section 3.01. Except as specifically modified herein, the Indenture and the Notes are in all respects ratified and confirmed (*mutatis mutandis*) and shall remain in full force and effect in accordance with their terms with all capitalized terms used herein without definition having the same respective meanings ascribed to them as in the Indenture.

Section 3.02. Except as otherwise expressly provided herein, no duties, responsibilities or liabilities are assumed, or shall be construed to be assumed, by the Trustee by reason of this Supplemental Indenture. This Supplemental Indenture is executed and accepted by the Trustee subject to all the terms and conditions set forth in the Indenture with the same force and effect as if those terms and conditions were repeated at length herein and made applicable to the Trustee with respect hereto.

Section 3.03. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

Section 3.04. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of such executed copies together shall represent the same agreement.

[NEXT PAGE IS SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, all as of the date first written above.

INERGY, L.P.

By: INERGY GP, LLC, ITS MANAGING GENERAL  
PARTNER

By /s/ John J. Sherman

Name: John J. Sherman

Title: President and Chief Executive Officer

INERGY FINANCE CORP.

By: /s/ John J. Sherman

Name: John J. Sherman

Title: President and Chief Executive Officer

GUARANTORS

INERGY PROPANE, LLC

L&L TRANSPORTATION, LLC

INERGY TRANSPORTATION, LLC

INERGY SALES & SERVICE INC.

INERGY GAS MARKETING, LLC

STELLAR PROPANE SERVICE, LLC

INERGY STAGECOACH II, LLC

INERGY STORAGE, INC.

INERGY MIDSTREAM, LLC

CENTRAL NEW YORK OIL AND GAS COMPANY, LLC

FARM & HOME RETAIL OIL COMPANY, LLC

ARLINGTON STORAGE COMPANY, LLC

By /s/ John J. Sherman

Name: John J. Sherman

Title: President and Chief Executive Officer

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By /s/ Raymond S. Haverstock  
Name: Raymond S. Haverstock  
Title: Vice President

## [RULE 144A BOOK-ENTRY GLOBAL NOTE]

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), NEW YORK, NEW YORK, TO AN ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC) ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR’S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF.

THIS NOTE (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND THIS NOTE MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER OF THIS NOTE AGREES FOR THE BENEFIT OF INERGY, L.P. AND INERGY FINANCE CORP. THAT (A) THIS NOTE MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (I) TO AN ISSUER, (II) IN THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (III) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 904 UNDER THE SECURITIES ACT, (IV) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (V) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, AND IN EACH OF CASES (I) THROUGH (V) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY SUBSEQUENT PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE.

**INERGY, L.P.**  
**INERGY FINANCE CORP.**

No. \_\_\_\_

\$197,450,000  
CUSIP No. 45661T AC 5  
ISIN No. US45661TAC53

8.25% Senior Note due 2016

Inergy, L.P., a Delaware limited partnership, and Inergy Finance Corp., a Delaware corporation, jointly and severally promise to pay to CEDE & CO., or registered assigns, the principal sum of One Hundred Ninety Seven Million Four Hundred Fifty Thousand Dollars on March 1, 2016 or such greater or lesser amount as may be indicated on Schedule A hereto.

Interest Payment Dates: March 1 and September 1.

Record Dates: February 15 and August 15.

Additional provisions of this Note are set forth on the other side of this Note.

INERGY, L.P.

By: INERGY GP, LLC, ITS MANAGING GENERAL PARTNER

INERGY, L.P.

By: \_\_\_\_\_

John J. Sherman  
President and Chief Executive Officer

INERGY FINANCE CORP.

By: \_\_\_\_\_

John J. Sherman  
President and Chief Executive Officer

TRUSTEE'S CERTIFICATE OF  
AUTHENTICATION

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee, certifies that  
this is one of the Notes  
referred to in the Indenture.

By \_\_\_\_\_  
Authorized Signatory

Dated: April 29, 2008

8.25% Senior Note due 2016

Capitalized terms used herein but not defined shall have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

1. Interest. Inergy, L.P., a Delaware limited partnership (the “Company”), and Inergy Finance Corp., a Delaware corporation (the “Finance Corp.” and, together with the Company, the “Issuers”), jointly and severally promise to pay interest on the principal amount of this Note at 8.25% per annum from March 1, 2008 until maturity and shall pay the Additional Interest payable pursuant to Section 6 of the Registration Rights Agreement referred to below. The Issuers will pay interest and Additional Interest, if any, semi-annually in arrears on March 1 and September 1 of each year, commencing September 1, 2008, or if any such day is not a Business Day, on the next succeeding Business Day (each an “Interest Payment Date”). Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of original issuance; provided that if there is no existing Default or Event of Default in the payment of interest, and if this Note is authenticated between a record date referred to on the face hereof and the next succeeding Interest Payment Date, interest shall accrue from such next succeeding Interest Payment Date, except in the case of the original issuance of Notes, in which case interest shall accrue from the date of authentication. The Issuers shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, from time to time on demand at a rate that is the rate then in effect; it shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest and Additional Interest (without regard to any applicable grace periods) from time to time on demand at the same rate to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

2. Method of Payment. The Issuers will pay interest on the Notes (except defaulted interest) and Additional Interest to the Persons who are registered Holders of Notes at the close of business on the February 15 or August 15 next preceding the Interest Payment Date, even if such Notes are cancelled after such record date and on or before such Interest Payment Date, except as provided in Section 2.11 of the Indenture with respect to defaulted interest. Holders must surrender Notes to the Paying Agent to collect payments of principal and premium, if any, together with accrued and unpaid interest and Additional Interest, if any, due at maturity. The Notes will be payable as to principal, premium, if any, interest and Additional Interest, if any, at the office or agency of the Issuers maintained for such purpose within the City and State of New York, or, at the option of the Issuers, payment of interest and Additional Interest may be made by check mailed to the Holders at their addresses set forth in the register of Holders, and provided that payment by wire transfer of immediately available funds will be required with respect to any amounts due on all Global Notes and all other Notes the Holders of which shall have provided wire transfer instructions to the Issuers or the Paying Agent. Such payment shall be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

3. Paying Agent and Registrar. Initially, U.S. Bank National Association, the Trustee under the Indenture, will act as Paying Agent and Registrar. The Company may change

any Paying Agent or Registrar without notice to any Holder. The Company or any of its Subsidiaries may act in any such capacity.

4. Indenture. The Issuers issued the Notes under an Indenture dated as of January 17, 2006 (“Original Indenture”) among the Issuers, the Guarantors and the Trustee, as supplemented by the First Supplemental Indenture dated as of April 29, 2008 (the Original Indenture, as supplemented by the First Supplemental Indenture, the “Indenture”). The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (15 U.S. Code §§ 77aaa-77bbb). The Notes are subject to all such terms, and Holders are referred to the Indenture and such Act for a statement of such terms. The Notes are unsecured senior obligations of the Issuers limited to \$400,000,000 aggregate principal amount including the Notes issued on the Initial Issuance Date and the Additional Notes issued on the date hereof.

5. Optional Redemption.

(a) Except as set forth in subparagraph (b) of this Paragraph 5, the Issuers shall not have the option to redeem the Notes prior to March 1, 2011. On or after March 1, 2011, the Issuers shall have the option to redeem the Notes, in whole or in part at any time, upon prior notice as set forth in Paragraph 8, at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest and Additional Interest, if any, to the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on an Interest Payment Date that is on or prior to the redemption date), if redeemed during the twelve-month period beginning on March 1 of the years indicated below:

<u>YEAR</u>	<u>PERCENTAGE</u>
2011	104.125%
2012	102.750%
2013	101.375%
2014 and thereafter	100.000%

(b) Notwithstanding the provisions of subparagraph (a) of this Paragraph 5, at any time prior to March 1, 2009, the Company may on any one or more occasions redeem up to 35% of the aggregate principal amount of Notes (including any Additional Notes) issued under the Indenture at a redemption price of 108.250% of the principal amount thereof, plus accrued and unpaid interest and Additional Interest, if any, thereon to the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on an Interest Payment Date that is on or prior to the redemption date), with the net cash proceeds of one or more Equity Offerings by the Company; provided that (i) at least 65% of the aggregate principal amount of Notes (including any Additional Notes) issued under the Indenture remains outstanding immediately after the occurrence of each such redemption (excluding any Notes held by the Company and its Subsidiaries) and (ii) each such redemption occurs within 150 days of the date of the closing of each such Equity Offering.

#### 6. Mandatory Redemption.

Except as set forth in Paragraph 7 below, neither of the Issuers shall be required to make mandatory redemption or sinking fund payments with respect to the Notes or to repurchase the Notes at the option of the Holders.

#### 7. Repurchase at Option of Holder.

(a) Within 30 days following the occurrence of a Change of Control, the Company shall make an offer (a "Change of Control Offer") to repurchase all or any part (equal to \$1,000 or an integral multiple thereof) of each Holder's Notes at a purchase price equal to 101% of the aggregate principal amount of Notes repurchased, plus accrued and unpaid interest and Additional Interest, if any, to the date of settlement (the "Change of Control Settlement Date"), subject to the right of Holders of record on the relevant record date to receive interest due on an Interest Payment Date that is on or prior to the Change of Control Settlement Date. Within 30 days following a Change of Control, the Company shall mail a notice of the Change of Control Offer to each Holder and the Trustee describing the transaction that constitutes the Change of Control and setting forth the procedures governing the Change of Control Offer as required by Section 4.15 of the Indenture.

(b) On the 361st day after an Asset Sale, if the aggregate amount of Excess Proceeds then exceeds \$20.0 million, the Company shall commence an offer to all Holders of Notes (an "Asset Sale Offer") pursuant to Section 3.09 of the Indenture, and to all holders of any Pari Passu Indebtedness then outstanding, to purchase the maximum principal amount of Notes and such Pari Passu Indebtedness that may be purchased out of the Excess Proceeds, at an offer price in cash in an amount equal to 100% of the principal amount of the Notes plus accrued and unpaid interest and Additional Interest, if any, thereon to the date of settlement, subject to the right of Holders of record on the relevant record date to receive interest due on an Interest Payment Date that is on or prior to the Change of Control Settlement Date, in accordance with the procedures set forth in the Indenture. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Company may use such remaining Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes surrendered by Holders thereof and Pari Passu Indebtedness surrendered by holders or lenders, collectively, exceeds the amount of Excess Proceeds, the Trustee shall select the Notes and Pari Passu Indebtedness to be purchased on a pro rata basis (with such adjustments as may be deemed appropriate by the Trustee so that only Notes in denominations of \$1,000, or integral multiples thereof, shall be purchased) on the basis of the aggregate principal amount of tendered Notes and Pari Passu Indebtedness. Holders of Notes that are the subject of an offer to purchase will receive an Asset Sale Offer from the Company prior to any related purchase date and may elect to have such Notes purchased by completing the form entitled "Option of Holder to Elect Purchase" on the reverse of the Notes.

8. Notice of Redemption. Notice of redemption will be mailed at least 30 days but not more than 60 days (except as otherwise provided in the Indenture if the notice is issued in connection with a Legal Defeasance, Covenant Defeasance or Discharge) before the redemption date to each Holder whose Notes are to be redeemed at its registered address. If mailed in the manner provided for in Section 3.03 of the Indenture, the notice of redemption shall be

conclusively presumed to have been given whether or not a Holder receives such notice. Failure to give timely notice or any defect in the notice shall not affect the validity of the redemption. Notes in denominations larger than \$1,000 may be redeemed in part but only in whole multiples of \$1,000, unless all of the Notes held by a Holder are to be redeemed. On and after the redemption date interest and Additional Interest, if any, cease to accrue on Notes or portions thereof called for redemption.

9. Denominations, Transfer, Exchange. The Notes are in registered form without coupons in denominations of \$1,000 and integral multiples of \$1,000. The transfer of Notes may be registered and Notes may be exchanged as provided in the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents, and the Company may require a Holder to pay any taxes due on transfer or exchange. The Issuers need not exchange or register the transfer of any Note or portion of a Note selected for redemption, except for the unredeemed portion of any Note being redeemed in part. Also, they need not exchange or register the transfer of any Notes for a period of 15 days before a selection of Notes to be redeemed.

10. Persons Deemed Owners. The registered Holder of a Note may be treated as its owner for all purposes.

11. Amendment, Supplement and Waiver. Subject to certain exceptions, the Indenture or the Notes may be amended or supplemented with the consent of the Holders of at least a majority in principal amount of the then outstanding Notes, and any existing default or compliance with any provision of the Indenture or the Notes may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Notes. Without the consent of any Holder of a Note, the Indenture or the Notes may be amended or supplemented (1) to cure any ambiguity, defect or inconsistency, (2) to provide for uncertificated Notes in addition to or in place of certificated Notes, (3) to provide for the assumption of an Issuer's obligations to Holders of the Notes pursuant to Article 5 of the Indenture, (4) to make any change that would provide any additional rights or benefits to the Holders of the Notes or that does not adversely affect the legal rights under the Indenture of any such Holder, provided that any change to conform the Indenture to the Offering Memorandum shall not be deemed to adversely affect the legal rights under the Indenture of any Holder, (5) to secure the Notes or the Subsidiary Guarantees pursuant to Section 4.12 of the Indenture or otherwise, (6) to provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture, (7) to add any additional Guarantor with respect to the Notes or to evidence the release of any Guarantor from its Subsidiary Guarantee, in each case as provided in the Indenture, (8) to comply with the requirements of the SEC in order to effect or maintain the qualification of the Indenture under the Trust Indenture Act or (9) to evidence or provide for the acceptance of appointment under the Indenture of a successor Trustee.

12. Defaults and Remedies. Events of Default include: (i) default for 30 days in the payment when due of interest or Additional Interest, if any, on the Notes; (ii) default in payment when due of the principal or premium, if any, on the Notes when due at Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise; (iii) failure by the Company to comply with Section 3.09, 4.10, 4.15 or 5.01 of the Indenture; (iv) failure by the Company for 90 days after notice to comply with Section 4.03 of the Indenture; (v) failure by the

Company for 60 days after notice to comply with any of its other agreements in the Indenture or the Notes; (vi) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Company or any of its Restricted Subsidiaries), whether such Indebtedness or guarantee now exists or is created after the Initial Issuance Date, if such default (a) is caused by a failure to pay principal of, or premium or interest, if any, on such Indebtedness prior to the expiration of any grace period provided in such Indebtedness (a "Payment Default") or (b) results in the acceleration of such Indebtedness prior to its Stated Maturity and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates in excess of \$15.0 million provided that if any such default is cured or waived or any such acceleration rescinded, or such Indebtedness is repaid, within a period of 30 days from the continuation of such default beyond the applicable grace period or the occurrence of such acceleration, as the case may be, such Event of Default and any consequential acceleration of the Notes shall be automatically rescinded, so long as such rescission does not conflict with any judgment or decree; (vii) failure by the Company or any of its Subsidiaries to pay final judgments aggregating in excess of \$15.0 million, which judgments are not paid, discharged or stayed for a period of 60 days; (viii) except as permitted by the Indenture, any Subsidiary Guarantee is held in any judicial proceeding to be unenforceable or invalid or ceases for any reason to be in full force and effect or any Guarantor, or any Person acting on behalf of any Guarantor, denies or disaffirms its obligations under its Subsidiary Guarantee; and (ix) certain events of bankruptcy, insolvency or reorganization with respect to the Company, Finance Corp., any of the Company's Restricted Subsidiaries that is a Significant Subsidiary of the Company or any group of Restricted Subsidiaries of the Company that, taken together, would constitute a Significant Subsidiary of the Company as specified in Section 6.01(i) or 6.01(j) of the Indenture. If any Event of Default occurs and is continuing, the Trustee, by notice to the Issuers, or the Holders of at least 25% in principal amount of the then outstanding Notes, by notice to the Issuers and the Trustee, may declare all the Notes to be due and payable immediately. Notwithstanding the preceding, in the case of an Event of Default arising from such events of bankruptcy, insolvency or reorganization described in Section 6.01(i) or 6.01(j) of the Indenture, all outstanding Notes will become due and payable without further action or notice. Holders may not enforce the Indenture or the Notes except as provided in the Indenture. Subject to certain limitations, Holders of a majority in principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power conferred on it. The Trustee may withhold from Holders of the Notes notice of any continuing Default or Event of Default (except a Default or Event of Default relating to the payment of principal, interest, premium or Additional Interest) if it determines that withholding notice is in their interest. The Holders of a majority in principal amount of the Notes then outstanding by notice to the Trustee may on behalf of the Holders of all of the Notes waive any existing Default or Event of Default and its consequences under the Indenture except a continuing Default or Event of Default in the payment of the principal of or premium, interest or Additional Interest, if any, on the Notes. The Issuers are required to deliver to the Trustee annually a statement regarding compliance with the Indenture, and, so long as any Notes are outstanding, the Issuers are required upon becoming aware of any Default or Event of Default, to deliver to the Trustee a statement specifying such Default or Event of Default.

13. Defeasance and Discharge. The Notes are subject to defeasance and discharge upon the terms and conditions specified in the Indenture.

14. No Recourse Against Others. Neither General Partner, nor any past, present or future director, officer, partner, employee, incorporator, manager or unitholder or other owner of Capital Stock of the Issuers, the General Partners or any Guarantor, as such, shall have any liability for any obligations of the Issuers or any Guarantor under the Notes, the Subsidiary Guarantees or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes.

15. Authentication. This Note shall not be valid until authenticated by the manual signature of an authorized signatory of the Trustee or an authenticating agent.

16. Abbreviations. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

17. Additional Rights of Holders of Transfer Restricted Securities. In addition to the rights provided to Holders of Notes under the Indenture, Holders of Transfer Restricted Securities shall have all the rights set forth in the Registration Rights Agreement dated as of April 29, 2008, among the Issuers, the Guarantors and the Initial Purchasers (the "Registration Rights Agreement").

18. CUSIP Numbers. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Issuers have caused CUSIP numbers and corresponding ISIN numbers to be printed on the Notes and the Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

19. Governing Law. THE INDENTURE AND THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

20. Successors. In the event a successor assumes all the obligations of an Issuer under the Notes and the Indenture, pursuant to the terms thereof, such Issuer will be released from all such obligations.

The Company will furnish to any Holder upon written request and without charge a copy of the Indenture or the Registration Rights Agreement. Requests may be made to:

Inergy, L.P.  
Two Brush Creek Boulevard, Suite 200  
Kansas City, Missouri 64112  
Attention: Chief Financial Officer

ASSIGNMENT FORM

To assign this Note, fill in the form below:

I or we assign and transfer this Note to

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Print or type assignee's name, address and zip code)

(Insert assignee's soc. sec. or tax I.D. No.)

and irrevocably appoint \_\_\_\_\_ agent to transfer this Note on the books of the Issuers. The agent may substitute another to act for him.

Date: \_\_\_\_\_

Your Signature: \_\_\_\_\_

Sign exactly as your name appears on the other side of this Note.

Signature Guarantee:  
(Signature must be guaranteed)

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

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In connection with any transfer of any of the Notes evidenced by this certificate occurring prior to the expiration of the period referred to in Rule 144(k) under the Securities Act after the later of the date of original issuance of such Notes and the last date, if any, on which such Notes were owned by the Company or any Affiliate of the Company (or, in the case of Regulation S Notes, prior to the expiration of the Distribution Compliance Period), the undersigned confirms that such Notes are being transferred in accordance with its terms:

CHECK ONE BOX BELOW

- (1)  to an Issuer; or
- (2)  pursuant to an effective registration statement under the Securities Act of 1933; or
- (3)  inside the United States to a person who the undersigned reasonably believes is a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act of 1933) that is purchasing for its own account or for the account of a qualified institutional buyer to whom notice is given that such

transfer is being made in reliance on Rule 144A, in each case pursuant to and in compliance with Rule 144A under the Securities Act of 1933; or

(4)  outside the United States in an offshore transaction within the meaning of Regulation S under the Securities Act in compliance with Rule 904 under the Securities Act of 1933; or

(5)  pursuant to the exemption from registration provided by Rule 144 under the Securities Act of 1933.

Unless one of the boxes is checked, the Trustee will refuse to register any of the Notes evidenced by this certificate in the name of any person other than the registered holder thereof; provided, however, that if box (4) or (5) is checked, the Trustee shall be entitled to require, prior to registering any such transfer of the Notes, such legal opinions, certifications and other information as the Company has reasonably requested to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933, such as the exemption provided by Rule 144 under such Act.

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Signature

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TO BE COMPLETED BY PURCHASER IF (3) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a “qualified institutional buyer” within the meaning of Rule 144A under the Securities Act of 1933, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Issuers and any Guarantors as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned’s foregoing representations in order to claim the exemption from registration provided by Rule 144A.

**Dated:** \_\_\_\_\_

\_\_\_\_\_  
Notice: To be executed by an executive officer

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Company pursuant to Section 4.10 or 4.15 of the Indenture, check the box below:

Section 4.10

Section  
4.15

If you want to elect to have only part of this Note purchased by the Company pursuant to Section 4.10 or Section 4.15 of the Indenture, state the amount (in minimum denomination of \$1,000 or integral multiples thereof) you elect to have purchased: \$\_\_\_\_\_

Date:

Your Signature:

(Sign exactly as your  
name appears on the  
other side of this Note)

Soc. Sec. or Tax Identification No.:

Signature Guarantee: (signature must be guaranteed)

Signatures must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program (“STAMP”) or such other “signature guarantee program” as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

SCHEDULE OF INCREASES OR DECREASES IN GLOBAL NOTE

The following increases or decreases in this Global Note have been made:

<u>Date</u>	<u>Amount of decrease in Principal Amount of this Global Note</u>	<u>Amount of increase in Principal Amount of this Global Note</u>	<u>Principal Amount of this Global Note following such decrease or increase</u>	<u>Signature of authorized officer of Trustee or Notes Custodian</u>
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UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), NEW YORK, NEW YORK, TO AN ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC) ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF.

THIS NOTE (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THIS NOTE MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER OF THIS NOTE AGREES FOR THE BENEFIT OF INERGY, L.P. AND INERGY FINANCE CORP. THAT (A) THIS NOTE MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (I) TO AN ISSUER, (II) IN THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (III) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 904 UNDER THE SECURITIES ACT, (IV) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (V) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, AND IN EACH OF CASES (I) THROUGH (V) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY SUBSEQUENT PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE.

**INERGY, L.P.**  
**INERGY FINANCE CORP.**

No. \_\_\_\_\_

\$2,550,000

CUSIP No. U45290 AB 6  
ISIN No. USU45290 AB 61

8.25% Senior Note due 2016

Inergy, L.P., a Delaware limited partnership, and Inergy Finance Corp., a Delaware corporation, jointly and severally promise to pay to CEDE & CO., or registered assigns, the principal sum of Two Million Five Hundred Fifty Thousand Dollars on March 1, 2016 or such greater or lesser amount as may be indicated on Schedule A hereto.

Interest Payment Dates: March 1 and September 1.

Record Dates: February 15 and August 15.

Additional provisions of this Note are set forth on the other side of this Note.

INERGY, L.P.

BY: INERGY GP, LLC, ITS MANAGING GENERAL PARTNER

By: \_\_\_\_\_  
John J. Sherman  
President and Chief Executive Officer

INERGY FINANCE CORP.

By: \_\_\_\_\_  
John J. Sherman  
President and Chief Executive Officer

TRUSTEE'S CERTIFICATE OF  
AUTHENTICATION

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee, certifies that  
this is one of the Notes  
referred to in the Indenture.

By \_\_\_\_\_  
Authorized Signatory

Dated: April 29, 2008

8.25% Senior Note due 2016

Capitalized terms used herein but not defined shall have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

1. Interest. Inergy, L.P., a Delaware limited partnership (the “Company”), and Inergy Finance Corp., a Delaware corporation (the “Finance Corp.” and, together with the Company, the “Issuers”), jointly and severally promise to pay interest on the principal amount of this Note at 8.25% per annum from March 1, 2008 until maturity and shall pay the Additional Interest payable pursuant to Section 6 of the Registration Rights Agreement referred to below. The Issuers will pay interest and Additional Interest, if any, semi-annually in arrears on March 1 and September 1 of each year, commencing September 1, 2008, or if any such day is not a Business Day, on the next succeeding Business Day (each an “Interest Payment Date”). Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of original issuance; provided that if there is no existing Default or Event of Default in the payment of interest, and if this Note is authenticated between a record date referred to on the face hereof and the next succeeding Interest Payment Date, interest shall accrue from such next succeeding Interest Payment Date, except in the case of the original issuance of Notes, in which case interest shall accrue from the date of authentication. The Issuers shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, from time to time on demand at a rate that is the rate then in effect; it shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest and Additional Interest (without regard to any applicable grace periods) from time to time on demand at the same rate to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

2. Method of Payment. The Issuers will pay interest on the Notes (except defaulted interest) and Additional Interest to the Persons who are registered Holders of Notes at the close of business on the February 15 or August 15 next preceding the Interest Payment Date, even if such Notes are cancelled after such record date and on or before such Interest Payment Date, except as provided in Section 2.11 of the Indenture with respect to defaulted interest. Holders must surrender Notes to the Paying Agent to collect payments of principal and premium, if any, together with accrued and unpaid interest and Additional Interest, if any, due at maturity. The Notes will be payable as to principal, premium, if any, interest and Additional Interest, if any, at the office or agency of the Issuers maintained for such purpose within the City and State of New York, or, at the option of the Issuers, payment of interest and Additional Interest may be made by check mailed to the Holders at their addresses set forth in the register of Holders, and provided that payment by wire transfer of immediately available funds will be required with respect to any amounts due on all Global Notes and all other Notes the Holders of which shall have provided wire transfer instructions to the Issuers or the Paying Agent. Such payment shall be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

3. Paying Agent and Registrar. Initially, U.S. Bank National Association, the Trustee under the Indenture, will act as Paying Agent and Registrar. The Company may change

any Paying Agent or Registrar without notice to any Holder. The Company or any of its Subsidiaries may act in any such capacity.

4. Indenture. The Issuers issued the Notes under an Indenture dated as of January 17, 2006 (“Original Indenture”) among the Issuers, the Guarantors and the Trustee, as supplemented by the First Supplemental Indenture dated as of April 29, 2008 (the Original Indenture, as supplemented by the First Supplemental Indenture, the “Indenture”). The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (15 U.S. Code §§ 77aaa-77bbb). The Notes are subject to all such terms, and Holders are referred to the Indenture and such Act for a statement of such terms. The Notes are unsecured senior obligations of the Issuers limited to \$400,000,000 aggregate principal amount including the Notes issued on the Initial Issuance Date and the Additional Notes issued on the date hereof.

5. Optional Redemption.

(a) Except as set forth in subparagraph (b) of this Paragraph 5, the Issuers shall not have the option to redeem the Notes prior to March 1, 2011. On or after March 1, 2011, the Issuers shall have the option to redeem the Notes, in whole or in part at any time, upon prior notice as set forth in Paragraph 8, at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest and Additional Interest, if any, to the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on an Interest Payment Date that is on or prior to the redemption date), if redeemed during the twelve-month period beginning on March 1 of the years indicated below:

<u>YEAR</u>	<u>PERCENTAGE</u>
2011	104.125%
2012	102.750%
2013	101.375%
2014 and thereafter	100.000%

(b) Notwithstanding the provisions of subparagraph (a) of this Paragraph 5, at any time prior to March 1, 2009, the Company may on any one or more occasions redeem up to 35% of the aggregate principal amount of Notes (including any Additional Notes) issued under the Indenture at a redemption price of 108.250% of the principal amount thereof, plus accrued and unpaid interest and Additional Interest, if any, thereon to the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on an Interest Payment Date that is on or prior to the redemption date), with the net cash proceeds of one or more Equity Offerings by the Company; provided that (i) at least 65% of the aggregate principal amount of Notes (including any Additional Notes) issued under the Indenture remains outstanding immediately after the occurrence of each such redemption (excluding any Notes held by the Company and its Subsidiaries) and (ii) each such redemption occurs within 150 days of the date of the closing of each such Equity Offering.

## 6. Mandatory Redemption.

Except as set forth in Paragraph 7 below, neither of the Issuers shall be required to make mandatory redemption or sinking fund payments with respect to the Notes or to repurchase the Notes at the option of the Holders.

## 7. Repurchase at Option of Holder.

(a) Within 30 days following the occurrence of a Change of Control, the Company shall make an offer (a "Change of Control Offer") to repurchase all or any part (equal to \$1,000 or an integral multiple thereof) of each Holder's Notes at a purchase price equal to 101% of the aggregate principal amount of Notes repurchased, plus accrued and unpaid interest and Additional Interest, if any, to the date of settlement (the "Change of Control Settlement Date"), subject to the right of Holders of record on the relevant record date to receive interest due on an Interest Payment Date that is on or prior to the Change of Control Settlement Date. Within 30 days following a Change of Control, the Company shall mail a notice of the Change of Control Offer to each Holder and the Trustee describing the transaction that constitutes the Change of Control and setting forth the procedures governing the Change of Control Offer as required by Section 4.15 of the Indenture.

(b) On the 361st day after an Asset Sale, if the aggregate amount of Excess Proceeds then exceeds \$20.0 million, the Company shall commence an offer to all Holders of Notes (an "Asset Sale Offer") pursuant to Section 3.09 of the Indenture, and to all holders of any Pari Passu Indebtedness then outstanding, to purchase the maximum principal amount of Notes and such Pari Passu Indebtedness that may be purchased out of the Excess Proceeds, at an offer price in cash in an amount equal to 100% of the principal amount of the Notes plus accrued and unpaid interest and Additional Interest, if any, thereon to the date of settlement, subject to the right of Holders of record on the relevant record date to receive interest due on an Interest Payment Date that is on or prior to the Change of Control Settlement Date, in accordance with the procedures set forth in the Indenture. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Company may use such remaining Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes surrendered by Holders thereof and Pari Passu Indebtedness surrendered by holders or lenders, collectively, exceeds the amount of Excess Proceeds, the Trustee shall select the Notes and Pari Passu Indebtedness to be purchased on a pro rata basis (with such adjustments as may be deemed appropriate by the Trustee so that only Notes in denominations of \$1,000, or integral multiples thereof, shall be purchased) on the basis of the aggregate principal amount of tendered Notes and Pari Passu Indebtedness. Holders of Notes that are the subject of an offer to purchase will receive an Asset Sale Offer from the Company prior to any related purchase date and may elect to have such Notes purchased by completing the form entitled "Option of Holder to Elect Purchase" on the reverse of the Notes.

8. Notice of Redemption. Notice of redemption will be mailed at least 30 days but not more than 60 days (except as otherwise provided in the Indenture if the notice is issued in connection with a Legal Defeasance, Covenant Defeasance or Discharge) before the redemption date to each Holder whose Notes are to be redeemed at its registered address. If mailed in the manner provided for in Section 3.03 of the Indenture, the notice of redemption shall be

conclusively presumed to have been given whether or not a Holder receives such notice. Failure to give timely notice or any defect in the notice shall not affect the validity of the redemption. Notes in denominations larger than \$1,000 may be redeemed in part but only in whole multiples of \$1,000, unless all of the Notes held by a Holder are to be redeemed. On and after the redemption date interest and Additional Interest, if any, cease to accrue on Notes or portions thereof called for redemption.

9. Denominations, Transfer, Exchange. The Notes are in registered form without coupons in denominations of \$1,000 and integral multiples of \$1,000. The transfer of Notes may be registered and Notes may be exchanged as provided in the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents, and the Company may require a Holder to pay any taxes due on transfer or exchange. The Issuers need not exchange or register the transfer of any Note or portion of a Note selected for redemption, except for the unredeemed portion of any Note being redeemed in part. Also, they need not exchange or register the transfer of any Notes for a period of 15 days before a selection of Notes to be redeemed.

10. Persons Deemed Owners. The registered Holder of a Note may be treated as its owner for all purposes.

11. Amendment, Supplement and Waiver. Subject to certain exceptions, the Indenture or the Notes may be amended or supplemented with the consent of the Holders of at least a majority in principal amount of the then outstanding Notes, and any existing default or compliance with any provision of the Indenture or the Notes may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Notes. Without the consent of any Holder of a Note, the Indenture or the Notes may be amended or supplemented (1) to cure any ambiguity, defect or inconsistency, (2) to provide for uncertificated Notes in addition to or in place of certificated Notes, (3) to provide for the assumption of an Issuer's obligations to Holders of the Notes pursuant to Article 5 of the Indenture, (4) to make any change that would provide any additional rights or benefits to the Holders of the Notes or that does not adversely affect the legal rights under the Indenture of any such Holder, provided that any change to conform the Indenture to the Offering Memorandum shall not be deemed to adversely affect the legal rights under the Indenture of any Holder, (5) to secure the Notes or the Subsidiary Guarantees pursuant to Section 4.12 of the Indenture or otherwise, (6) to provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture, (7) to add any additional Guarantor with respect to the Notes or to evidence the release of any Guarantor from its Subsidiary Guarantee, in each case as provided in the Indenture, (8) to comply with the requirements of the SEC in order to effect or maintain the qualification of the Indenture under the Trust Indenture Act or (9) to evidence or provide for the acceptance of appointment under the Indenture of a successor Trustee.

12. Defaults and Remedies. Events of Default include: (i) default for 30 days in the payment when due of interest or Additional Interest, if any, on the Notes; (ii) default in payment when due of the principal or premium, if any, on the Notes when due at Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise; (iii) failure by the Company to comply with Section 3.09, 4.10, 4.15 or 5.01 of the Indenture; (iv) failure by the Company for 90 days after notice to comply with Section 4.03 of the Indenture; (v) failure by the

Company for 60 days after notice to comply with any of its other agreements in the Indenture or the Notes; (vi) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Company or any of its Restricted Subsidiaries), whether such Indebtedness or guarantee now exists or is created after the Initial Issuance Date, if such default (a) is caused by a failure to pay principal of, or premium or interest, if any, on such Indebtedness prior to the expiration of any grace period provided in such Indebtedness (a "Payment Default") or (b) results in the acceleration of such Indebtedness prior to its Stated Maturity and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates in excess of \$15.0 million provided that if any such default is cured or waived or any such acceleration rescinded, or such Indebtedness is repaid, within a period of 30 days from the continuation of such default beyond the applicable grace period or the occurrence of such acceleration, as the case may be, such Event of Default and any consequential acceleration of the Notes shall be automatically rescinded, so long as such rescission does not conflict with any judgment or decree; (vii) failure by the Company or any of its Subsidiaries to pay final judgments aggregating in excess of \$15.0 million, which judgments are not paid, discharged or stayed for a period of 60 days; (viii) except as permitted by the Indenture, any Subsidiary Guarantee is held in any judicial proceeding to be unenforceable or invalid or ceases for any reason to be in full force and effect or any Guarantor, or any Person acting on behalf of any Guarantor, denies or disaffirms its obligations under its Subsidiary Guarantee; and (ix) certain events of bankruptcy, insolvency or reorganization with respect to the Company, Finance Corp., any of the Company's Restricted Subsidiaries that is a Significant Subsidiary of the Company or any group of Restricted Subsidiaries of the Company that, taken together, would constitute a Significant Subsidiary of the Company as specified in Section 6.01(i) or 6.01(j) of the Indenture. If any Event of Default occurs and is continuing, the Trustee, by notice to the Issuers, or the Holders of at least 25% in principal amount of the then outstanding Notes, by notice to the Issuers and the Trustee, may declare all the Notes to be due and payable immediately. Notwithstanding the preceding, in the case of an Event of Default arising from such events of bankruptcy, insolvency or reorganization described in Section 6.01(i) or 6.01(j) of the Indenture, all outstanding Notes will become due and payable without further action or notice. Holders may not enforce the Indenture or the Notes except as provided in the Indenture. Subject to certain limitations, Holders of a majority in principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power conferred on it. The Trustee may withhold from Holders of the Notes notice of any continuing Default or Event of Default (except a Default or Event of Default relating to the payment of principal, interest, premium or Additional Interest) if it determines that withholding notice is in their interest. The Holders of a majority in principal amount of the Notes then outstanding by notice to the Trustee may on behalf of the Holders of all of the Notes waive any existing Default or Event of Default and its consequences under the Indenture except a continuing Default or Event of Default in the payment of the principal of or premium, interest or Additional Interest, if any, on the Notes. The Issuers are required to deliver to the Trustee annually a statement regarding compliance with the Indenture, and, so long as any Notes are outstanding, the Issuers are required upon becoming aware of any Default or Event of Default, to deliver to the Trustee a statement specifying such Default or Event of Default.

13. Defeasance and Discharge. The Notes are subject to defeasance and discharge upon the terms and conditions specified in the Indenture.

14. No Recourse Against Others. Neither General Partner, nor any past, present or future director, officer, partner, employee, incorporator, manager or unitholder or other owner of Capital Stock of the Issuers, the General Partners or any Guarantor, as such, shall have any liability for any obligations of the Issuers or any Guarantor under the Notes, the Subsidiary Guarantees or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes.

15. Authentication. This Note shall not be valid until authenticated by the manual signature of an authorized signatory of the Trustee or an authenticating agent.

16. Abbreviations. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

17. Additional Rights of Holders of Transfer Restricted Securities. In addition to the rights provided to Holders of Notes under the Indenture, Holders of Transfer Restricted Securities shall have all the rights set forth in the Registration Rights Agreement dated as of April 29, 2008, among the Issuers, the Guarantors and the Initial Purchasers (the "Registration Rights Agreement").

18. CUSIP Numbers. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Issuers have caused CUSIP numbers and corresponding ISIN numbers to be printed on the Notes and the Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

19. Governing Law. THE INDENTURE AND THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

20. Successors. In the event a successor assumes all the obligations of an Issuer under the Notes and the Indenture, pursuant to the terms thereof, such Issuer will be released from all such obligations.

The Company will furnish to any Holder upon written request and without charge a copy of the Indenture or the Registration Rights Agreement. Requests may be made to:

Inergy, L.P.  
Two Brush Creek Boulevard, Suite 200  
Kansas City, Missouri 64112  
Attention: Chief Financial Officer

ASSIGNMENT FORM

To assign this Note, fill in the form below:

I or we assign and transfer this Note to

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Print or type assignee's name, address and zip code)

(Insert assignee's soc. sec. or tax I.D. No.)

and irrevocably appoint \_\_\_\_\_ agent to transfer this Note on the books of the Issuers. The agent may substitute another to act for him.

Date: \_\_\_\_\_

Your Signature: \_\_\_\_\_

Sign exactly as your name appears on the other side of this Note.

Signature Guarantee:

\_\_\_\_\_  
(Signature must be guaranteed)

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

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In connection with any transfer of any of the Notes evidenced by this certificate occurring prior to the expiration of the period referred to in Rule 144(k) under the Securities Act after the later of the date of original issuance of such Notes and the last date, if any, on which such Notes were owned by the Company or any Affiliate of the Company (or, in the case of Regulation S Notes, prior to the expiration of the Distribution Compliance Period), the undersigned confirms that such Notes are being transferred in accordance with its terms:

CHECK ONE BOX BELOW

- (1)  to an Issuer; or
- (2)  pursuant to an effective registration statement under the Securities Act of 1933; or
- (3)  inside the United States to a person who the undersigned reasonably believes is a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act of 1933) that is purchasing for its own account or for the account of a qualified institutional buyer to whom notice is given that such

transfer is being made in reliance on Rule 144A, in each case pursuant to and in compliance with Rule 144A under the Securities Act of 1933; or

(4)  outside the United States in an offshore transaction within the meaning of Regulation S under the Securities Act in compliance with Rule 904 under the Securities Act of 1933; or

(5)  pursuant to the exemption from registration provided by Rule 144 under the Securities Act of 1933.

Unless one of the boxes is checked, the Trustee will refuse to register any of the Notes evidenced by this certificate in the name of any person other than the registered holder thereof; provided, however, that if box (4) or (5) is checked, the Trustee shall be entitled to require, prior to registering any such transfer of the Notes, such legal opinions, certifications and other information as the Company has reasonably requested to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933, such as the exemption provided by Rule 144 under such Act.

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Signature

TO BE COMPLETED BY PURCHASER IF (3) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act of 1933, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Issuers and any Guarantors as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Notice: To be executed by an executive officer

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Company pursuant to Section 4.10 or 4.15 of the Indenture, check the box below:

Section 4.10

Section 4.15

If you want to elect to have only part of this Note purchased by the Company pursuant to Section 4.10 or Section 4.15 of the Indenture, state the amount (in minimum denomination of \$1,000 or integral multiples thereof) you elect to have purchased: \$\_\_\_\_\_

Date: \_\_\_\_\_

Your Signature: \_\_\_\_\_

(Sign exactly as your name appears on the other side of this Note)

Soc. Sec. or Tax Identification No.: \_\_\_\_\_

Signature Guarantee: \_\_\_\_\_

(signature must be guaranteed)

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

SCHEDULE OF INCREASES OR DECREASES IN GLOBAL NOTE

The following increases or decreases in this Global Note have been made:

<u>Date</u>	<u>Amount of decrease in Principal Amount of this Global Note</u>	<u>Amount of increase in Principal Amount of this Global Note</u>	<u>Principal Amount of this Global Note following such decrease or increase</u>	<u>Signature of authorized officer of Trustee or Notes Custodian</u>
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REGISTRATION RIGHTS AGREEMENT

AMONG

INERGY, L. P.,

INERGY FINANCE CORP.,

THE GUARANTORS

AND

THE INITIAL PURCHASERS

8<sup>1</sup>/<sub>4</sub> % Senior Notes due 2016

Dated: April 29, 2008

ENERGY, L.P.  
(a Delaware limited partnership)

ENERGY FINANCE CORP.  
(a Delaware corporation)

\$200,000,000

8<sup>1</sup>/<sub>4</sub> % Senior Notes due 2016

REGISTRATION RIGHTS AGREEMENT

April 29, 2008

WACHOVIA CAPITAL MARKETS, LLC  
J.P. MORGAN SECURITIES INC.  
LEHMAN BROTHERS INC.

c/o Wachovia Capital Markets, LLC  
One Wachovia Center  
301 South College Street  
Charlotte, NC 28288-0604

Dear Sirs:

Inergy, L.P., a Delaware limited partnership (the "**Partnership**"), Inergy Finance Corp., a Delaware corporation ("**Finance Corp.**" and together with the Partnership, the "**Issuers**"), and the Guarantors listed on the signature page hereto (the "**Guarantors**"), propose to issue and sell to you (the "**Initial Purchasers**"), upon the terms set forth in a purchase agreement dated as of April 24, 2008 (the "**Purchase Agreement**"), \$200,000,000 aggregate principal amount of their 8<sup>1</sup>/<sub>4</sub>% Senior Notes due 2016 (collectively the "**Initial Securities**"). The Initial Securities will be issued pursuant to the Indenture dated as of January 17, 2006, as amended and supplemented by the First Supplemental Indenture dated April 24, 2008 (the "**Indenture**") among the Issuers, the Guarantors and U.S. Bank, National Association, as trustee (the "**Trustee**"). The Initial Securities will be issued as additional debt securities under the Indenture pursuant to which the Issuers have previously issued \$200,000,000 in aggregate principal amount of their 8<sup>1</sup>/<sub>4</sub>% Senior Notes due 2016. The Issuers and the Guarantors are collectively referred to herein as the "**Company**." To satisfy a condition to the obligations of the Initial Purchasers under the Purchase Agreement, the Issuers agree with the Initial Purchasers, for the benefit of the Initial Purchasers and the subsequent holders of the Securities (as defined below) (collectively the "**Holders**"), as follows:

1. *Registered Exchange Offer.* Unless not permitted by applicable law (after the Company has complied with the ultimate paragraph of this Section 1), the Company shall prepare and, not later than 90 days (such 90th day being a "**Filing Deadline**") after the date on which the Initial Purchasers purchase the Initial Securities pursuant to the Purchase Agreement (the "**Closing Date**"), file with the Securities and Exchange Commission (the "**Commission**") a registration statement (the "**Exchange Offer Registration**

**Statement**”) on an appropriate form under the Securities Act of 1933, as amended (the “**Securities Act**”), with respect to a proposed offer (the “**Registered Exchange Offer**”) to the Holders of Transfer Restricted Securities (as defined in Section 6 hereof), who are not prohibited by any law or policy of the Commission from participating in the Registered Exchange Offer, to issue and deliver to such Holders, in exchange for the Initial Securities, a like aggregate principal amount of debt securities of the Issuers issued under the Indenture, identical in all material respects to the Initial Securities and registered under the Securities Act (the “**Exchange Securities**”). The Company shall (i) use its reasonable best efforts to cause such Exchange Offer Registration Statement to become effective under the Securities Act within 270 days after the Closing Date (such 270th day being an “**Effectiveness Deadline**”) and (ii) keep the Exchange Offer Registration Statement effective for not less than 30 days (or longer, if required by applicable law) after the date notice of the Registered Exchange Offer is mailed to the Holders (such period being called the “**Exchange Offer Registration Period**”).

If the Company commences the Registered Exchange Offer, the Company (i) will be entitled to consummate the Registered Exchange Offer 30 days after such commencement (provided that the Company has accepted all the Initial Securities theretofore validly tendered in accordance with the terms of the Registered Exchange Offer) and (ii) will be required to consummate the Registered Exchange Offer as soon as practicable after the date on which the Exchange Offer Registration Statement is declared effective but no later than the 40th Business Day after such effectiveness date (the “**Consummation Deadline**”).

As soon as practicable after the declaration of the effectiveness of the Exchange Offer Registration Statement, the Company shall commence the Registered Exchange Offer, it being the objective of such Registered Exchange Offer to enable each Holder of Transfer Restricted Securities electing to exchange the Initial Securities for Exchange Securities (assuming that such Holder is not an affiliate of the Company within the meaning of the Securities Act, acquires the Exchange Securities in the ordinary course of such Holder’s business and has no arrangements with any person to participate in the distribution of the Exchange Securities and is not prohibited by any law or policy of the Commission from participating in the Registered Exchange Offer) to trade such Exchange Securities from and after their receipt without any limitations or restrictions under the Securities Act and without material restrictions under the securities laws of the several states of the United States.

The Company acknowledges that, pursuant to current interpretations by the Commission’s staff of Section 5 of the Securities Act, in the absence of an applicable exemption therefrom, (i) each Holder which is a broker-dealer electing to exchange Initial Securities, acquired for its own account as a result of market making activities or other trading activities, for Exchange Securities (an “**Exchanging Dealer**”), is required to deliver a prospectus containing the information set forth in (a) Annex A hereto on the cover, (b) Annex B hereto in the “Exchange Offer Procedures” section and the “Purpose of the Exchange Offer” section, and (c) Annex C hereto in the “Plan of Distribution” section of such prospectus in connection with a sale of any such Exchange Securities received by such Exchanging Dealer pursuant to the Registered Exchange Offer and (ii) an Initial Purchaser that elects to sell Securities (as defined below) acquired in exchange

for Initial Securities constituting any portion of an unsold allotment, is required to deliver a prospectus containing the information required by Item 507 or 508 of Regulation S-K under the Securities Act, as applicable, in connection with such sale.

The Company shall use its reasonable best efforts to keep the Exchange Offer Registration Statement effective and to amend and supplement the prospectus contained therein, in order to permit such prospectus to be lawfully delivered by all persons subject to the prospectus delivery requirements of the Securities Act for such period of time as such persons must comply with such requirements in order to resell the Exchange Securities; provided, however, that (i) in the case where such prospectus and any amendment or supplement thereto must be delivered by an Exchanging Dealer or an Initial Purchaser, such period shall be the lesser of 180 days and the date on which all Exchanging Dealers and the Initial Purchasers have sold all Exchange Securities held by them (unless such period is extended pursuant to Section 3(j) below) and (ii) the Company shall make such prospectus and any amendment or supplement thereto available to any broker-dealer for use in connection with any resale of any Exchange Securities for a period of not less than 180-days after the consummation of the Registered Exchange Offer.

If, upon consummation of the Registered Exchange Offer, any Initial Purchaser holds Initial Securities acquired by it as part of its initial distribution, the Company, simultaneously with the delivery of the Exchange Securities pursuant to the Registered Exchange Offer, shall issue and deliver to such Initial Purchaser upon the written request of such Initial Purchaser, in exchange (the “**Private Exchange**”) for the Initial Securities held by such Initial Purchaser, a like principal amount of debt securities of the Issuers issued under the Indenture and identical in all material respects to the Initial Securities (the “**Private Exchange Securities**”). The Initial Securities, the Exchange Securities and the Private Exchange Securities are herein collectively called the “**Securities**.”

In connection with the Registered Exchange Offer, the Company shall:

- a. mail to each Holder a copy of the prospectus forming part of the Exchange Offer Registration Statement, together with an appropriate letter of transmittal;
- b. keep the Registered Exchange Offer open for not less than 30 days (or longer, if required by applicable law) after the date notice thereof is mailed to the Holders;
- c. utilize the services of a depository for the Registered Exchange Offer, which may be the Trustee or an affiliate of the Trustee;
- d. permit Holders to withdraw tendered Securities at any time prior to the close of business, New York time, on the last business day on which the Registered Exchange Offer shall remain open; and

otherwise comply with all applicable laws.

As soon as practicable after the close of the Registered Exchange Offer or the Private Exchange, as the case may be, the Company shall:

(x) accept for exchange all the Securities validly tendered and not withdrawn pursuant to the Registered Exchange Offer and the Private Exchange; and

(y) cause the Trustee to deliver promptly to each Holder of the Initial Securities, Exchange Securities or Private Exchange Securities, as the case may be, equal in principal amount to the Initial Securities of such Holder so accepted for exchange.

The Indenture will provide that the Exchange Securities will not be subject to the transfer restrictions set forth in the Indenture and that all the Securities will vote and consent together on all matters as one class and that none of the Securities will have the right to vote or consent as a class separate from one another on any matter.

Interest on each Exchange Security and Private Exchange Security issued pursuant to the Registered Exchange Offer and in the Private Exchange will accrue from the last interest payment date on which interest was paid on the Initial Securities surrendered in exchange therefor or, if no interest has been paid on the Initial Securities, from the date of original issue of the Initial Securities.

Each Holder participating in the Registered Exchange Offer shall be required to represent to the Company that at the time of the consummation of the Registered Exchange Offer (i) any Exchange Securities received by such Holder will be acquired in the ordinary course of business, (ii) such Holder will have no arrangements or understanding with any person to participate in the distribution of the Initial Securities or the Exchange Securities within the meaning of the Securities Act, (iii) such Holder is not an "affiliate," as defined in Rule 405 of the Securities Act, of the Company or if it is an affiliate, such Holder will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable, (iv) if such Holder is not a broker-dealer, that it is not engaged in, and does not intend to engage in, the distribution of the Exchange Securities and (v) if such Holder is a broker-dealer, that it will receive Exchange Securities for its own account in exchange for Initial Securities that were acquired as a result of market-making activities or other trading activities and that it will be required to acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities.

Notwithstanding any other provisions hereof, the Company will ensure that (i) any Exchange Offer Registration Statement and any amendment thereto and any prospectus forming part thereof and any supplement thereto complies in all material respects with the Securities Act and the rules and regulations thereunder, (ii) any Exchange Offer Registration Statement and any amendment thereto does not, when it becomes effective, 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 (iii) any prospectus forming part of any Exchange Offer Registration Statement, and any supplement to such prospectus, does not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

If following the date hereof there has been announced a change in Commission policy with respect to exchange offers that in the reasonable opinion of counsel to the Company raises a substantial question as to whether the Registered Exchange Offer is permitted by

applicable federal law, the Company will seek a no-action letter or other favorable decision from the Commission allowing the Company to consummate the Registered Exchange Offer. The Company will pursue the issuance of such a decision to the Commission staff level. In connection with the foregoing, the Company will take all such other actions as may be requested by the Commission or otherwise required in connection with the issuance of such decision, including without limitation (i) participating in telephonic conferences with the Commission, (ii) delivering to the Commission staff an analysis prepared by counsel to the Company setting forth the legal bases, if any, upon which such counsel has concluded that the Registered Exchange Offer should be permitted and (iii) diligently pursuing a resolution (which need not be favorable) by the Commission staff.

2. *Shelf Registration.* If, (i) because of any change in law or in applicable interpretations thereof by the staff of the Commission, the Company is not permitted to effect a Registered Exchange Offer, as contemplated by Section 1 hereof, (ii) any Initial Purchaser so requests not later than 90 days following consummation of the Registered Exchange Offer with respect to the Initial Securities (or the Private Exchange Securities) not eligible to be exchanged for Exchange Securities in the Registered Exchange Offer and held by it following consummation of the Registered Exchange Offer or (iii) any Holder (other than an Exchanging Dealer) is not eligible to participate in the Registered Exchange Offer or, in the case of any Holder (other than an Exchanging Dealer) that participates in the Registered Exchange Offer, such Holder does not receive freely tradable Exchange Securities on the date of the exchange and any such Holder so requests and the prospectus contained in the Exchange Offer Registration Statement is not available for resales by such Holder, the Company shall take the following actions (the date on which any of the conditions described in the foregoing clauses (i) through (iii) occur, including in the case of clause (iii) the receipt of the required notice, being a “**Trigger Date**”):
- a. The Company shall (but in no event more than 75 days after the Trigger Date (such 75th day being a “**Shelf Filing Deadline**”)) file with the Commission and thereafter use its reasonable best efforts to cause to be declared effective on or prior to the 150th day after the Trigger Date (such 150th day being an “**Effectiveness Deadline**”) a registration statement (the “**Shelf Registration Statement**” and, together with the Exchange Offer Registration Statement, a “**Registration Statement**”) on an appropriate form under the Securities Act relating to the offer and sale of the Transfer Restricted Securities by the Holders thereof from time to time in accordance with the methods of distribution set forth in the Shelf Registration Statement and Rule 415 under the Securities Act (hereinafter, the “**Shelf Registration**”); provided, however, that no Holder (other than an Initial Purchaser) shall be entitled to have the Securities held by it covered by such Shelf Registration Statement unless such Holder agrees in writing to be bound by all the provisions of this Agreement applicable to such Holder.
  - b. The Company shall use its reasonable best efforts to keep the Shelf Registration Statement continuously effective in order to permit the prospectus included therein to be lawfully delivered by the Holders of the relevant Securities, for a period of one year (or for such longer period if extended pursuant to Section 3(j))

below) from the date of its effectiveness or such shorter period that will terminate when all the Securities covered by the Shelf Registration Statement have been sold pursuant thereto. The Company shall be deemed not to have used its reasonable best efforts to keep the Shelf Registration Statement effective during the requisite period if it voluntarily takes any action that would result in Holders of Securities covered thereby not being able to offer and sell such Securities during that period, unless such action is required by applicable law; provided, however, if such Shelf Registration Statement fails to remain effective solely because of the making, by the Company or any of its subsidiaries, of a material acquisition that requires financial statements to be filed with the Commission, the Company shall be deemed to have used its best efforts to keep the Shelf Registration Statement effective during the requisite period so long as the period of time such Shelf Registration Statement is not effective does not exceed sixty (60) days.

c. Notwithstanding any other provisions of this Agreement to the contrary, the Company shall cause the Shelf Registration Statement and the related prospectus and any amendment or supplement thereto, as of the effective date of the Shelf Registration Statement, amendment or supplement, (i) to comply in all material respects with the applicable requirements of the Securities Act and the rules and regulations of the Commission and (ii) not to contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

3. *Registration Procedures.* In connection with any Shelf Registration contemplated by Section 2 hereof and, to the extent applicable, any Registered Exchange Offer contemplated by Section 1 hereof, the following provisions shall apply:

a. The Company shall (i) furnish to each Initial Purchaser, prior to the filing thereof with the Commission, a copy of the Registration Statement and each amendment thereof and each supplement, if any, to the prospectus included therein and, in the event that an Initial Purchaser (with respect to any portion of an unsold allotment from the original offering) is participating in the Registered Exchange Offer or the Shelf Registration Statement, the Company shall use its reasonable best efforts to reflect in each such document, when so filed with the Commission, such comments as such Initial Purchaser reasonably may propose; (ii) include the information set forth in Annex A hereto on the cover, in Annex B hereto in the "Exchange Offer Procedures" section and the "Purpose of the Exchange Offer" section and in Annex C hereto in the "Plan of Distribution" section of the prospectus forming a part of the Exchange Offer Registration Statement and include the information set forth in Annex D hereto in the letter of transmittal delivered pursuant to the Registered Exchange Offer; (iii) if requested by an Initial Purchaser, include the information required by Item 507 or 508 of Regulation S-K under the Securities Act, as applicable, in the prospectus forming a part of the Exchange Offer Registration Statement; (iv) include within the prospectus contained in the Exchange Offer Registration Statement a section entitled "Plan of Distribution," which shall contain a summary statement of the

positions taken or policies made by the staff of the Commission with respect to the potential “underwriter” status of any broker-dealer that is the beneficial owner (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”)) of Exchange Securities received by such broker-dealer in the Registered Exchange Offer (a “**Participating Broker-Dealer**”), whether such positions or policies have been publicly disseminated by the staff of the Commission or such positions or policies, in the reasonable judgment of the Company based upon advice of counsel (which may be in-house counsel), represent the prevailing views of the staff of the Commission; and (v) in the case of a Shelf Registration Statement, include the names of the Holders who propose to sell Securities pursuant to the Shelf Registration Statement as selling securityholders.

- b. The Company shall give written notice to the Initial Purchasers, the Holders of the Securities (with respect to any Shelf Registration Statement) and any Participating Broker-Dealer from whom the Company has received prior written notice that it will be a Participating Broker-Dealer in the Registered Exchange Offer (which notice pursuant to clauses (ii)-(v) hereof shall be accompanied by an instruction to suspend the use of the prospectus until the requisite changes have been made):
- i. when the Registration Statement or any amendment thereto has been filed with the Commission and when the Registration Statement or any post-effective amendment thereto has become effective;
  - ii. of any request by the Commission for amendments or supplements to the Registration Statement or the prospectus included therein or for additional information;
  - iii. of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the initiation of any proceedings for that purpose;
  - iv. of the receipt by the Company or its legal counsel of any notification with respect to the suspension of the qualification of the Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and
  - v. of the happening of any event that requires the Company to make changes in the Registration Statement or the prospectus 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.
- c. The Company shall make every reasonable effort to obtain the withdrawal at the earliest possible time, of any order suspending the effectiveness of the Registration Statement.

- d. The Company shall furnish to each Holder of Securities included within the coverage of the Shelf Registration, without charge, at least one copy of the Shelf Registration Statement and any post-effective amendment thereto, including financial statements and schedules, and, if the Holder so requests in writing, all exhibits thereto (including those, if any, incorporated by reference).
- e. The Company shall deliver to each Exchanging Dealer and each Initial Purchaser, and to any other Holder who so requests, without charge, at least one copy of the Exchange Offer Registration Statement and any post-effective amendment thereto, including financial statements and schedules, and, if any Initial Purchaser or any such Holder requests, all exhibits thereto (including those incorporated by reference).
- f. The Company shall, during the Shelf Registration Period, deliver to each Holder of Securities included within the coverage of the Shelf Registration, without charge, as many copies of the prospectus (including each preliminary prospectus) included in the Shelf Registration Statement and any amendment or supplement thereto as such person may reasonably request. The Company consents, subject to the provisions of this Agreement, to the use of the prospectus or any amendment or supplement thereto by each of the selling Holders of the Securities in connection with the offering and sale of the Securities covered by the prospectus, or any amendment or supplement thereto, included in the Shelf Registration Statement.
- g. The Company shall deliver to each Initial Purchaser, any Exchanging Dealer, any Participating Broker-Dealer and such other persons required to deliver a prospectus following the Registered Exchange Offer, without charge, as many copies of the final prospectus included in the Exchange Offer Registration Statement and any amendment or supplement thereto as such persons may reasonably request. The Company consents, subject to the provisions of this Agreement, to the use of the prospectus or any amendment or supplement thereto by any Initial Purchaser, if necessary, any Participating Broker-Dealer and such other persons required to deliver a prospectus following the Registered Exchange Offer in connection with the offering and sale of the Exchange Securities covered by the prospectus, or any amendment or supplement thereto, included in such Exchange Offer Registration Statement.
- h. Prior to any public offering of the Securities pursuant to any Shelf Registration Statement the Company shall register or qualify or cooperate with the Holders of the Securities included therein and their respective counsel in connection with the registration or qualification of the Securities for offer and sale under the securities or "blue sky" laws of such states of the United States as any Holder of the Securities reasonably requests in writing and do any and all other acts or things necessary or advisable to enable the offer and sale in such jurisdictions of the Securities covered by such Shelf Registration Statement; provided, however, that the Company shall not be required to (i) qualify generally to do business in any jurisdiction where it is not then so qualified or (ii) take any action which would subject it to general service of process or to taxation in any jurisdiction where it is not then so subject.

- i. The Company shall cooperate with the Holders of the Securities to facilitate the timely preparation and delivery of certificates representing the Securities to be sold pursuant to any Registration Statement free of any restrictive legends.
- j. Upon the occurrence of any event contemplated by paragraphs (ii) through (v) of Section 3(b) above during the period for which the Company is required to maintain an effective Registration Statement, the Company shall promptly prepare and file a post-effective amendment to the Registration Statement or a supplement to the related prospectus and any other required document so that, as thereafter delivered to Holders of the Securities or purchasers of 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, in light of the circumstances under which they were made, not misleading. If the Company notifies the Initial Purchasers, the Holders of the Securities and any known Participating Broker-Dealer in accordance with paragraphs (ii) through (v) of Section 3(b) above to suspend the use of the prospectus until the requisite changes to the prospectus have been made, then the Initial Purchasers, the Holders of the Securities and any such Participating Broker-Dealers shall suspend use of such prospectus, and the period of effectiveness of the Shelf Registration Statement provided for in Section 2(b) above and the Exchange Offer Registration Statement provided for in Section 1 above shall each be extended by the number of days from and including the date of the giving of such notice to and including the date when the Initial Purchasers, the Holders of the Securities and any known Participating Broker-Dealer shall have received such amended or supplemented prospectus pursuant to this Section 3(j).
- k. Not later than the effective date of the applicable Registration Statement, the Company will provide a CUSIP number for the Initial Securities, the Exchange Securities or the Private Exchange Securities, as the case may be, and provide the applicable trustee with certificates for the Initial Securities, the Exchange Securities or the Private Exchange Securities, as the case may be, in a form eligible for deposit with The Depository Trust Company.
- l. The Partnership will comply with all rules and regulations of the Commission to the extent and so long as they are applicable to the Registered Exchange Offer or the Shelf Registration and will make generally available to its security holders (or otherwise provide in accordance with Section 11(a) of the Securities Act) an earnings statement satisfying the provisions of Section 11(a) of the Securities Act, no later than 45 days after the end of a 12-month period (or 90 days, if such period is a fiscal year) beginning with the first month of the Partnership's first fiscal quarter commencing after the effective date of the Registration Statement, which statement shall cover such 12-month period.
- m. The Company shall cause the Indenture to be qualified under the Trust Indenture Act of 1939, as amended, in a timely manner and containing such changes, if any, as shall be necessary for such qualification. In the event that such qualification would require the appointment of a new trustee under the Indenture, the Company shall appoint a new trustee thereunder pursuant to the applicable provisions of the Indenture.

- n. The Company may require each Holder of Securities to be sold pursuant to the Shelf Registration Statement to furnish to the Company such information regarding the Holder and the distribution of the Securities as the Company may from time to time reasonably require for inclusion in the Shelf Registration Statement, including requiring the Holder to properly complete and execute such selling Security Holder notice and questionnaires, and any amendments or supplements thereto, as the Company may reasonably deem necessary or appropriate, and the Company may exclude from such registration the Securities of any Holder that fails to furnish such information within a reasonable time after receiving such request.
- o. The Company shall enter into such customary agreements (including, if requested, an underwriting agreement in customary form) and take all such other action, if any, as any Holder of the Securities shall reasonably request in order to facilitate the disposition of the Securities pursuant to any Shelf Registration.
- p. In the case of any Shelf Registration, the Company shall (i) make reasonably available for inspection by the Holders of the Securities, any underwriter participating in any disposition pursuant to the Shelf Registration Statement and any attorney, accountant or other agent retained by the Holders of the Securities or any such underwriter all relevant financial and other records, pertinent corporate documents and properties of the Company and (ii) cause the Company's officers, directors, employees, accountants and auditors to supply all relevant information reasonably requested by the Holders of the Securities or any such underwriter, attorney, accountant or agent in connection with the Shelf Registration Statement, in each case, as shall be reasonably necessary to enable such persons, to conduct a reasonable investigation within the meaning of Section 11 of the Securities Act; provided, however, that the foregoing inspection and information gathering shall be coordinated on behalf of the Initial Purchasers by Wachovia Capital Markets, LLC and on behalf of the other parties, by one counsel designated by and on behalf of such other parties as described in Section 4 hereof.
- q. In the case of any Shelf Registration, the Company, if requested by any Holder of Securities covered thereby, shall cause (i) its counsel to deliver an opinion and updates thereof relating to the Securities in customary form addressed to such Holders and the managing underwriters, if any, thereof and dated, in the case of the initial opinion, the effective date of such Shelf Registration Statement (it being agreed that the matters to be covered by such opinion shall include, without limitation, the incorporation, organization or formation and good standing of the Company and its subsidiaries; the qualification of the Company and its subsidiaries to transact business as foreign corporations, limited partnerships or limited liability companies; the due authorization, execution and delivery of the relevant agreement of the type referred to in Section 3(o) hereof; the due authorization, execution, authentication and issuance, and the validity and enforceability, of the applicable Securities; except as disclosed in the prospectus, the absence of material legal or governmental proceedings involving the Company and its subsidiaries; except as disclosed in the prospectus, the absence

of governmental approvals required to be obtained in connection with the Shelf Registration Statement, the offering and sale of the applicable Securities, or any agreement of the type referred to in Section 3(o) hereof; the compliance as to form of such Shelf Registration Statement and any documents incorporated by reference therein and of the Indenture with the requirements of the Securities Act and the Trust Indenture Act, respectively; and, as of the date of the opinion and as of the effective date of the Shelf Registration Statement or most recent post-effective amendment thereto, as the case may be, the absence from such Shelf Registration Statement and the prospectus included therein, as then amended or supplemented, and from any documents incorporated by reference therein of an untrue statement of a material fact or the omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading (in the case of any such documents, in the light of the circumstances existing at the time that such documents were filed with the Commission under the Exchange Act); (ii) its officers to execute and deliver all customary documents and certificates and updates thereof requested by any underwriters of the applicable Securities and (iii) its independent registered public accounting firm and the independent registered public accounting firm with respect to any other entity for which financial information is provided in the Shelf Registration Statement to provide to the selling Holders of the applicable Securities and any underwriter therefor a comfort letter in customary form and covering matters of the type customarily covered in comfort letters in connection with primary underwritten offerings, subject to receipt of appropriate documentation as contemplated, and only if permitted, by Statement of Auditing Standards No. 72.

- r. In the case of the Registered Exchange Offer, if requested by any Initial Purchaser or any known Participating Broker-Dealer, the Company shall cause (i) its counsel to deliver to such Initial Purchaser or such Participating Broker-Dealer a signed opinion in the form contemplated by Section 7(c) of the Purchase Agreement with such changes as are customary in connection with the preparation of a Registration Statement and (ii) its independent registered public accounting firm and the independent registered public accounting firm with respect to any other entity for which financial information is provided in the Registration Statement to deliver to such Initial Purchaser or such Participating Broker-Dealer a comfort letter, in customary form, meeting the requirements as to the substance thereof as contemplated by Section 7(f) of the Purchase Agreement, with appropriate date changes.
- s. If a Registered Exchange Offer or a Private Exchange is to be consummated, upon delivery of the Initial Securities by Holders to the Company (or to such other Person as directed by the Company) in exchange for the Exchange Securities or the Private Exchange Securities, as the case may be, the Company shall mark, or caused to be marked, on the Initial Securities so exchanged that such Initial Securities are being canceled in exchange for the Exchange Securities or the Private Exchange Securities, as the case may be; in no event shall the Initial Securities be marked as paid or otherwise satisfied.

- t. In the event that any broker-dealer registered under the Exchange Act shall underwrite any Securities or participate as a member of an underwriting syndicate or selling group or “assist in the distribution” (within the meaning of the Conduct Rules (the “**Rules**”) of the Financial Industry Regulatory Authority, Inc. thereof, whether as a Holder of such Securities or as an underwriter, a placement or sales agent or a broker or dealer in respect thereof, or otherwise, the Company will assist such broker-dealer in complying with the requirements of such Rules, including, without limitation, by (i) if such Rules, including Rule 2720, shall so require, engaging a “qualified independent underwriter” (as defined in Rule 2720) to participate in the preparation of the Registration Statement relating to such Securities, to exercise usual standards of due diligence in respect thereto and, if any portion of the offering contemplated by such Registration Statement is an underwritten offering or is made through a placement or sales agent, to recommend the yield of such Securities, (ii) indemnifying any such qualified independent underwriter to the extent of the indemnification of underwriters provided in Section 5 hereof and (iii) providing such information to such broker-dealer as may be required in order for such broker-dealer to comply with the requirements of the Rules.
- u. The Company shall not, without the prior consent of the Initial Purchasers (such consent not to be unreasonably withheld), make any offer relating to the Securities that would reasonably be expected to constitute a “free writing prospectus,” as defined in Rule 405 under the Securities Act.
- v. The Company shall use its reasonable best efforts to take all other steps necessary to effect the registration of the Securities covered by a Registration Statement contemplated hereby.

4. Registration Expenses.

- a. All expenses incident to the Company’s performance of and compliance with this Agreement will be borne by the Company, regardless of whether a Registration Statement is ever filed or becomes effective, 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 expenses of printing (including printing of prospectuses), messenger and delivery services and telephone;
  - iv. all fees and disbursements of counsel for the Company; and
  - v. all fees and disbursements of independent registered public accounting firm of the Company (including the expenses of any special audit and comfort letters required by or incident to such performance).

The Company will bear its internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expenses of any annual audit and the fees and expenses of any person, including special experts, retained by the Company.

- b. In connection with any Registration Statement required by this Agreement, the Company will reimburse the Initial Purchasers and the Holders of Transfer Restricted Securities who are tendering Initial Securities in the Registered Exchange Offer and/or selling or reselling Securities pursuant to the “Plan of Distribution” contained in the Exchange Offer Registration Statement or the Shelf Registration Statement, as applicable, for the reasonable fees and disbursements of not more than one counsel, who shall be Vinson & Elkins L.L.P. unless another firm shall be chosen by the Holders of a majority in principal amount of the Transfer Restricted Securities for whose benefit such Registration Statement is being prepared.

5. Indemnification.

- a. The Company agrees to indemnify and hold harmless each Holder of the Securities, any Participating Broker-Dealer and each person, if any, who controls such Holder or such Participating Broker-Dealer within the meaning of the Securities Act or the Exchange Act (each Holder, any Participating Broker-Dealer and such controlling persons are referred to collectively as the “**Indemnified Parties**”) from and against any losses, claims, damages or liabilities, joint or several, or any actions in respect thereof (including, but not limited to, any losses, claims, damages, liabilities or actions relating to purchases and sales of the Securities) to which each Indemnified Party may become subject under the Securities Act, the Exchange Act or otherwise, insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in a Registration Statement, prospectus or “issuer free writing prospectus,” as defined in Rule 433 under the Securities Act (“**Issuer FWP**”), or in any amendment or supplement thereto or in any preliminary prospectus relating to a Shelf Registration, 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 shall reimburse, as incurred, the Indemnified Parties for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action in respect thereof; provided, however, that the Company shall not be liable in any such case to the extent that such loss, claim, damage or liability arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in a Registration Statement, prospectus or Issuer FWP or in any amendment or supplement thereto or in any preliminary prospectus relating to a Shelf Registration in reliance upon and in conformity with written information pertaining to such Holder and furnished to the Company by or on behalf of such Holder specifically for inclusion therein.

- b. Each Holder of the Securities, severally and not jointly, will indemnify and hold harmless the Company and each person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act from and against any losses, claims, damages or liabilities or any actions in respect thereof, to which the Company or any such controlling person may become subject under the Securities Act, the Exchange Act or otherwise, insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in a Registration Statement, prospectus or Issuer FWP or in any amendment or supplement thereto or in any preliminary prospectus relating to a Shelf Registration, or arise out of or are based upon the omission or alleged omission to state therein a material fact necessary to make the statements therein not misleading, but in each case only to the extent that the untrue statement or omission or alleged untrue statement or omission was made in reliance upon and in conformity with written information pertaining to such Holder and furnished to the Company by or on behalf of such Holder specifically for inclusion therein; and, subject to the limitation set forth immediately preceding this clause, shall reimburse, as incurred, the Company for any legal or other expenses reasonably incurred by the Company or any such controlling person in connection with investigating or defending any loss, claim, damage, liability or action in respect thereof. This indemnity agreement will be in addition to any liability which such Holder may otherwise have to the Company or any of its controlling persons.
- c. Promptly after receipt by an indemnified party under this Section 5 of notice of the commencement of any action or proceeding (including a governmental investigation), such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 5, notify the indemnifying party of the commencement thereof; but the omission so to notify the indemnifying party will not, in any event, relieve the indemnifying party from any obligations to any indemnified party except to the extent it has been materially prejudiced (through the forfeiture of substantive rights and defenses by such failure, and such failure shall not relieve such indemnifying party from any liability it may have to any such indemnified party otherwise than under paragraph (a) or (b) above. In case any such action is brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel reasonably 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 will not be liable to such indemnified party under this Section 5 for any legal or other expenses, other than reasonable costs of investigation, subsequently incurred by such indemnified party in connection with the defense thereof. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such settlement (i) includes an unconditional release of such indemnified party from all liability on any claims that are the subject matter of such action, 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.

- d. If the indemnification provided for in this Section 5 is unavailable or insufficient to hold harmless an indemnified party under subsections (a) or (b) above, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to in subsection (a) or (b) above in such proportion as is appropriate to reflect the relative fault of the indemnifying party or parties on the one hand and the indemnified party on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities (or actions in respect thereof) as well as any other relevant equitable considerations. The relative fault of the parties 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 Company on the one hand or such Holder or such other indemnified party, as the case may be, on the other, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim which is the subject of this subsection (d). Notwithstanding any other provision of this Section 5(d), each Holder of the Securities shall not be required to contribute any amount in excess of the amount by which the net proceeds received by such Holder from the sale of the Securities pursuant to a Registration Statement exceeds the amount of damages which such 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. For purposes of this paragraph (d), each person, if any, who controls such indemnified party within the meaning of the Securities Act or the Exchange Act shall have the same rights to contribution as such indemnified party and each person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act shall have the same rights to contribution as the Company.
- e. The agreements contained in this Section 5 shall survive the sale of the Securities pursuant to a Registration Statement and shall remain in full force and effect, regardless of any termination or cancellation of this Agreement or any investigation made by or on behalf of any indemnified party.

6. Additional Interest Under Certain Circumstances.

- a. By way of liquidated damages, additional interest (the "**Additional Interest**") with respect to the Securities shall be assessed as follows if any of the following events occur (each such event in clauses (i) through (iv) below being herein called a "**Registration Default**"):
- i. any Registration Statement required by this Agreement is not filed with the Commission on or prior to the Filing Deadline or Shelf Filing Deadline, as applicable;

- ii. any Registration Statement required by this Agreement is not declared effective by the Commission on or prior to the applicable Effectiveness Deadline;
- iii. the Registered Exchange Offer has not been consummated on or prior to the Consummation Deadline; or
- iv. any Registration Statement required by this Agreement has been declared effective by the Commission but (A) such Registration Statement thereafter ceases to be effective or (B) such Registration Statement or the related prospectus ceases to be usable in connection with resales of Transfer Restricted Securities during the periods specified herein because either (1) any event occurs as a result of which the related prospectus forming part of such Registration Statement would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein in the light of the circumstances under which they were made not misleading, or (2) it shall be necessary to amend such Registration Statement or supplement the related prospectus, to comply with the Securities Act or the Exchange Act or the respective rules thereunder.

Each of the foregoing will constitute a Registration Default whatever the reason for any such event and whether it is voluntary or involuntary or is beyond the control of the Company or pursuant to operation of law or as a result of any action or inaction by the Commission.

Additional Interest shall accrue on the Securities over and above the interest set forth in the title of the Securities from and including the date on which any such Registration Default shall occur to but excluding the date on which all such Registration Defaults have been cured, at a rate of 0.25% per annum (the “**Additional Interest Rate**”) for the first 90-day period immediately following the occurrence of such Registration Default. The Additional Interest Rate shall increase by an additional 0.25% per annum with respect to each subsequent 90-day period until all Registration Defaults have been cured, up to a maximum Additional Interest Rate of 1.0 % per annum.

- b. A Registration Default referred to in Section 6(a)(iv) hereof shall be deemed not to have occurred and be continuing in relation to a Shelf Registration Statement or the related prospectus if (i) such Registration Default has occurred solely as a result of (x) the filing of a post-effective amendment to such Shelf Registration Statement to incorporate annual audited financial information with respect to the Company where such post-effective amendment is not yet effective and needs to be declared effective to permit Holders to use the related prospectus or (y) other material events, with respect to the Company that would need to be described in

such Shelf Registration Statement or the related prospectus and (ii) in the case of clause (y), the Company is proceeding promptly and in good faith to amend or supplement such Shelf Registration Statement and related prospectus to describe such events; provided, however, that Additional Interest shall be payable in accordance with the above paragraph from the day such Registration Default occurs until such Registration Default is cured (1) in any case, if such Registration Default occurs for a continuous period in excess of 30 days or (2) solely in the case of a material acquisition by the Company or any of its subsidiaries requiring financial statements to be filed with the Commission, if such Registration Default occurs for a continuous period in excess of sixty (60) days.

- c. Any amounts of Additional Interest due pursuant to Section 6(a) will be payable in cash on the regular interest payment dates with respect to the Securities. The amount of Additional Interest will be determined by multiplying the applicable Additional Interest Rate by the principal amount of the Securities and further multiplied by a fraction, the numerator of which is the number of days such Additional Interest Rate was applicable during such period (determined on the basis of a 360-day year comprised of twelve 30-day months), and the denominator of which is 360.
- d. “**Transfer Restricted Securities**” means each Security until the earlier of (i) the date on which such Security has been exchanged by a person other than a broker-dealer for a freely transferable Exchange Security in the Registered Exchange Offer, (ii) following the exchange by a broker-dealer in the Registered Exchange Offer of an Initial Security for an Exchange Security, the date on which such Exchange Security is sold to a purchaser who receives from such broker-dealer on or prior to the date of such sale a copy of the prospectus contained in the Exchange Offer Registration Statement, (iii) the date on which such Security has been effectively registered under the Securities Act and disposed of in accordance with the Shelf Registration Statement or (iv) a one-year period commencing on the Closing Date has elapsed.

- 7. *Rules 144 and 144A.* The Company shall use its best efforts to file the reports required to be filed by it under the Securities Act and the Exchange Act in a timely manner and, if at any time the Company is not required to file such reports, it will, upon the request of any Holder of Securities, make publicly available other information so long as necessary to permit sales of their securities pursuant to Rules 144 and 144A. The Company covenants that it will take such further action as any Holder of Securities may reasonably request, all to the extent required from time to time to enable such Holder to sell Securities without registration under the Securities Act within the limitation of the exemptions provided by Rules 144 and 144A (including the requirements of Rule 144A(d)(4)). The Company will provide a copy of this Agreement to prospective purchasers of Initial Securities identified to the Company by the Initial Purchasers upon request. Upon the request of any Holder of Initial Securities, the Company shall deliver to such Holder a written statement as to whether it has complied with such requirements. Notwithstanding the foregoing, nothing in this Section 7 shall be deemed to require the Company to register any of its securities pursuant to the Exchange Act.

8. *Underwritten Registrations.* If any of the Transfer Restricted Securities covered by any Shelf Registration are to be sold in an underwritten offering, the investment banker or investment bankers and manager or managers that will administer the offering (“**Managing Underwriters**”) will be selected, with the reasonable approval of the Company, by the Holders of a majority in aggregate principal amount of such Transfer Restricted Securities to be included in such offering.

No person may participate in any underwritten registration hereunder unless such person (i) agrees to sell such person’s Transfer Restricted Securities on the basis reasonably provided in any underwriting arrangements approved by the persons entitled hereunder to approve such arrangements and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

9. Miscellaneous.

- a. *Remedies.* Each of the parties hereto acknowledges and agrees that the payment of Additional Interest as provided in Section 6 hereof shall be the exclusive remedy for any failure by the Company to comply with its obligations under Sections 1 and 2 hereof.
- b. *No Inconsistent Agreements.* The Company will not on or after the date of this Agreement enter into any agreement with respect to its securities that is inconsistent with the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof. The rights granted to the Holders hereunder do not in any way conflict with and are not inconsistent with the rights granted to the holders of the Company’s securities under any agreement in effect on the date hereof.
- c. *Amendments and Waivers.* The provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, except by the Company and the written consent of the Holders of a majority in principal amount of the Securities affected by such amendment, modification, supplement, waiver or consent. Without the consent of the Holder of each Security, however, no modification may change the provisions relating to the payment of Additional Interest.
- d. *Notices.* All notices and other communications provided for or permitted hereunder shall be made in writing by hand delivery, first-class mail, facsimile transmission, or air courier which guarantees overnight delivery:
  - (1) if to a Holder of the Securities, at the most current address given by such Holder to the Company;

(2) if to the Initial Purchasers:

Wachovia Capital Markets, LLC  
One Wachovia Center  
301 South College Street  
Charlotte, NC 28288-0604  
Attention: High Yield Capital Markets

Lehman Brothers Inc.  
1271 Avenue of the Americas, 42nd Floor  
New York, New York 10020  
Attention: Syndicate Registration  
(Fax: 646-834-8133)

J.P. Morgan Securities Inc.  
270 Park Avenue  
New York, NY 10017  
Attention: Lawrence Landry  
(Fax: 212-270-1063).

(3) if to the Company at its address as follows:

Inergy, L.P.  
2 Brush Creek Blvd.  
Kansas City, Missouri 64112  
(Fax: (816) 471-3854),

with a copy to:

Laura Ozenberger  
General Counsel  
2 Brush Creek Blvd.  
Kansas City, Missouri 64112  
(Fax: (816) 531-4680)

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; three business days after being deposited in the mail, postage prepaid, if mailed; when receipt is acknowledged by recipient's facsimile machine operator, if sent by facsimile transmission; and on the day delivered, if sent by overnight air courier guaranteeing next day delivery.

- e. *Third Party Beneficiaries.* The Holders shall be third party beneficiaries to the agreements made hereunder between the Company, on the one hand, and the Initial Purchasers, on the other hand, and shall have the right to enforce such agreements directly to the extent they may deem such enforcement necessary or advisable to protect their rights or the rights of Holders hereunder.

- f. *Successors and Assigns.* This Agreement shall be binding upon the Company and its successors and assigns.
- g. *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.
- h. *Headings.* The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.
- i. *Governing Law.* THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.
- j. *Severability.* If 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.
- k. *Securities Held by the Company.* Whenever the consent or approval of Holders of a specified percentage of principal amount of Securities is required hereunder, Securities held by the Company or its affiliates (other than subsequent Holders of Securities if such subsequent Holders are deemed to be affiliates solely by reason of their holdings of such Securities) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.
- l. *Submission to Jurisdiction.* By the execution and delivery of this Agreement, the Company submits to the nonexclusive jurisdiction of the competent Federal and state courts in the Borough of Manhattan in the City of New York in any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement among the several Initial Purchasers and the Company in accordance with its terms.

Very truly yours,

INERGY, L.P.

By: Inergy GP, LLC (its General Partner)

By: /s/ R. Brooks Sherman, Jr.  
R. Brooks Sherman, Jr.  
Executive Vice President and Chief  
Financial Officer

INERGY FINANCE CORP.

By: /s/ R. Brooks Sherman, Jr.  
R. Brooks Sherman, Jr.  
Executive Vice President and Chief  
Financial Officer

INERGY PROPANE, LLC  
INERGY MIDSTREAM, LLC  
L & L TRANSPORTATION, LLC  
INERGY TRANSPORTATION, LLC  
INERGY STAGECOACH II, LLC  
INERGY GAS MARKETING, LLC  
INERGY STORAGE, INC  
STELLAR PROPANE SERVICE, LLC  
CENTRAL NEW YORK OIL AND GAS  
INERGY SALES & SERVICE, INC.  
FARM & HOME RETAIL OIL COMPANY, LLC  
ARLINGTON STORAGE COMPANY, LLC

By: /s/ R. Brooks Sherman, Jr.  
R. Brooks Sherman, Jr.  
Executive Vice President and Chief  
Financial Officer

The foregoing Registration Rights Agreement is hereby confirmed and accepted as of the date first above written.

WACHOVIA CAPITAL MARKETS, LLC  
J.P. MORGAN SECURITIES INC.  
LEHMAN BROTHERS INC.

By: WACHOVIA CAPITAL MARKETS, LLC

By: /s/ Jeff Gore  
Managing Director

By: J.P. MORGAN SECURITIES INC.

By: /s/ Adam Bernard  
Executive Director

By: LEHMAN BROTHERS INC.

By: /s/ Timothy N. Hartzell  
Managing Director

Each broker-dealer that receives Exchange Securities for its own account pursuant to the Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities. The Letter of Transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an “underwriter” within the meaning of the Securities Act. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Securities received in exchange for Initial Securities where such Initial Securities were acquired by such broker-dealer as a result of market-making activities or other trading activities. The Company has agreed that, for a period of 180 days after the Expiration Date (as defined herein), it will make this Prospectus available to any broker-dealer for use in connection with any such resale. See “Plan of Distribution.”

ANNEX B

Each broker-dealer that receives Exchange Securities for its own account in exchange for Initial Securities, where such Initial Securities were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities. See “Plan of Distribution.”

ANNEX C

#### PLAN OF DISTRIBUTION

Each broker-dealer that receives Exchange Securities for its own account pursuant to the Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Securities received in exchange for Initial Securities where such Initial Securities were acquired as a result of market-making activities or other trading activities. The Company has agreed that, for a period of 180 days after the Expiration Date, it will make this prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale. In addition, until, 200 , all dealers effecting transactions in the Exchange Securities may be required to deliver a prospectus.

The Company will not receive any proceeds from any sale of Exchange Securities by broker-dealers. Exchange Securities received by broker-dealers for their own account pursuant to the Exchange Offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the Exchange Securities or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or negotiated prices. Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer or the purchasers of any such Exchange Securities. Any broker-dealer that resells Exchange Securities

Annex

that were received by it for its own account pursuant to the Exchange Offer and any broker or dealer that participates in a distribution of such Exchange Securities may be deemed to be an “underwriter” within the meaning of the Securities Act and any profit on any such resale of Exchange Securities and any commission or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The Letter of Transmittal states that, by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an “underwriter” within the meaning of the Securities Act.

For a period of 180 days after the Expiration Date the Company will promptly send additional copies of this Prospectus and any amendment or supplement to this Prospectus to any broker-dealer that requests such documents in the Letter of Transmittal. The Company has agreed to pay all expenses incident to the Exchange Offer (including the expenses of one counsel for the Holders of the Securities) other than commissions or concessions of any brokers or dealers and will indemnify the Holders of the Securities (including any broker-dealers) against certain liabilities, including liabilities under the Securities Act.

ANNEX D

If the undersigned is not a broker-dealer, the undersigned represents that it is not engaged in, and does not intend to engage in, a distribution of Exchange Securities. If the undersigned is a broker-dealer that will receive Exchange Securities for its own account in exchange for Initial Securities that were acquired as a result of market-making activities or other trading activities, it acknowledges that it will deliver a prospectus in connection with any resale of such Exchange Securities; however, by so acknowledging and by delivering a prospectus, the undersigned will not be deemed to admit that it is an “underwriter” within the meaning of the Securities Act.

Annex

\$200,000,000

INERGY, L.P.  
INERGY FINANCE CORP.

8 1/4% SENIOR NOTES DUE 2016

**PURCHASE AGREEMENT**

April 24, 2008

WACHOVIA CAPITAL MARKETS, LLC

J.P. MORGAN SECURITIES INC.

LEHMAN BROTHERS INC.

c/o Wachovia Capital Markets, LLC

One Wachovia Center

301 South College Street

Charlotte, NC 28288-0604

Ladies and Gentlemen:

Inergy, L.P., a Delaware limited partnership (the “**Partnership**”), and Inergy Finance Corp., a Delaware corporation (“**Finance Corp**” and together with the Partnership, the “**Issuers**”), propose, upon the terms and conditions set forth herein, to issue and sell to you, as the initial purchasers (the “**Initial Purchasers**”), \$200,000,000 in aggregate principal amount of their 8 1/4% Senior Notes due 2016 (the “**Notes**”). The Notes will (i) have terms and provisions that are summarized in the Offering Memorandum (as defined below) and (ii) are to be issued pursuant to the Indenture dated January 17, 2006, as amended and supplemented by the First Supplemental Indenture dated April 24, 2008 (the “**Indenture**”), among the Issuers, the Guarantors (as defined below) and U.S. Bank, National Association, as trustee (the “**Trustee**”). The Notes will be issued as additional debt securities under the Indenture pursuant to which the Issuers have previously issued \$200 million in aggregate principal amount of their 8 1/4% Senior Notes due 2016. The Notes and the other notes issued on January 17, 2006 will be treated as a single class of debt securities under the Indenture.

The Issuers’ obligations under the Notes, including the due and punctual payment of interest on the Notes, will be guaranteed (the “**Guarantees**”) by Inergy Propane, LLC, a Delaware limited liability company (the “**Operating Company**”), Inergy Midstream, LLC, a Delaware limited liability company (“**Midstream**”), Inergy Sales & Service, Inc., a Delaware corporation (“**Service Sub**”), L & L Transportation, LLC, a Delaware limited liability company (“**L & L Transportation**”), Inergy Transportation, LLC, a Delaware limited liability company (“**Inergy Transportation**”), Inergy Gas Marketing, LLC, a Delaware limited liability company (“**Inergy Gas**”), Stellar Propane Service, LLC, a Delaware limited liability company (“**Stellar Propane**”), Inergy Stagecoach II, LLC, a Delaware limited liability company (“**Stagecoach II**”),

Inergy Storage, Inc., a Delaware corporation (“**Storage**”), Central New York Oil and Gas Company, LLC, a New York limited liability company (“**CNYOGC**”), Farm & Home Retail Oil Company, LLC, a Pennsylvania limited liability company (“**FHR**”), Arlington Storage Company, LLC, a Delaware limited liability company (“**Arlington Storage**” and together with the Operating Company, Midstream, Service Sub, L & L Transportation, Inergy Transportation, Inergy Gas, Stellar Propane, Stagecoach II, Storage, CNYOGC and FHR, the “**Guarantors**”). As used herein, the term “**Notes**” shall include the Guarantees, unless the context otherwise requires. The Issuers and the Guarantors are referred to as the “**Inergy Parties**.”

Inergy Holdings, L.P., a Delaware limited partnership, owns 100% of the issued and outstanding membership interests in each of Inergy Partners, LLC, a Delaware limited liability company (the “**Non-Managing General Partner**”), and Inergy GP, LLC, a Delaware limited liability company (the “**Managing General Partner**”) (the Managing General Partner and the Non-Managing General Partner are sometimes collectively referred to herein as the “**General Partners**”).

This is to confirm the agreement concerning the purchase of the Notes from the Issuers by the Initial Purchasers.

1. *Certain Defined Terms.* As used in this Agreement:

(a) “**Applicable Time**” means 5:00 p.m. (New York City time) on the date of this Agreement; and

(b) “**Pricing Disclosure Supplement**” means the summary of the terms of the Notes dated the date of this Agreement and attached hereto as Exhibit A.

2. *Preliminary Offering Memorandum and Offering Memorandum.* The Notes will be offered, issued and sold to the Initial Purchasers without registration under the Securities Act of 1933, as amended (the “**Act**”), in reliance on an exemption pursuant to Section 4(2) under the Act. At or prior to the Applicable Time, the Issuers and the Guarantors shall have prepared a preliminary offering memorandum dated April 23, 2008 (the “**Preliminary Offering Memorandum**”), and the Pricing Disclosure Supplement. Except as provided in the last sentence of this paragraph, as used herein, “**Offering Memorandum**” shall mean the Preliminary Offering Memorandum as supplemented by the Pricing Disclosure Supplement. Promptly after the Applicable Time and in any event no later than the second business day following the Applicable Time, the Issuers and the Guarantors will prepare an offering memorandum dated the date hereof (the “**Final Offering Memorandum**”). The Issuers and the Guarantors hereby confirm that they have authorized the use of the Preliminary Offering Memorandum, the Pricing Disclosure Supplement and the Final Offering Memorandum in connection with the offering and resale of the Notes by the Initial Purchasers. From and after the time the Final Offering Memorandum is prepared, all references herein to the Offering Memorandum shall be deemed to be a reference to both the Offering Memorandum and the Final Offering Memorandum.

Any reference to the Preliminary Offering Memorandum or the Final Offering Memorandum shall be deemed to refer to and include any documents incorporated by reference

therein. All documents filed under the United States Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and so deemed to be included in the Offering Memorandum, as the case may be, or any amendment or supplement thereto, are hereinafter called the “**Exchange Act Reports.**”

It is understood and acknowledged that upon original issuance thereof, and until such time as the same is no longer required under the applicable requirements of the Act, the Notes (and all securities issued in exchange therefor, in substitution thereof) shall bear the following legend (along with such other legends as the Initial Purchasers and their counsel deem necessary):

“THIS NOTE (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND THIS NOTE MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER OF THIS NOTE AGREES FOR THE BENEFIT OF INERGY, L.P. AND INERGY FINANCE CORP. THAT (A) THIS NOTE MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (I) TO AN ISSUER, (II) IN THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (III) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 904 UNDER THE SECURITIES ACT, (IV) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), OR (V) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, AND IN EACH OF CASES (I) THROUGH (V) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY SUBSEQUENT PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE.”

You have advised the Issuers that you will make offers (the “**Exempt Resales**”) of the Notes purchased by you hereunder on the terms set forth in the Offering Memorandum, as amended or supplemented, solely to (i) persons whom you reasonably believe to be “qualified institutional buyers” as defined in Rule 144A under the Act (“**QIBs**”) and (ii) outside the United States to certain persons in offshore transactions in reliance on Regulation S under the Act. Those persons specified in clauses (i) and (ii) are referred to herein as the (“**Eligible Purchasers**”). You will offer the Notes to Eligible Purchasers initially at a price equal to 100% of the principal amount thereof. Such price may be changed at any time without notice.

Holders (including subsequent transferees) of the Notes will have the registration rights set forth in the registration rights agreement attached hereto as Exhibit B (the “**Registration Rights Agreement**”) among the Inergy Parties and the Initial Purchasers to be dated April 29, 2008 (the “**Closing Date**”), for so long as such Notes constitute “**Transfer Restricted Securities**” (as defined in the Registration Rights Agreement). Pursuant to the Registration Rights Agreement, the Inergy Parties will agree to file with the Commission under the circumstances set forth therein, a registration statement under the Act relating to the Issuers’ 8<sup>1</sup>/<sub>4</sub> % Senior Notes due 2016 (the “**Exchange Notes**”) and the Guarantors’ Exchange Guarantees (the “**Exchange Guarantees**”) to be offered in exchange for the Notes and the Guarantees. Such portion of the offering is referred to as the “**Exchange Offer.**”

3. *Representations, Warranties and Agreements of the Inergy Parties.* The Inergy Parties, jointly and severally, represent, warrant and agree as follows:

(a) *No Material Misstatements or Omissions.* The Offering Memorandum, as of the Applicable Time, does not, and at the Closing Date will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading, except that this representation and warranty does not apply to statements in or omissions from the Offering Memorandum made in reliance upon and in conformity with information relating to the Initial Purchasers furnished to the Issuers in writing by or on behalf of the Initial Purchasers expressly for use therein, which information is specified in Section 13.

(b) *No Similar Class of Registered Securities.* When the Notes and Guarantees are issued and delivered pursuant to this Agreement, such Notes and Guarantees will not be of the same class (within the meaning of Rule 144A under the Act) as securities of the Issuers or the Guarantors that are listed on a national securities exchange registered under Section 6 of the Exchange Act or that are quoted in a United States automated inter-dealer quotation system.

(c) *Incorporated Documents.* The documents incorporated by reference in the Offering Memorandum, when filed with the Commission, conformed or will conform, as the case may be, in all material respects to the requirements of the Exchange Act, and the rules and regulations (“**Rules and Regulations**”) of the United States Securities and Exchange Commission (the “**Commission**”) thereunder, and did not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(d) *No Issuer Written Communications.* The Partnership (including its agents and representatives, other than the Initial Purchasers in their capacity as such) has not prepared, made, used, authorized, approved or referred to and will not prepare, make, use, authorize, approve or refer to any written communication that constitutes an offer to sell or solicitation of an offer to buy the Notes (each such communication by the Partnership or its agents and

representatives (other than a communication referred to in clause (i) below) an “Issuer Written Communication”) other than (i) the Offering Memorandum and (ii) any electronic road show or other written communications, in each case used in accordance with Section 6(m). Each such Issuer Written Communication, when taken together with the Offering Memorandum as of the Applicable Time, did not, and at the Closing Date will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Partnership makes no representation and warranty with respect to any statements or omissions made in each such Issuer Written Communication in reliance upon and in conformity with information relating to any Initial Purchaser furnished to the Partnership in writing by such Initial Purchaser expressly for use in any Issuer Written Communication.

(e) *No Solicitation or Advertisement*

(i) Assuming that your representations and warranties in Section 4(b) are true, the purchase and resale of the Notes pursuant hereto (including pursuant to the Exempt Resales) is exempt from the registration requirements of the Act. No form of general solicitation or general advertising within the meaning of Regulation D (including, but not limited to, advertisements, articles, notices or other communications published in any newspaper, magazine or similar medium or broadcast over television or radio, or any seminar or meeting whose attendees have been invited by any general solicitation or general advertising) was used by the Inergy Parties or any of their respective representatives (other than you, as to whom the Inergy Parties make no representation) in connection with the offer, issuance and sale of the Notes.

(ii) No form of general solicitation or general advertising was used by the Inergy Parties or any of their respective representatives (other than you, as to whom the Inergy Parties make no representation) with respect to Notes sold outside the United States to non-U.S. persons (as defined in Rule 902 under the Act), by means of any directed selling efforts within the meaning of Rule 902 under the Act, and the Issuers, any affiliate of the Issuers and any person acting on its or their behalf (other than you, as to when the Issuers and the Guarantors make no representation) has complied with and will implement the “offering restrictions” required by Rule 902.

(f) *No Order Preventing Exempt Resales.* The Preliminary Offering Memorandum and Offering Memorandum have been prepared by the Inergy Parties for use by the Initial Purchasers in connection with the Exempt Resales. No order or decree preventing the use of the Preliminary Offering Memorandum or the Offering Memorandum, or any order asserting that the transactions contemplated by this Agreement are subject to the registration requirements of the Act has been issued and no proceeding for that purpose has commenced or is pending or, to the knowledge of the Inergy Parties is contemplated.

(g) *Formation, Good Standing and Foreign Qualification of the Inergy Parties.* Each of the Inergy Parties and each of the General Partners has been duly organized and is validly existing in good standing under the laws of its jurisdiction of organization with all necessary power and authority to own or lease its properties and to conduct its business, in all material respects as described in the Offering Memorandum. Each of the Inergy Parties and the General Partners is duly registered or qualified as a foreign entity for the transaction of business

under the laws of each jurisdiction in which the character of the business conducted by it or the nature or location of the properties owned or leased by it makes such registration or qualification necessary, except where the failure so to register or qualify would not have a material adverse effect on the business, financial condition or results of operations of the Inergy Parties, taken as a whole (“**Material Adverse Effect**”).

(h) *Ownership of General Partner Interests in the Partnership.* The General Partners are the only general partners of the Partnership. The Non-Managing General Partner owns an approximate 0.9% general partner interest in the Partnership and the Managing General Partner owns a non-economic, managing general partner interest in the Partnership; such general partner interests have been duly authorized and validly issued in accordance with the Second Amended and Restated Agreement of Limited Partnership of the Partnership, as amended (the “**Partnership Agreement**”); and each General Partner owns its general partner interest free and clear of all liens, encumbrances, security interests, charges or claims (other than those securing obligations under the 5-year Credit Agreement dated as of December 17, 2004, as amended, by and among the Partnership and the lenders therein (the “**Credit Agreement**”))

(i) *Capitalization.* The issued and outstanding limited partner interests of the Partnership consist of 49,847,550 Common Units and the incentive distribution rights, as defined in the Partnership Agreement (the “**Incentive Distribution Rights**”). All outstanding Common Units and Incentive Distribution Rights and the limited partner interests represented thereby have been duly authorized and validly issued in accordance with the Partnership Agreement and are fully paid (to the extent required under the Partnership Agreement) and nonassessable (except as such nonassessability may be affected by matters described in Sections 17-607 and 17-804 of the Delaware Revised Uniform Limited Partnership Act (the “**Delaware LP Act**”)).

(j) *Ownership of Finance Corp. and the Guarantors.* The Partnership owns, directly or indirectly, 100% of the issued shares of capital stock, membership interests or limited partner interests, as applicable, in each of Finance Corp. and the Guarantors; such shares of capital stock, membership interests or limited partner interests have been duly authorized and validly issued in accordance with the bylaws, partnership agreement or limited liability company agreement of such entity (collectively, the “**Organizational Documents**”) and are fully paid (to the extent required under such Organizational Documents) and non-assessable (except (i) in the case of an interest in a Delaware limited liability company, as such nonassessability may be affected by Sections 18-607 and 18-804 of the Delaware Limited Liability Company Act (the “**Delaware LLC Act**”) and (ii) in the case of an interest in a limited liability company formed under the laws of another domestic state, as such nonassessability may be affected by similar provisions of such state’s limited liability company statute, as applicable); and the Partnership owns such shares of capital stock, membership interests or limited partner interests free and clear of all liens, encumbrances, security interests, charges or claims (other than those securing obligations under Credit Agreement).

(k) *No Other Subsidiaries.* Other than FHR, the Partnership does not own or control, directly or indirectly, any corporation, association or other entity other than the subsidiaries listed in Exhibit 21.1 to the Partnership’s Annual Report on Form 10-K for the most recent fiscal year. Inergy Canada Company, a Nova Scotia unlimited liability company (“**Inergy Canada**”), is not a significant subsidiary within the meaning of Rule 1-02(w) of Regulation S-X.

Other than the interests of the Partnership's subsidiary in FHR, neither the Partnership nor any of its subsidiaries own, directly or indirectly, any equity or long-term debt securities of any corporation, partnership, limited liability company, joint venture, association or other entity, other than as set forth on Exhibit 21.1 to the Partnership's Annual Report on Form 10-K for the fiscal year ended September 30, 2007. Other than its ownership of its partnership interests in the Partnership, the Managing General Partner does not own, and at the Closing Date will not own, directly or indirectly, any equity or long-term debt securities of any corporation, partnership, limited liability company, joint venture, association or other entity.

(l) *FHR*. Except for certain permits issued by the State of Pennsylvania and certain real estate holdings, the value of which is not material to the Energy Parties, taken as a whole, FHR is a shell company with no assets.

(m) *Authorization to Execute this Agreement*. This Agreement has been duly authorized, validly executed and delivered by each of the Energy Parties.

(n) *Authorization to Issue and Sell Notes*. The Issuers have all requisite corporate or partnership power and authority to issue, sell and deliver the Notes. The Notes have been duly authorized by the Issuers and, when duly executed by the Issuers in accordance with the terms of the Indenture, assuming due authentication of the Notes by the Trustee, upon delivery to the Initial Purchasers against payment therefor in accordance with the terms hereof, will be validly issued and delivered, and will constitute valid and binding obligations of the Issuers entitled to the benefits of the Indenture, enforceable against the Issuers in accordance with their terms, except as such enforceability may be limited by bankruptcy, fraudulent conveyance, insolvency, reorganization, moratorium, and other laws relating to or affecting creditors' rights generally and by general equitable principles (regardless whether such enforceability is considered in a proceeding in equity or at law).

(o) *Authorization to Issue Exchange Notes*. The Issuers have all requisite corporate or partnership power and authority to issue the Exchange Notes. The Exchange Notes have been duly and validly authorized by the Issuers and if and when duly issued, executed and authenticated by the Trustee in accordance with the terms of the Indenture and delivered in accordance with the Exchange Offer provided for in the Registration Rights Agreement, will constitute valid and binding obligations of the Issuers entitled to the benefits of the Indenture, enforceable against the Issuers in accordance with their terms, except as such enforceability may be limited by bankruptcy, fraudulent conveyance, insolvency, reorganization, moratorium, and other laws relating to or affecting creditors' rights generally and by general equitable principles (regardless whether such enforceability is considered in a proceeding in equity or at law).

(p) *Authorization and Enforceability of Guarantees*. Each Guarantor has all requisite corporate or limited liability power and authority to issue the Guarantees. The Guarantees have been duly and validly authorized by the Guarantors and upon the due execution, authentication and delivery of the Notes in accordance with the Indenture and the issuance of the Notes in the sale to the Initial Purchasers contemplated by this Agreement, will constitute valid and binding obligations of the Guarantors, enforceable against the Guarantors in accordance with their terms, except as such enforceability may be limited by bankruptcy, fraudulent conveyance, insolvency, reorganization, moratorium, and other laws relating to or affecting creditors' rights generally and by general equitable principles (regardless whether such enforceability is considered in a proceeding in equity or at law).

(q) *Authorization and Enforceability of Exchange Guarantees.* Each Guarantor has all requisite corporate or limited liability power and authority to issue the Exchange Guarantees. The Exchange Guarantees have been duly and validly authorized by the Guarantors and if and when duly issued and delivered by the Guarantors in accordance with the terms of the Indenture and upon the due execution and authentication of the Exchange Notes in accordance with the Indenture and the issuance and delivery of the Exchange Notes in the Exchange Offer contemplated by the Registration Rights Agreement, will constitute valid and binding obligations of the Guarantors, entitled to the benefits of the Indenture, enforceable against the Guarantors in accordance with their terms, except as such enforceability may be limited by bankruptcy, fraudulent conveyance, insolvency, reorganization, moratorium, and other laws relating to or affecting creditors' rights generally and by general equitable principles (regardless whether such enforceability is considered in a proceeding in equity or at law).

(r) *Authorization and Enforceability of the Indenture.* The Indenture has been duly and validly authorized, executed and delivered by the Inergy Parties and constitutes the valid and binding agreement of the Inergy Parties, enforceable against the Inergy Parties in accordance with its terms, except as such enforceability may be limited by bankruptcy, fraudulent conveyance, insolvency, reorganization, moratorium, and other laws relating to or affecting creditors' rights generally and by general equitable principles (regardless whether such enforceability is considered in a proceeding in equity or at law); no qualification of the Indenture under the Trust Indenture Act of 1939 (the "1939 Act") is required in connection with the offer, issuance and sale of the Notes contemplated hereby or in connection with the Exempt Resales. The Indenture conforms in all material respects to the requirements of the 1939 Act and the Rules and Regulations applicable to an indenture that is qualified thereunder.

(s) *Authorization and Enforceability of the Registration Rights Agreement.* Each of the Inergy Parties has all requisite corporate, limited liability and partnership power and authority to enter into the Registration Rights Agreement. The Registration Rights Agreement has been duly authorized by the Inergy Parties and, when executed and delivered by the Inergy Parties in accordance with the terms hereof and thereof, will be validly executed and delivered and (assuming the due authorization, execution and delivery thereof by you) will be the legally valid and binding obligation of the Inergy Parties in accordance with the terms thereof, enforceable against the Inergy Parties in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or affecting creditor's rights generally, by general equitable principles (regardless of whether such enforceability is considered in a proceeding in equity or at law) and, as to rights of indemnification and contribution thereunder may be limited by federal or state law or by principles of public policy.

(t) *Accuracy of Statements.* The Indenture, the Notes, the Guarantees and the Registration Rights Agreement will or do, as applicable, conform in all material respects to the description thereof in the Offering Memorandum.

(u) *Enforceability of Other Agreements.* At the Closing Date, each of the Organizational Documents will have been duly authorized, executed and delivered by the parties thereto and will be a valid and legally binding agreement of such party, enforceable against such party in accordance with its terms; provided that, the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws relating to or affecting creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law); and provided, further, that the indemnity, contribution and exoneration provisions contained in any of such agreements may be limited by applicable laws and public policy.

(v) *No Conflicts.* None of the offering, issuance and sale of the Notes and the Guarantees by the Issuers and the Guarantors, respectively, the execution, delivery and performance of the Notes, the Guarantees, the Exchange Notes, the Indenture, the Registration Rights Agreement, the Exchange Guarantees and this Agreement by the Inergy Parties, or the consummation by each of them of the transactions contemplated hereby (i) conflicts or will conflict with or constitutes or will constitute a violation of the Organizational Documents, (ii) constitutes or will constitute a breach or violation of, or a default (or an event which, with notice or lapse of time or both, would constitute such a default) under, any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which any of the Inergy Parties is a party or by which any of them or any of their respective properties may be bound; (iii) violates or will violate any law, administrative regulation or administrative or court decree applicable to the Inergy Parties, or (iv) results or will result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of any of the Inergy Parties, which breaches, violations, defaults or liens, in the case of clauses (ii), (iii) or (iv) would, individually or in the aggregate, have a Material Adverse Effect.

(w) *No Consents.* No permit, consent, approval, authorization, order, registration, filing or qualification (“**consent**”) of or with any court, governmental agency or body having jurisdiction over the Inergy Parties or any of their respective properties is required for the offering, issuance and sale of the Notes and the Guarantees by the Issuers in the manner contemplated herein or in the Offering Memorandum or the execution, delivery and performance by the Inergy Parties of this Agreement, the Indenture, the Notes, the Guarantees, the Exchange Notes, the Exchange Guarantees and the Registration Rights Agreement, or the consummation by the Inergy Parties of the transactions contemplated by this Agreement, except for such consents, approvals, authorizations, orders and registrations or qualifications as may be required (i) under applicable state securities laws in connection with the purchase and resale of the Notes by the Initial Purchasers and (ii) with respect to the Exchange Notes under the Securities Act and applicable state securities laws as contemplated by the Registration Rights Agreement.

(x) *No Default.* None of the Inergy Parties is (i) in violation of its Organizational Documents, or (ii) in violation of any law, statute, ordinance, administrative or governmental rule or regulation applicable to it or of any decree of any court or governmental agency or body having jurisdiction over it or (iii) in breach, default (or an event which, with notice or lapse of time or both, would constitute such a default) or violation in the performance of any obligation, agreement or condition contained in any bond, debenture, note or any other evidence of indebtedness or in any agreement, indenture, lease or other instrument to which it is a party or by which it or any of its properties may be bound, which breach, default or violation in

the case of clause (ii) or (iii) would, if continued, have a Material Adverse Effect or could materially impair the ability of any of the Inergy Parties to perform their obligations under this Agreement, the Indenture, the Notes, the Guarantees, the Exchange Notes, the Exchange Guarantees or the Registration Rights Agreement. To the knowledge of the Inergy Parties, no third party to any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which any of the Inergy Parties is a party or by which any of them is bound or to which any of their properties is subject, is in default under any such agreement, which breach, default or violation would, if continued, have a Material Adverse Effect.

(y) *Independent Registered Public Accounting Firm – Ernst & Young.* The accountants, Ernst & Young LLP, who have certified certain audited financial statements contained or incorporated by reference in the Offering Memorandum, are an independent registered public accounting firm with respect to the Partnership and the General Partners as required by the Act and the applicable Rules and Regulations thereunder and the rules and regulations of the Public Company Accounting Oversight Board (the “PCAOB”).

(z) *Financial Statements.* At December 31, 2007, the Partnership would have had, on the consolidated, as adjusted basis indicated in the Offering Memorandum, a capitalization as set forth therein. The historical financial statements (including the related notes and supporting schedules) contained or incorporated by reference in the Offering Memorandum present fairly in all material respects the financial position, results of operations and cash flows of the entities purported to be shown thereby on the basis stated therein at the respective dates or for the respective periods to which they apply and have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods involved, except to the extent disclosed therein. The financial information contained or incorporated by reference in the Offering Memorandum and the selected historical information is accurately presented in all material respects and prepared on a basis consistent with the audited and unaudited historical consolidated financial statements, as applicable, from which it has been derived.

(aa) *No Material Adverse Change.* None of the Inergy Parties has sustained since the date of the latest audited financial statements contained or incorporated by reference in the Offering Memorandum any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, investigation, order or decree that is reasonably likely to cause a Material Adverse Effect or is otherwise set forth or contemplated in the Offering Memorandum. Except as disclosed in the Offering Memorandum, subsequent to the respective dates as of which such information is given in the Offering Memorandum (exclusive of any amendment or supplement thereto), (i) none of the Inergy Parties has incurred any liability or obligation, indirect, direct or contingent, or entered into any transactions, not in the ordinary course of business, that, singly or in the aggregate, would cause or result in a Material Adverse Effect, (ii) there has not been any change in the capitalization, or increase in the short-term debt or long-term debt, of the Inergy Parties that would cause or result in a Material Adverse Effect and (iii) there has not been any adverse change, or any development involving or which may reasonably be expected to involve, singly or in the aggregate, a prospective adverse change in or affecting the general affairs, business, prospects, properties, management, condition (financial or other), partners’ capital, stockholders’ equity, net worth or results of operations of the Inergy Parties, taken as a whole, in each case except as could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

(bb) *Title to Properties*. The Inergy Parties have good and indefeasible title to all real property and good title to all personal property described in the Offering Memorandum as owned by any of them, free and clear of all liens, claims, security interests or other encumbrances except (i) those created, arising under or securing the Credit Agreement; (ii) such as are described in the Offering Memorandum or (iii) such as do not interfere with the use of such properties taken as a whole as described in the Offering Memorandum, and could not, in the aggregate, reasonably be expected to have a Material Adverse Effect. All real property and buildings held under lease or license by the Inergy Parties are held by such entity under valid and subsisting and enforceable leases or licenses with such exceptions as do not interfere with the use of such properties taken as a whole as they have been used in the past and are proposed to be used in the future as described in the Offering Memorandum and could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

(cc) *Permits*. Each of the Inergy Parties has such permits, consents, licenses, franchises, certificates and authorizations of governmental or regulatory authorities (“**permits**”) as are necessary to own its properties and to conduct its business in the manner described in the Offering Memorandum, subject to such qualifications as may be set forth in the Offering Memorandum and except for such permits which, if not obtained, would not, individually or in the aggregate, have a Material Adverse Effect; each of the Inergy Parties has fulfilled and performed all its material obligations with respect to such permits which are due to have been fulfilled and performed by such date and no event has occurred which allows, or after notice or lapse of time would allow, revocation or termination thereof or results in any impairment of the rights of the holder of any such permit, except for such revocations, terminations and impairments that would not, individually or in the aggregate, have a Material Adverse Effect, subject in each case to such qualifications as may be set forth in the Offering Memorandum; and, except as described in the Offering Memorandum, none of such permits contains any restriction that is materially burdensome to the Inergy Parties, taken as a whole.

(dd) *Books and Records*. The Partnership (i) makes and keeps books, records and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets and (ii) maintains systems of “internal control over financial reporting” (as defined in Rule 13a-15(f) of the Exchange Act) that comply with the requirements of the Exchange Act and have been designed by, or under the supervision of, their respective principal executive and principal financial officers, or persons performing similar functions, to provide reasonable assurances that (A) transactions are executed in accordance with management’s general or specific authorization; (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets; (C) access to assets is permitted only in accordance with management’s general or specific authorization; and (D) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Except as disclosed in each of the Offering Memorandum as of the Applicable Time, there are no material weaknesses or significant deficiencies in the Partnership’s internal controls.

(ee) *Disclosure Controls*. The Partnership has established and maintains disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the 1934 Act), which are designed to provide reasonable assurance that the information required to be disclosed by the Partnership in reports that it files under the 1934 Act is accumulated and communicated to the Partnership's management, including its principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. The Partnership has carried out evaluations of the effectiveness of its disclosure controls and procedures and such disclosure controls and procedures are effective in all material respects to perform the functions for which they were established.

(ff) *No Recent Changes to Internal Control Over Financial Reporting*. Since the date of the most recent evaluation of such disclosure controls and procedures, there have been no significant changes in internal controls or in other factors that materially affected our internal control over financial reporting.

(gg) *Sarbanes Oxley Act of 2002*. There is and has been no failure on the part of the Partnership and, to the Partnership's knowledge, any of the General Partner's directors or officers, in their capacities as such, to comply with the provisions of the Sarbanes-Oxley Act of 2002 and the Rules and Regulations promulgated in connection therewith.

(hh) *Tax Returns*. Each of the Inergy Parties which are required to do so has filed (or has obtained extensions with respect to) all material federal, state and foreign income and franchise tax returns required to be filed through the date hereof, which returns are complete and correct in all material respects, and has timely paid all taxes shown to be due, if any, pursuant to such returns, other than those (i) which are being contested in good faith or (ii) which, if not paid, would not have a Material Adverse Effect.

(ii) *Investment Company*. None of the Inergy Parties is now, and after sale of the Notes to be sold by the Issuers hereunder, the issuance of the Guarantees and application of the net proceeds from such sale as described in the Offering Memorandum under the caption "Use of Proceeds," none of the Inergy Parties will be an "investment company" or a company "controlled by" an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(jj) *No Environmental Problems*. Each of the Inergy Parties (i) is in compliance with any and all applicable foreign, federal, state and local laws and regulations relating to the protection of human health and safety and the environment or imposing liability or standards of conduct concerning any Hazardous Material (as hereinafter defined) ("**Environmental Laws**"), (ii) has received all permits required of it under applicable Environmental Laws to conduct its respective businesses, (iii) are in compliance with all terms and conditions of any such permit, and (iv) to the knowledge of the Inergy Parties, does not have any liability in connection with the release into the environment of any Hazardous Materials, except where such noncompliance with Environmental Laws, failure to receive required permits, or failure to comply with the terms and conditions of such permits or liability in connection with such releases would not, individually or in the aggregate, have a Material Adverse Effect. The term "**Hazardous Material**" means (A) any "hazardous substance" as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended,

(B) any “hazardous waste” as defined in the Resource Conservation and Recovery Act, as amended, (C) any petroleum or petroleum product, (D) any polychlorinated biphenyl and (E) any pollutant or contaminant or hazardous, dangerous or toxic chemical, material, waste or substance regulated under or within the meaning of any other Environmental Law.

(kk) *No Labor Dispute.* No labor dispute with the employees of the Inergy Parties exists or, to the knowledge of the Inergy Parties, is imminent which, in either case, would reasonably be expected to result in a Material Adverse Effect.

(ll) *Insurance.* The Inergy Parties maintain insurance covering their properties, operations, personnel and businesses against such losses and risks as are reasonably adequate to protect them and their businesses in a manner consistent with other businesses similarly situated. None of the Inergy Parties has received notice from any insurer or agent of such insurer that substantial capital improvements or other expenditures will have to be made in order to continue such insurance, and all such insurance is outstanding and duly in force on the date hereof and will be outstanding and duly in force on the Closing Date.

(mm) *Litigation.* Except as described in the Offering Memorandum, there is (i) no action, suit or proceeding before or by any court, arbitrator or governmental agency, body or official, domestic or foreign, now pending or, to the knowledge of the Inergy Parties, threatened, to which any of the Inergy Parties is or may be a party or to which the business or property of any of the Inergy Parties is or may be subject, (ii) no statute, rule, regulation or order that has been enacted, adopted or issued by any governmental agency or proposed by any governmental agency and (iii) no injunction, restraining order or order of any nature issued by a federal or state court or foreign court of competent jurisdiction to which any of the Inergy Parties is or may be subject, that, in the case of clauses (i), (ii) and (iii) above, is reasonably likely to (A) individually or in the aggregate have a Material Adverse Effect or (B) prevent or result in the suspension of the offer, issuance or sale of the Notes.

(nn) *Stabilization.* Prior to the date hereof, none of the Inergy Parties has taken, directly or indirectly, any action designed to cause or result in, or which has constituted or which might reasonably be expected to constitute, the stabilization or manipulation of the price the Notes in violation of any law, rule or regulation.

(oo) *No Integration.* During the six-month period preceding the date of the Offering Memorandum, none of the Issuers, the Guarantors or any other person acting on behalf of the Issuers or any Guarantor has offered or sold to any person any Notes or Guarantees, or any securities of the same or a similar class as the Notes or Guarantees, other than Notes or Guarantees offered or sold to the Initial Purchasers hereunder. The Issuers and the Guarantors will take reasonable precautions designed to insure that any offer or sale, direct or indirect, in the United States or to any U.S. person (as defined in Rule 902 under the Act), of any Notes or any substantially similar security issued by the Issuers or any Guarantor, within six months subsequent to the date on which the distribution of the Notes has been completed (as notified to the Partnership by the Initial Purchasers), is made under restrictions and other circumstances reasonably designed not to affect the status of the offer, issuance and sale of the Notes in the United States and to U.S. persons contemplated by this Agreement as transactions exempt from the registration provisions of the Act; including any sales pursuant to Rule 144A under, or Regulations D or S of, the Act.

*4. Purchase of the Notes by the Initial Purchasers, Agreements to Sell, Purchase and Resell.*

(a) The Issuers hereby agree, on the basis of the representations, warranties and agreements of the Initial Purchasers contained herein and subject to all the terms and conditions set forth herein, to issue and sell to the Initial Purchasers and, upon the basis of the representations, warranties and agreements of the Issuers and the Guarantors herein contained and subject to all the terms and conditions set forth herein, each Initial Purchaser agrees, severally and not jointly, to purchase from the Issuers, at a purchase price of 100.5% of the principal amount thereof plus accrued interest from March 1, 2008, the total principal amount of Notes set forth opposite the name of such Initial Purchaser in Schedule I hereto. The Issuers and the Guarantors shall not be obligated to deliver any of the securities to be delivered hereunder except upon payment for all of the securities to be purchased as provided herein.

(b) Each of the Initial Purchasers severally and not jointly hereby represents and warrants to and agrees with the Issuers that it will offer the Notes for sale upon the terms and conditions set forth in this Agreement and in the Offering Memorandum. Each of the Initial Purchasers hereby represents and warrants to, and agrees with, the Issuers that such Initial Purchaser: (i) is a QIB with such knowledge and experience in financial and business matters as are necessary in order to evaluate the merits and risks of an investment in the Notes; (ii) is purchasing the Notes pursuant to a private sale exempt from registration under the Act; (iii) in connection with the Exempt Resales, will solicit offers to buy the Notes only from, and will offer to sell the Notes only to, the Eligible Purchasers in accordance with this Agreement and on the terms contemplated by the Offering Memorandum; and (iv) will not offer or sell the Notes, nor has it offered or sold the Notes by, or otherwise engaged in, any form of general solicitation or general advertising (within the meaning of Regulation D, including, but not limited to, advertisements, articles, notices or other communications published in any newspaper, magazine, or similar medium or broadcast over television or radio, or any seminar or meeting whose attendees have been invited by any general solicitation or general advertising) and will not engage in any directed selling efforts within the meaning of Rule 902 under the Act, in connection with the offering of the Notes. The Initial Purchasers have advised the Issuers that they will offer the Notes to Eligible Purchasers at a price initially equal to 102.0% of the principal amount thereof, plus accrued interest, if any, from the date of issuance of the Notes. Such price may be changed by the Initial Purchasers at any time without notice.

(c) Each of the Initial Purchasers severally and not jointly hereby represents and warrants and agrees with the Issuers that each of the Initial Purchasers and each of its affiliates (i) have only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received by them in connection with the issue or sale of any notes in circumstances in which Section 21(1) of the FSMA does not apply to us; and (ii) have complied and will comply with all applicable provisions of the FSMA with respect to anything done by them in relation to the notes in, from or otherwise involving the United Kingdom.

(d) Each of the Initial Purchasers understands that the Issuers and, for purposes of the opinions to be delivered to the Initial Purchasers pursuant to Sections 7(c) and 7(f) hereof (as set forth in the form of opinions), counsel to the Issuers and counsel to the Initial Purchasers, will rely upon the accuracy and truth of the foregoing representations, warranties and agreements and the Initial Purchasers hereby consent to such reliance.

5. *Delivery of the Notes and Payment Therefor.* Delivery to the Initial Purchasers of and payment for the Notes shall be made at the offices of Vinson & Elkins L.L.P., 1001 Fannin Street, 2500 First City Tower, Houston, TX 77002-6760, at 9:00 A.M., central time, on the Closing Date. The place of closing for the Notes and the Closing Date may be varied by agreement between the Initial Purchasers and the Issuers.

The Notes will be delivered to the Trustee as custodian for The Depository Trust Company (“DTC”), against payment by or on behalf of the Initial Purchasers of the purchase price therefor by wire transfer in immediately available funds, by causing DTC to credit the Notes to the account of the Initial Purchasers at DTC. The Notes will be evidenced by one or more global securities in definitive form (the “Global Notes”), and will be registered in the name of Cede & Co. as nominee of DTC.

6. *Agreements of the Inergy Parties.* The Inergy Parties, jointly and severally agree with each of the Initial Purchasers as follows:

(a) The Issuers and the Guarantors will promptly furnish to the Initial Purchasers, without charge, such number of copies of the Offering Memorandum as they may reasonably request.

(b) The Issuers and the Guarantors will not make any amendment or supplement to the Offering Memorandum of which the Initial Purchasers shall not previously have been advised or to which they shall reasonably object after being so advised; provided, that this clause shall not apply to any filing by the Partnership of any Annual Report on Form 10-K, Quarterly Report on Form 10-Q.

(c) If, at any time prior to completion of the distribution of the Notes by the Initial Purchasers to Eligible Purchasers, any event occurs or information becomes known that, in the judgment of the Issuers, any of the Guarantors or in the opinion of counsel for the Initial Purchasers, should be set forth in the Offering Memorandum so that the Offering Memorandum does not include any untrue statement of material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it should be necessary to supplement or amend the Offering Memorandum as of the Applicable Time or the Final Offering Memorandum, as then amended or supplemented in order to comply with any law, the Issuers and the Guarantors will, subject to paragraph (b) above, promptly prepare an appropriate supplement or amendment thereto, and will promptly furnish to the Initial Purchasers and dealers a reasonable number of copies thereof.

(d) The Issuers and each of the Guarantors will cooperate with the Initial Purchasers and with their counsel in connection with the qualification of the Notes for offering, issuance and sale by the Initial Purchasers and by dealers under the securities or Blue Sky laws

of such jurisdictions as the Initial Purchasers may reasonably designate; *provided*, that in no event shall the Issuers or any of the Guarantors be obligated to qualify to do business in any jurisdiction where it is not now so qualified or to take any action that would subject it to service of process in suits, other than those arising out of the offering, issuance or sale of the Notes, in any jurisdiction where it is not now so subject or subject itself to taxation in any such jurisdiction if it is not otherwise so subject.

(e) For a period of 90 days from the date of the Offering Memorandum, the Inergy Parties agree not to, directly or indirectly, sell, offer to sell, contract to sell, grant any option to purchase, issue any instrument convertible into or exchangeable for, or otherwise transfer or dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition in the future of), any debt securities of the Issuers, the Guarantors or any of their respective subsidiaries, except (i) in exchange for the Exchange Notes and the Exchange Guarantees in connection with the Exchange Offer or (ii) with the prior consent of Wachovia Capital Markets, LLC.

(f) The Issuers will make available to the holders of the Notes as soon as practicable after the end of each fiscal year an annual report (including a balance sheet and statements of income, stockholders' equity and cash flows of the Issuers and its consolidated subsidiaries certified by an independent registered public accounting firm) and, as soon as practicable after the end of each of the first three quarters of each fiscal year (beginning with the fiscal quarter ending after the date of the Offering Memorandum), will make available to its securityholders consolidated summary financial information of the Issuers and its subsidiaries for such quarter in reasonable detail.

(g) The Issuers will apply the net proceeds from the sale of the Notes to be sold by it hereunder substantially in accordance with the description set forth in the Offering Memorandum under the caption "Use of Proceeds."

(h) Except as stated in this Agreement and in the Offering Memorandum, neither the Issuers, the Guarantors nor any of their respective affiliates will take, directly or indirectly, any action designed to or that might reasonably be expected to cause or result in stabilization or manipulation of the price of the Notes.

(i) The Issuers and the Guarantors will use their commercially reasonable efforts to permit the Notes to be designated Private Offerings, Resales and Trading through Automated Linkages (PORTAL) Market<sup>SM</sup> (the "**PORTAL Market**<sup>SM</sup>") securities in accordance with the rules and regulations adopted by the Financial Industry Regulatory Authority, Inc. relating to trading in the PORTAL Market<sup>SM</sup> and to permit the Notes to be eligible for clearance and settlement through DTC.

(j) During the period of one year after the Closing Date, the Inergy Parties will not, and will not permit any of their "affiliates" (as defined in Rule 144 under the Act), to, resell any of the Notes that constitute "restricted securities" under Rule 144 that have been reacquired by any of them.

(k) The Inergy Parties agree not to sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in the Act) that would be integrated with the sale of the Notes in a manner that would require the registration under the Act of the sale to the Initial Purchasers or the Eligible Purchasers of the Notes.

(l) The Inergy Parties will take such steps as shall be necessary to ensure that neither the Partnership nor any of the Partnership's subsidiaries becomes an "investment company" within the meaning of such term under the Investment Company Act of 1940, as amended.

(m) Before making, preparing, using, authorizing, approving or referring to any Issuer Written Communication, the Partnership will furnish to the Initial Purchasers and counsel for the Initial Purchasers a copy of such written communication for review and will not make, prepare, use, authorize, approve or refer to any such written communication to which the Initial Purchasers reasonably object.

(n) The Partnership will advise the Initial Purchasers promptly, and confirm such advice in writing, (i) of the issuance by any governmental or regulatory authority of any order preventing or suspending the use of any of the Offering Memorandum as of the Applicable Time, any Issuer Written Communication or the Final Offering Memorandum or the initiation or threatening of any proceeding for that purpose; (ii) of the occurrence of any event at any time prior to the completion of the Initial offering of the Notes as a result of which any of the Offering Memorandum as of the Applicable Time, any Issuer Written Communication or the Final Offering Memorandum as then amended or supplemented would include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing when such Offering Memorandum, Issuer Written Communication or the Final Offering Memorandum is delivered to a purchaser, not misleading; and (iii) of the receipt by the Partnership of any notice with respect to any suspension of the qualification of the Securities for offer, and sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and the Partnership will use its reasonable best efforts to prevent the issuance of any such order preventing or suspending the use of any of the Offering Memorandum as of the Applicable Time, any Issuer Written Communication or the Final Offering Memorandum or suspending any such qualification of the Securities and, if any such order is issued, will obtain as soon as possible the withdrawal thereof.

7. *Conditions to Initial Purchasers' Obligations.* The respective obligations of the Initial Purchasers hereunder are subject to the accuracy, when made and on and as of the Closing Date, of the representations and warranties of the Inergy Parties contained herein, to the performance by the Inergy Parties of their respective obligations hereunder, and to each of the following additional conditions:

(a) The Initial Purchasers shall not have discovered and disclosed to the Issuers on or prior to the Closing Date that the Offering Memorandum contained an untrue statement of a fact that, in the opinion of Baker Botts L.L.P., is material or omits to state a fact that, in the opinion of such counsel, is material and is required to be stated therein or in the documents incorporated therein by reference or is necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(b) All corporate proceedings and other legal matters incident to the authorization, form and validity of this Agreement, the Notes, the Guarantees, the Exchange Notes, the Exchange Guarantees, the Registration Rights Agreement, the Indenture and the Offering Memorandum, and all other legal matters relating to this Agreement and the transactions contemplated hereby shall be reasonably satisfactory in all material respects to Baker Botts L.L.P., and the Energy Parties shall have furnished to such counsel all documents and information that they may reasonably request to enable them to pass upon such matters.

(c) The Issuers shall have requested and caused Vinson & Elkins L.L.P., counsel for the Issuers and the Guarantors, to have furnished to the Initial Purchasers its written opinion addressed to the Initial Purchasers and dated the Closing Date, substantially in the form of Exhibit C hereto.

(d) The Issuers shall have requested and caused Laura Ozenberger, Senior Vice President - General Counsel and Secretary of the Managing General Partner, to have furnished to the Initial Purchasers her written opinion addressed to the Initial Purchasers and dated the Closing Date, substantially in the form of Exhibit D hereto.

(e) The Issuers shall have requested and Michael K. Post, in house counsel for the Partnership, to have furnished to the Initial Purchasers its written opinion addressed to the Initial Purchasers and dated the Closing Date, substantially in the form of Exhibit E hereto.

(f) The Initial Purchasers shall have received from Baker Botts L.L.P., counsel for the Initial Purchasers, such opinion or opinions, dated the Closing Date, with respect to the offer, issuance and sale of the Notes, the Offering Memorandum and other related matters as the Initial Purchasers may reasonably require, and the Issuers shall have furnished to such counsel such documents and information as they reasonably request for the purpose of enabling them to pass upon such matters.

(g) The Issuers and each Guarantor shall have furnished or caused to be furnished to the Initial Purchasers on the Closing Date certificates of officers of the Issuers and each Guarantor satisfactory to the Initial Purchasers as to the accuracy of the representations and warranties of the Issuers and each Guarantor herein at and as of the Closing Date, as to the performance by the Issuers and each Guarantor of all of their obligations hereunder to be performed at or prior to the Closing Date and as to such other matters as Wachovia Capital Markets, LLC may reasonably request.

(h) At the time of execution of this Agreement, the Initial Purchasers shall have received from Ernst & Young LLP a letter, in form and substance satisfactory to the Initial Purchasers, addressed to the Initial Purchasers and dated the date hereof (i) confirming that such firm is an independent registered public accounting firm within the meaning of the Act and the rules of the PCAOB and is in compliance with the applicable requirements relating to the qualification of accountants under Rule 2-01 of Regulation S-X of the Commission and (ii) stating, as of the date hereof (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the Offering Memorandum, as of a date not more than five days prior to the date hereof), the conclusions and findings of such firm with respect to the financial information and (iii) covering such other matters as are ordinarily covered by accountants' "comfort letters" to Initial Purchasers in connection with registered public offerings.

(i) With respect to the letter of Ernst & Young LLP referred to in the preceding paragraph and delivered to the Initial Purchasers concurrently with the execution of this Agreement (the “**initial letter**”), the Partnership shall have furnished to the Initial Purchasers a letter (a “**bring-down letter**”) of such firm, addressed to the Initial Purchasers and dated the Closing Date (i) confirming that such firm is an independent registered public accounting firm within the meaning of the Act and the rules of the PCAOB and is in compliance with the applicable requirements relating to the qualification of accountants under Rule 2-01 of Regulation S-X of the Commission, (ii) stating, as of the Closing Date (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the Offering Memorandum, as of a date not more than five days prior to the date of the Closing Date), the conclusions and findings of such firm with respect to the financial information and other matters covered by the initial letter and (iii) confirming in all material respects the conclusions and findings set forth in the initial letter.

(j) None of the Inergy Parties shall have sustained, since the date of the latest audited financial statements included or incorporated by reference in the Offering Memorandum, any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Offering Memorandum (exclusive of any amendment or supplement thereto); and, since such date, there shall not have been any material change in the stockholders’ equity or long-term debt of any of the Inergy Parties, or material adverse change, or any development involving a prospective material adverse change, in or affecting the management, condition, financial or otherwise, stockholders’ equity, results of operations, business or prospects of the Inergy Parties, taken as a whole.

(k) Subsequent to the execution and delivery of this Agreement (i) no downgrading shall have occurred in the rating accorded the Issuers’ debt securities by any “nationally recognized statistical rating organization,” as that term is defined by the Commission for purposes of Rule 436(g)(2) of the Rules and Regulations and (ii) no such organization shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any of the Issuers’ debt securities.

(l) The Notes shall have been designated for trading on the PORTAL Market<sup>SM</sup>.

(m) The Issuers and the Guarantors have executed and delivered the Registration Rights Agreement, and the Initial Purchasers shall have received an executed counterpart thereof, duly executed by the Issuers and the Guarantors.

(n) The Issuers, the Guarantors and the Trustee shall have executed and delivered an officer’s certificate relating to the issuance of the Notes pursuant to Section 2.13 of the Indenture.

(o) There shall not have occurred any of the following: (i) trading in securities generally on the NASDAQ National Market shall have been suspended, the settlement of such trading generally shall have been materially disrupted or minimum prices shall have been established on any such exchange or such market by the Commission, by such exchange or by any other regulatory body or governmental authority having jurisdiction; (ii) trading in any securities of the Partnership on any exchange or in the over-the-counter market shall have been suspended, (iii) a banking moratorium shall have been declared by federal or state authorities, (iv) the United States shall have become engaged in hostilities, there shall have been an escalation in hostilities involving the United States or there shall have been a declaration of a national emergency or war by the United States or (v) there shall have occurred such a material adverse change in general economic, political or financial conditions or any other calamity or crisis, including, without limitation, as a result of terrorist activities after the date hereof (or the effect of international conditions on the financial markets in the United States shall be such), as to make it, in the judgment of Wachovia Capital Markets, LLC, so material and adverse as to make it impracticable or inadvisable to proceed with the offering or sale of the Notes being delivered on the Closing Date on the terms and in the manner contemplated by the Offering Memorandum.

All opinions, letters, evidence and certificates mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Initial Purchasers.

#### *8. Indemnification and Contribution.*

(a) The Inergy Parties jointly and severally, will indemnify and hold harmless each of the Initial Purchasers from and against any losses, damages or liabilities, joint or several, to which the Initial Purchasers may become subject, under the Act, or otherwise, insofar as such losses, damages or liabilities (or actions or claims in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Offering Memorandum or any Issuer Written Communication, or any amendment or supplement thereto, or arise out of or are based upon any omission or alleged omission to state therein a material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, and will reimburse each of the Initial Purchasers for any legal or other out-of-pocket expenses incurred by such Initial Purchasers in connection with investigating, preparing, pursuing or defending against or appearing as a third party witness in connection with any such loss, damage, liability or action or claim, including, without limitation, any investigation or proceeding by any governmental agency or body, commenced or threatened, including the reasonable fees and expenses of counsel to the indemnified party, as such expenses are incurred (including such losses, damages, liabilities or expenses to the extent of the aggregate amount paid in settlement of any such action or claim, provided that (subject to Section 8(c) hereof) any such settlement is effected with the written consent of the Partnership); *provided, however*, that the Inergy Parties shall not be liable in any such case to the extent, but only to the extent, that any such loss, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Offering Memorandum, any Issuer Written Communication, or in any amendment or supplement thereto, in reliance upon and in conformity with written information relating to the Initial Purchasers furnished to the Issuers by you, expressly for use in the preparation thereof, which information is specified in Section 13.

(b) Each of the Initial Purchasers, severally and not jointly, will indemnify and hold harmless the Inergy Parties from and against any losses, damages or liabilities to which the Inergy Parties may become subject, under the Act or otherwise, insofar as such losses, damages or liabilities (or actions or claims in respect thereof) arise out of or are based upon (i) an untrue statement or alleged untrue statement of a material fact contained in the Preliminary Offering Memorandum, the Offering Memorandum, any Issuer Written Communication, or in any amendment or supplement thereto, or arise out of or are based upon any omission or alleged omission to state therein a material fact necessary to make the statements therein, in light of the circumstances in which they were made, 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 the Preliminary Offering Memorandum, the Offering Memorandum, any Issuer Written Communication, or in any amendment or supplement thereto, in reliance upon and in conformity with written information relating to the Initial Purchasers furnished to the Issuers by such Initial Purchaser, expressly for use in the preparation thereof (as provided in Section 13 hereof), and will reimburse the Inergy Parties for any legal or other expenses incurred by the Inergy Parties in connection with investigating or defending any such action or claim as such expenses are incurred (including such losses, damages, liabilities or expenses to the extent of the aggregate amount paid in settlement of any such action or claim, provided that (subject to Section 8(d) hereof) any such settlement is effected with the written consent of the Initial Purchasers).

(c) Promptly after receipt by an indemnified party under Section 8(a) or 8(b) hereof of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against an indemnifying party under Section 8(a) or 8(b) hereof, notify each such indemnifying party in writing of the commencement thereof, but the failure so to notify such indemnifying party shall not relieve such indemnifying party from any liability it may have under Section 8(a) or 8(b) hereof except to the extent it has been materially prejudiced (through the forfeiture of substantive rights and defenses by such failure, and such failure shall not relieve such indemnifying party from any liability it may have to any such indemnified party otherwise than under Section 8(a) or 8(b) hereof. In case any such action shall be brought against any such indemnified party and it shall notify each indemnifying party of the commencement thereof, each such indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party under Section 8(a) or 8(b) hereof similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of such indemnified party, be counsel to such indemnifying party), and, after notice from such indemnifying party to such indemnified party of its election so to assume the defense thereof, such indemnifying party shall not be liable to such indemnified party under Section 8(a) or 8(b) hereof 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. The indemnified party shall have the right to employ its own counsel in any such action, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the employment of counsel by such indemnified party at the expense of the indemnifying party has been authorized by the indemnifying party, (ii) the indemnified party shall have been advised by such counsel that there may be a conflict of interest between the indemnifying party and the indemnified party in the conduct of the defense, or certain aspects of the defense, of such action (in which case the indemnifying party shall not have the right to direct the defense of such action

with respect to those matters or aspects of the defense on which a conflict exists or may exist on behalf of the indemnified party) or (iii) the indemnifying party shall not in fact have employed counsel reasonably satisfactory to such indemnified party to assume the defense of such action, in any of which events such fees and expenses to the extent applicable shall be borne, and shall be paid as incurred, by the indemnifying party. If at any time such indemnified party shall have requested such indemnifying party under Section 8(a) or 8(b) hereof to reimburse such indemnified party for fees and expenses of counsel, such indemnifying party agrees that it shall be liable for any settlement of the nature contemplated by Section 8(a) or 8(b) hereof effected without its written consent if (i) such settlement is entered into more than 60 days after receipt by such indemnifying party of such request for reimbursement, (ii) such indemnifying party shall have received notice of the terms of such settlement at least 45 days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request for reimbursement prior to the date of such settlement. No such indemnifying party shall, without the written consent of such 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 such indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (A) includes an unconditional release of such indemnified party from all liability arising out of such action or claim and (B) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any such indemnified party. In no event shall such indemnifying parties be liable for the fees and expenses of more than one counsel, including any local counsel, for all such indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances.

(d) If the indemnification provided for in this Section 8 is unavailable to or insufficient to indemnify or hold harmless an indemnified party under Section 8(a) or 8(b) hereof in respect of any losses, damages or liabilities (or actions or claims in respect thereof) referred to therein, then each indemnifying party under Section 8(a) or 8(b) hereof shall contribute to the amount paid or payable by such indemnified party as a result of such losses, damages or liabilities (or actions or claims in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Inergy Parties on the one hand, and the Initial Purchasers on the other hand, from the offering of the Notes. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under Section 8(c) hereof and such indemnifying party was prejudiced in a material respect by such failure, then each such indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault, as applicable, of the Inergy Parties on the one hand, and the Initial Purchasers, on the other hand in connection with the statements or omissions that resulted in such losses, damages or liabilities (or actions or claims in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by, as applicable, the Inergy Parties on the one hand and the Initial Purchasers, on the other hand, shall be deemed to be in the same proportion as the total net proceeds from such offering (before deducting expenses) received by the Issuers bear to the total discounts and commissions received by the Initial Purchasers. The relative fault, as applicable, of the Inergy Parties, on the one hand and the Initial Purchasers, on the other hand, 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 Inergy Parties on the one hand, or the Initial Purchasers on the other hand and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Inergy Parties and the Initial Purchasers agree that it would not be just and equitable if contribution pursuant to this Section 8(d) were determined by *pro rata* allocation or by any other method of allocation that does not take account of the equitable considerations referred to above in this Section 8(d). The amount paid or payable by such an indemnified party as a result of the losses, damages or liabilities (or actions or claims in respect thereof) referred to above in this Section 8(d) shall be deemed to include any legal or other expenses incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 8(d), no Initial Purchaser shall be required to contribute any amount in excess of the amount by which the total price at which the Notes purchased by it and distributed to the public were offered to the public exceeds the amount of any damages that such Initial Purchaser 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 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Initial Purchasers' obligations to contribute pursuant to this Section 8 are several in proportion to their respective purchase obligations hereunder and not joint.

(e) The obligations of the Inergy Parties under this Section 8 shall be in addition to any liability that the Inergy Parties may otherwise have and shall extend, upon the same terms and conditions, to each officer, director, employee, agent or other representative of each Initial Purchaser and to each person, if any, who controls any Initial Purchaser within the meaning of the Act; and the obligations of each of the Initial Purchasers under this Section 8 shall be in addition to any liability that the respective Initial Purchaser may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Issuers and the Managing General Partner and to each person, if any, who controls the Inergy Parties within the meaning of the Act.

9. *Defaulting Initial Purchasers.* If, on the Closing Date, any Initial Purchaser defaults in the performance of its obligations under this Agreement, the remaining non-defaulting Initial Purchasers shall be obligated to purchase the Notes that the defaulting Initial Purchaser agreed but failed to purchase on the Closing Date in the respective proportions that the number of Notes set opposite the name of each remaining non-defaulting Initial Purchaser in Schedule I hereto bears to the total number of Notes set opposite the names of all the remaining non-defaulting Initial Purchasers in Schedule I hereto; *provided, however*, that the remaining non-defaulting Initial Purchasers shall not be obligated to purchase any of the Notes on the Closing Date if the total number of Notes that the defaulting Initial Purchaser or Initial Purchasers agreed but failed to purchase on such date exceeds 9.09% of the total number of Notes to be purchased on the Closing Date, and any remaining non-defaulting Initial Purchasers shall not be obligated to purchase more than 110% of the number of Notes that it agreed to purchase on the Closing Date pursuant to the terms of Section 4. If the foregoing maximums are exceeded, the remaining non-defaulting Initial Purchasers, or those other Initial Purchasers satisfactory to the Initial Purchasers who so agree, shall have the right, but shall not be obligated, to purchase, in such proportion as may be agreed upon among them, all the Notes to be purchased on the Closing Date. If the remaining Initial Purchasers or other Initial Purchasers

satisfactory to the Initial Purchasers do not elect to purchase the Notes that the defaulting Initial Purchaser or Initial Purchasers agreed but failed to purchase on the Closing Date, this Agreement shall terminate without liability on the part of any non-defaulting Initial Purchaser or the Inergy Parties, except that the Inergy Parties will continue to be liable for the payment of expenses to the extent set forth in Sections 11 and 12.

Nothing contained herein shall relieve a defaulting Initial Purchaser of any liability it may have to the Inergy Parties damages caused by its default. If other Initial Purchasers are obligated or agree to purchase the Notes of a defaulting or withdrawing Initial Purchaser, either the remaining Initial Purchasers or the Issuers may postpone the Closing Date for up to seven full business days in order to effect any changes that in the opinion of counsel for the Issuers or counsel for the Initial Purchasers may be necessary in the Offering Memorandum or in any other document or arrangement.

10. *Termination.* The obligations of the Initial Purchasers hereunder may be terminated by the Initial Purchasers by notice given to and received by the Issuers prior to delivery of and payment for the Notes if, prior to that time, any of the events described in Section 7(o) shall have occurred or if the Initial Purchasers shall decline to purchase the Notes for any reason permitted under this Agreement.

11. *Cost and Expenses.* The Partnership will bear and pay the costs and expenses incident to the offering of the Notes, including, without limitation, (a) all expenses (including stock transfer taxes) incurred in connection with the delivery to the Initial Purchasers of the Notes, the fees and expenses of the Issuers' counsel and accountants, (b) the preparation, printing, filing, delivery and shipping of the Preliminary Offering Memorandum and the Offering Memorandum and any amendments or supplements thereto and the printing, delivery and shipping of this Agreement, the Indenture, the Registration Rights Agreement, all Blue Sky Memoranda and all other agreements, memoranda, correspondence and other documents printed and delivered in connection therewith and with the Exempt Resales (but not, however, legal fees and expenses of your counsel incurred in connection with any of the foregoing other than fees of such counsel plus reasonable disbursements incurred in connection with the preparation, printing and delivery of such Blue Sky Memoranda), (c) the furnishing of copies of such documents to the Initial Purchasers, (d) the issuance and delivery by the Issuers of the Notes and by the Guarantors of the Guarantees and any taxes payable in connection therewith, (e) the qualification of the Notes and Exchange Notes for the offer, issuance and sale under the securities or Blue Sky laws of the several states (including, without limitation, the reasonable fees and disbursements of your counsel relating to such registration or qualification), (f) the furnishing of such copies of the Preliminary Offering Memorandum and the Offering Memorandum, and all amendments and supplements thereto, as may be reasonably requested for use in connection with the Exempt Resales, (g) the preparation of certificates for the Notes (including, without limitation, printing and engraving thereof), (h) the application for quotation of the Notes in the PORTAL Market<sup>SM</sup> (including all disbursements and listing fees), (i) the approval of the Notes by DTC for "book-entry" transfer (including fees and expenses of counsel), (j) the rating of the Notes and the Exchange Notes, (k) the obligations of the Trustee, any agent of the Trustee and the counsel for the Trustee in connection with the Indenture, the Notes, the Guarantees, the Exchange Notes and the Exchange Guarantees, (l) the performance by the Inergy Parties of their other obligations under this Agreement, (m) all travel expenses, including one-half of the expenses relating to

chartered aircraft and all accommodation expenses, of representatives of the Partnership in connection with the offering of the Notes, and (n) all of the other costs and expenses incident to the performance by the Issuers of the offering of the Notes; provided, that the Initial Purchasers will bear and pay all of their own costs and expenses, including the fees and expenses of counsel, and any advertising costs and expenses incurred by any of the Initial Purchasers incident to the offering of the Notes.

If this Agreement is terminated by you in accordance with the provisions of Section 10, the Issuers shall reimburse the Initial Purchasers for all of their reasonable out-of-pocket expenses, including the reasonable fees and disbursements of counsel to the Initial Purchasers.

12. *Reimbursement of Initial Purchasers' Expenses.* If the Issuers fail to tender the Notes for delivery to the Initial Purchasers by reason of any failure, refusal or inability on the part of the Inergy Parties to perform any agreement on their part to be performed, or because any other condition of the obligations hereunder required to be fulfilled by the Inergy Parties is not fulfilled, the Inergy Parties shall reimburse the Initial Purchasers for all reasonable out-of-pocket expenses (including fees and disbursements of counsel) incurred by the Initial Purchasers in connection with this Agreement and the proposed purchase of the Notes, and upon demand the Inergy Parties shall pay the full amount thereof to the Initial Purchasers. If this Agreement is terminated pursuant to Section 10 by reason of the default of one or more Initial Purchasers, the Inergy Parties shall not be obligated to reimburse any defaulting Initial Purchaser on account of those expenses.

13. *Information Furnished by the Initial Purchasers.* The statements set forth in the second and third sentences of the third paragraph, the seventh paragraph, tenth paragraph and the eleventh paragraph, all under the section captioned "Plan of Distribution" in the Offering Memorandum, constitute the only information furnished by or on behalf of the Initial Purchasers through you as such information is referred to in Section 4(d) hereof.

14. *Notices.* All statements, requests, notices and agreements hereunder shall be in writing, and:

(a) if to any Initial Purchasers, shall be delivered or sent by hand delivery, mail, telex, overnight courier or facsimile transmission to (i) Wachovia Capital Markets, LLC, One Wachovia Center, 301 South College Street, Charlotte, NC 28288-0604, Attention: High Yield Capital Markets; (ii) Lehman Brothers Inc., 1271 Avenue of the Americas, 42nd Fl, New York, New York 10020, Attention: Syndicate Registration (Fax: 646-834-8133), with a copy, in the case of any notice pursuant to Section 8, to the Director of Litigation, Office of the General Counsel, Lehman Brothers Inc., 1271 Avenue of the Americas, 44th floor, New York, New York 10020 (Fax: 212-520-0421); and (iii) J.P. Morgan Securities Inc., 220 Park Avenue, New York, NY 10017, Attention: Lawrence Landry (Fax: 212-270-1063).

(b) if to the Inergy Parties, shall be delivered or sent by mail, telex, overnight courier or facsimile transmission to Inergy, L.P., 2 Brush Creek Blvd., Kansas City, Missouri 64112, facsimile number (816) 471-3854, with a copy to Laura Ozenberger, General Counsel, 2 Brush Creek Blvd., Kansas City, Missouri 64112, facsimile number (816) 531-4680;

*provided, however*, that any notice to an Initial Purchaser pursuant to Section 8(c) shall be delivered or sent by hand delivery, mail, telex or facsimile transmission to such Initial Purchaser at its address set forth in its acceptance telex, overnight courier to Wachovia Capital Markets, LLC, which address will be supplied to any other party hereto by Wachovia Capital Markets, LLC upon request. Any such statements, requests, notices or agreements shall take effect at the time delivered by hand, if personally delivered; two business days after being deposited in the mail, postage prepaid, if mailed; when answered back, if telexed; when receipt is acknowledged, if telecopied; and on the next business day, if timely delivered to an air courier guaranteeing overnight delivery. The Issuers shall be entitled to act and rely upon any request, consent, notice or agreement given or made on behalf of the Initial Purchasers by Wachovia Capital Markets, LLC.

15. *Persons Entitled to Benefit of Agreement.* This Agreement shall inure to the benefit of and be binding upon the Initial Purchasers, the Inergy Parties and their respective successors. This Agreement and the terms and provisions hereof are for the sole benefit of only those persons, except that (A) the representations, warranties, indemnities and agreements of the Inergy Parties contained in this Agreement shall also be deemed to be for the benefit of directors of the Initial Purchasers, officers of the Initial Purchasers and any person or persons controlling any Initial Purchaser within the meaning of Section 15 of the Act and (B) the indemnity agreement of the Initial Purchasers contained in Section 8(b) of this Agreement shall be deemed to be for the benefit of directors of the Inergy Parties, officers of the Inergy Parties and any person controlling the Inergy Parties within the meaning of Section 15 of the Act. Nothing in this Agreement is intended or shall be construed to give any person, other than the persons referred to in this Section 15, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein.

16. *Research Independence.* In addition, the Partnership acknowledges that the Initial Purchasers' research analysts and research departments are required to be independent from their respective investment banking divisions and are subject to certain regulations and internal policies, and that such Initial Purchasers' research analysts may hold and make statements or investment recommendations and/or publish research reports with respect to the Partnership and/or the offering that differ from the views of its investment bankers. The Partnership hereby waives and releases, to the fullest extent permitted by law, any claims that the Partnership may have against the Initial Purchasers with respect to any conflict of interest that may arise from the fact that the views expressed by their independent research analysts and research departments may be different from or inconsistent with the views or advice communicated to the Partnership by such Initial Purchasers' investment banking divisions. The Partnership acknowledges that each of the Initial Purchasers is a full service securities firm and as such from time to time, subject to applicable securities laws, may effect transactions for its own account or the account of its customers and hold long or short positions in debt or equity securities of the companies which may be the subject of the transactions contemplated by this Agreement.

17. *No fiduciary duty.* Notwithstanding any preexisting relationship, advisory or otherwise, between the parties or any oral representations or assurances previously or subsequently made by the Initial Purchasers, each of the Inergy Parties acknowledges and agrees that: (i) nothing herein shall create a fiduciary or agency relationship between any of the Inergy Parties, on the one hand, and the Initial Purchasers, on the other; (ii) the Initial Purchasers are not

acting as advisors, expert or otherwise, to any of the Inergy Parties in connection with this offering, the sale of the Notes or any other services the Initial Purchasers may be deemed to be providing hereunder, including, without limitation, with respect to the public offering price of the Notes; (iii) the relationship between the Inergy Parties, on the one hand, and the Initial Purchasers, on the other, is entirely and solely commercial, based on arms-length negotiations; (iv) any duties and obligations that the Initial Purchasers may have to any of the Inergy Parties shall be limited to those duties and obligations specifically stated herein; and (v) notwithstanding anything in this Agreement to the contrary, you acknowledge that the Initial Purchasers' may have financial interest in the success of the offering that are not limited to the difference between the price to the public and the purchase price paid to you by the Initial Purchasers for the Notes and the Initial Purchasers have no obligation to disclose, or account to you for, any of such additional financial interests. Each of the Inergy Parties hereby waives and releases, to the fullest extent permitted by law, any claims that any of the Inergy Parties may have against the Initial Purchasers with respect to any breach or alleged breach of fiduciary duty with respect to the transactions contemplated by this Agreement.

18. *Survival.* The respective indemnities, representations, warranties and agreements of the Inergy Parties and the Initial Purchasers contained in this Agreement or made by or on behalf on them, respectively, pursuant to this Agreement, shall survive the delivery of and payment for the Notes and shall remain in full force and effect, regardless of any investigation made by or on behalf of any of them or any person controlling any of them.

19. *Definition of the Terms "Business Day" and "Subsidiary."* For purposes of this Agreement, (a) "**business day**" means any day on which the New York Stock Exchange, Inc. is open for trading and (b) "**subsidiary**" has the meaning set forth in Rule 405 of the Rules and Regulations.

20. *Governing Law.* **This Agreement shall be governed by and construed in accordance with the laws of New York.**

21. *Counterparts.* This Agreement may be executed in one or more counterparts and, if executed in more than one counterpart, the executed counterparts shall each be deemed to be an original but all such counterparts shall together constitute one and the same instrument.

22. *Headings.* The headings herein are inserted for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

If the foregoing correctly sets forth the agreement among the Inergy Parties and the Initial Purchasers, please indicate your acceptance in the space provided for that purpose below.

Very truly yours,

INERGY, L.P.

By: Inergy GP, LLC (its General Partner)

By: /s/ Laura L. Ozenberger

Laura L. Ozenberger  
Senior Vice President, General Counsel and  
Secretary

INERGY FINANCE CORP.

By: /s/ Laura L. Ozenberger

Laura L. Ozenberger  
Senior Vice President, General Counsel and  
Secretary

INERGY PROPANE, LLC  
INERGY MIDSTREAM, LLC  
L & L TRANSPORTATION, LLC  
INERGY TRANSPORTATION, LLC  
INERGY STAGECOACH II, LLC  
INERGY GAS MARKETING, LLC  
INERGY STORAGE, INC  
STELLAR PROPANE SERVICE, LLC  
CENTRAL NEW YORK OIL AND GAS  
INERGY SALES & SERVICE, INC.  
FARM & HOME RETAIL OIL COMPANY,  
LLC  
ARLINGTON STORAGE COMPANY, LLC

By: /s/ Laura L. Ozenberger

Laura L. Ozenberger  
Senior Vice President, General Counsel and  
Secretary

Accepted:

WACHOVIA CAPITAL MARKETS, LLC  
J.P. MORGAN SECURITIES INC.  
LEHMAN BROTHERS INC.

By: WACHOVIA CAPITAL MARKETS, LLC,

By: /s/ Jeff Gore  
Managing Director

By: J.P. MORGAN SECURITIES INC.

By: /s/ Adam Bernard  
Executive Director

By: LEHMAN BROTHERS INC.

By: /s/ Timothy N. Hartzell  
Managing Director

SCHEDULE I

<u>Initial Purchasers</u>	<u>Principal Amount of Notes to be Purchased</u>
Wachovia Capital Markets, LLC	\$ 66,668,000
J.P. Morgan Securities Inc.	\$ 66,666,000
Lehman Brothers Inc. .	\$ 66,666,000
Total	<u>\$200,000,000</u>

**Pricing Disclosure Supplement**

[See Attached]

**\$200,000,000**  
**Inergy, L.P.**  
**Inergy Finance Corp.**  
**8 1/4% Senior Notes due 2016**

April 24, 2008

**Pricing Supplement dated April 24, 2008 to Preliminary Offering Memorandum dated April 23, 2008 of INERGY, L.P. and INERGY FINANCE CORP.**

This Pricing Supplement is qualified in its entirety by reference to the Preliminary Offering Memorandum, except to the extent inconsistent with the information in the Preliminary Offering Memorandum. The information in this Pricing Supplement supplements the Preliminary Offering Memorandum and supersedes the information in the Preliminary Offering Memorandum to the extent inconsistent with the information in the Preliminary Offering Memorandum. Capitalized terms used below have the meanings given in the Preliminary Offering Memorandum.

The notes have not been registered under the Securities Act of 1933, as amended, or the laws of any other jurisdiction and may not be offered or sold within the United States or to, or for the account or benefit of, U. S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and such other securities laws. Accordingly, the notes are being offered and sold only (a) to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) and (b) outside the United States to non-U.S. persons in reliance upon Regulation S under the Securities Act. For details about eligible offerees, deemed representations and agreements by investors and transfer restrictions, see "Notice to Investors" in the Preliminary Offering Memorandum.

<b>Issuers:</b>	<u>Inergy, L.P. and Inergy Finance Corp. (the "Issuers")</u>
Principal Amount:	\$200,000,000
Notes Offered:	Senior unsecured notes
Maturity Date:	March 1, 2016
Issue Price:	102%, plus accrued interest from March 1, 2008
Coupon:	8 1/4%
Interest Payment Dates:	March 1 and September 1 of each year, beginning September 1, 2008
Trade Date:	April 24, 2008
Settlement Date:	April 29, 2008 (T+3)
Distribution:	144A and Regulation S with registration rights as set forth in the Preliminary Offering Memorandum
Initial Purchasers:	Wachovia Capital Markets, LLC, J.P. Morgan Securities Inc. and Lehman Brothers Inc.
CUSIP:	45661TAC5 (144A) and U45290AB6 (Reg S)

**The Issuers will receive net proceeds from this offering of approximately \$200.8 million, after deducting initial purchaser discounts and the estimated expenses of the offering.**

**Proceeds:**  
**Capitalization:** As a result of the increase in the size of the offering the Capitalization table is hereby revised as follows:

	<u>Actual</u>	<u>As adjusted</u>	<u>As further adjusted</u>
	(Dollars in millions)		
Cash	\$ 23.1	\$ 23.1	\$ 23.1
Debt:			
Revolving working credit facility	82.5	— (a)	—
Revolving acquisition credit facility	121.0	249.0(b)	48.2(c)
ASC credit agreement	11.6	11.6	11.6
6 7/8% Senior unsecured notes due 2014	426.2	426.2	426.2
8 1/4% Senior unsecured notes due 2016	200.0	200.0	400.0(d)
Other Debt	15.7	15.7	15.7
Total Debt	857.0	902.5	901.7
Total Partner' Capital	742.1	742.1	742.1
Total Capitalization	<u>\$1,599.1</u>	<u>\$ 1,644.6</u>	<u>\$ 1,643.8</u>

(a) Reflects the repayment of approximately \$82.5 seasonal working capital borrowings subsequent to December 31, 2007.

(b) Reflects additional borrowings of approximately \$128.0 million under our revolving acquisition credit facility subsequent to December 31, 2007, of which approximately \$53.0 million was borrowed to fund the purchase of three recent retail acquisitions and approximately \$75.0 million was borrowed to fund our midstream capital expansion projects.

(c) Reflects the net proceeds from this offering of approximately \$200.8 million, after deducting approximately \$3.2 million of initial purchasers' discounts and offering expenses payable by us and the

application of the proceeds to repay borrowings under our revolving acquisition credit facility, which were borrowed to fund our recent acquisitions and organic capital expansion projects.

(d) Excludes a premium of \$4.0 million received from the issuance of the additional 8 1/4% senior unsecured notes due 2016.

Other Changes From the Preliminary Offering Memorandum:

As of December 31, 2007, on an as further adjusted basis after giving effect to this offering and the other transactions described under "Capitalization,"

we would have had \$901.7 million of total indebtedness outstanding, \$59.8 million of which would have been secured, with available borrowing capacity of \$301.9 million under our secured revolving acquisition credit facility.

Description of Other Indebtedness (p.18):

We maintain a credit agreement that consists of a \$75.0 million revolving working capital facility and a \$350.0 million revolving acquisition facility.

**Form of Registration Rights Agreement**

[See Attached]

**Vinson & Elkins Opinion**

Vinson & Elkins L.L.P. shall have furnished to the Initial Purchasers its written opinion, as counsel to the Issuers and the Guarantors, addressed to the Initial Purchasers and dated the Closing Date, in form and substance reasonably satisfactory to Wachovia Capital Markets, LLC, to the effect that:

(i) Each of the Issuers and the Operating Company, Midstream, Service Sub, L & L Transportation, Inergy Transportation, Inergy Gas, Stellar Propane, Stagecoach II, Storage, CNYOGC and Arlington Storage (the “**Delaware/New York Guarantors**”) and each of the General Partners has been duly formed and is validly existing in good standing under its jurisdiction of formation with all necessary power and authority to own or lease its properties and to conduct its business, in all material respects as described in the Offering Memorandum. Each of the Inergy Parties and the General Partners is duly registered or qualified as a foreign entity company for the transaction of business under the laws of the jurisdictions set forth on an exhibit to such counsel’s opinion.

(ii) The General Partners are the only general partners of the Partnership. The Non-Managing General Partner owns of record an approximate 0.9% general partner interest in the Partnership and the Managing General Partner owns of record a non-economic, managing general partner interest in the Partnership; such general partner interests have been duly authorized and validly issued in accordance with the Partnership Agreement; and each General Partner owns its general partner interest free and clear of all liens, encumbrances, security interests, charges or claims (A) in respect of which a financing statement under the Uniform Commercial Code of the State of Delaware naming either of such General Partners as debtors is on file in the office of the Secretary of State of the State of Delaware or (B) otherwise known to such counsel, without independent investigation, other than those created by or arising under the Delaware LP Act (other than those created by the Credit Agreement).

(iii) The Partnership owns, directly or indirectly, 100% of the issued shares of capital stock or membership interests, as applicable, in Finance Corp. and each of the Delaware/New York Guarantors; such shares of capital stock or membership interests have been duly authorized and validly issued in accordance with the Organizational Documents governing such entity and are fully paid and non-assessable (except (i) in the case of an interest in a Delaware limited liability company, as such nonassessability may be affected by Sections 18-607 and 18-804 of the Delaware LLC Act, and (ii) in the case of an interest in a limited liability company formed under the laws of another domestic state, as such nonassessability may be affected by similar provisions of such state’s limited liability company statute, as applicable) and the Partnership owns such shares of capital stock, membership interests or limited partner interest free and clear of all liens, encumbrances, security interests, charges or claims (A) in respect of which a financing statement under the Uniform Commercial Code of the State of Delaware naming the Partnership as debtor is on file in the office of the Secretary of State of the State of Delaware, (B) arising under the Credit Agreement or (C) otherwise known to such counsel, without independent investigation, other than those created by or arising under the Delaware LLC Act and the New York Limited Liability Company Law.

(iv) To our knowledge, there are no contracts, agreements or understandings between either of the Issuers, or any Guarantor and any person granting such person the right (other than rights that have been waived or satisfied) to require the Issuers or any Guarantor to file a registration statement under the Act with respect to any securities of the Issuers or any Guarantor (other than the Registration Rights Agreement) owned or to be owned by such person, and which are substantially similar to the Notes, the Guarantees, or the Exchange Notes, or to require either of the Issuers or any Guarantor to include any other securities in the securities registered pursuant to the Registration Rights Agreement.

(v) This Agreement has been duly executed and delivered by each of the Issuers and the Delaware/New York Guarantors.

(vi) The Partnership Agreement and each of the limited liability company agreements of the Delaware/New York Guarantors has been duly authorized and validly executed and delivered by the parties thereto. Each of the foregoing agreements constitutes a valid and legally binding agreement of the parties thereto, enforceable against such entity in accordance with its respective terms, subject to (A) applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and (B) public policy, applicable law relating to fiduciary duties and indemnification and an implied covenant of good faith and fair dealing.

(vii) The Issuers have all requisite corporate or partnership power and authority to issue, sell and deliver the Notes. The Notes have been duly authorized by the Issuers and, when duly executed by the Issuers in accordance with the terms of the Indenture, assuming due authentication of the Notes by the Trustee, upon delivery to the Initial Purchasers against payment therefor in accordance with the terms hereof, will be validly issued and delivered, and will constitute valid and binding obligations of the Issuers entitled to the benefits of the Indenture, enforceable against the Issuers in accordance with their terms, except as such enforceability may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium, and other similar laws relating to or affecting creditors' rights generally and by general equitable principles.

(viii) The Exchange Notes have been duly and validly authorized by the Issuers and if and when duly issued and authenticated in accordance with the terms of the Indenture and delivered in accordance with the Exchange Offer provided for in the Registration Rights Agreement, will constitute valid and binding obligations of the Issuers entitled to the benefits of the Indenture, enforceable against the Issuers in accordance with their terms, except as such enforceability may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium, and other similar laws relating to or affecting creditors' rights generally and by general equitable principles.

(ix) The Guarantee of each of the Delaware/New York Guarantors has been duly authorized by that Guarantor and assuming due and valid authorization of a Guarantee by FHR, when the Notes have been duly executed by the Issuers and authenticated by the Trustee in accordance with the terms of the Indenture and delivered and paid for by the Initial

Purchasers in accordance with the terms of the Purchase Agreement, the Guarantee of each Guarantor will constitute the valid and binding obligations of that Guarantor, enforceable against that Guarantor in accordance with their terms except as such enforceability may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium, and other laws relating to or affecting creditors' rights generally and by general equitable principles.

(x) The Exchange Guarantee of each of the Delaware/New York Guarantors has been duly and validly authorized by that Guarantor and assuming due and valid authorization of an Exchange Guarantee by FHR, upon the due execution and authentication of the Exchange Notes in accordance with the Indenture and the issuance and delivery of the Exchange Notes in the Exchange Offer contemplated by the Registration Rights Agreement, will constitute valid and binding obligations of the Guarantors, entitled to the benefits of the Indenture, enforceable against the Guarantors in accordance with their terms except as such enforceability may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium, and other similar laws relating to or affecting creditors' rights generally and by general equitable principles.

(xi) The Indenture has been duly authorized, executed and delivered by each of the Inergy Parties and, assuming the due authorization, execution and delivery thereof by the Trustee, is the legally valid and binding agreement of the Inergy Parties, enforceable against the Inergy Parties in accordance with its terms, except as such enforceability may be limited by bankruptcy, fraudulent conveyance, insolvency, reorganization, moratorium, and other similar laws relating to or affecting creditors' rights generally, by general equitable principles (regardless of whether such enforceability is considered in a proceeding in equity or at law) and by an implied covenant of good faith and fair dealing; no qualification of the Indenture under the 1939 Act is required in connection with the offer, issuance and sale of the Notes or in connection with the Exempt Resales. The Indenture conforms in all material respects to the requirements of the 1939 Act and the rules and regulations of the Commission applicable to an indenture that is qualified thereunder.

(xii) The Registration Rights Agreement has been duly authorized, executed and delivered by the Issuers and the Delaware/New York Guarantors and, assuming the due execution and delivery thereof by the Initial Purchasers, is the legally valid and binding agreement of the Inergy Parties, enforceable against the Inergy Parties in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or affecting creditor's rights generally, by general equitable principles (regardless of whether such enforceability is considered in a proceeding in equity or at law), by an implied covenant of good faith and fair dealing and, as to rights of indemnification and contribution thereunder may be limited by federal or state law or by principles of public policy.

(xiii) The statements set forth in the Offering Memorandum under the captions "Description of Notes," insofar as they purport to constitute a summary of the terms of the Notes, Indenture, the Guarantees and the Registration Rights Agreement and under the captions "Description of Other Indebtedness—Senior Unsecured Notes," and "United States Federal Income Tax Considerations" insofar as they purport to describe the provisions of the laws and documents referred to therein, are accurate in all material respects.

(xiv) None of the offering, issuance and sale of the Notes and the Guarantees by the Issuers and the Guarantors, the execution, delivery and performance of the Notes, the Guarantees, the Exchange Notes, the Indenture, the Registration Rights Agreement, the Exchange Guarantees and this Agreement by the Inergy Parties, or the consummation by each of them of the transactions contemplated hereby and thereby (A) constitutes or will constitute a violation of their respective Organizational Documents, (B) constitutes or will constitute a breach or violation of, or a default (or an event which, with notice or lapse of time or both, would constitute such a default) any agreement filed or incorporated by reference as an exhibit to the Partnership's annual report on Form 10-K for the year ended September 30, 2007, quarterly report on Form 10-Q for the quarter ended December 31, 2007 or to any applicable current reports of the Partnership on Form 8-K filed with the Commission since September 30, 2007 (excluding the Credit Agreement or Organizational Document); (C) violates or will violate the Delaware LP Act, the Delaware LLC Act, the DGCL, the laws of the State of New York or, assuming the accuracy of the representations and warranties of the Initial Purchasers contained in this Agreement and their compliance with their agreements set forth herein, federal law (provided, however, that such counsel need express no opinion with respect to compliance with any state securities or federal or state antifraud law except as otherwise specifically stated in the opinion of such counsel), or (D) to our knowledge, results or will result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of any of the Inergy Parties, which breaches, violations, defaults or liens, in the case of clauses (B), (C) or (D) would, individually or in the aggregate, have a Material Adverse Effect.

(xv) No registration under the Act of the Notes is required for the sale of the Notes to the Initial Purchasers as contemplated hereby or for the Exempt Resales, assuming (i) the accuracy of the Initial Purchasers' representations in this Agreement and (ii) the accuracy of the Inergy Parties' representatives contained herein.

(xvi) None of the Inergy Parties is now, and after the sale of the Notes to be sold by the Issuers hereunder, the issuance of the Guarantees and the application of the net proceeds from such sale as described in the Offering Memorandum under the caption "Use of Proceeds," none of the Inergy Parties will be an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

Such counsel shall also have furnished to the Initial Purchasers a written statement, addressed to the Initial Purchasers and dated the Closing Date, in form and substance satisfactory to the Initial Purchasers, to the effect that such counsel has participated in conferences with officers and other representatives of the Issuers and Guarantors and the independent registered public accounting firm of the Partnership and your representatives, at which the contents of the Offering Memorandum and related matters were discussed, and although such counsel has not independently verified, is not passing on, and is not assuming any responsibility for the accuracy, completeness or fairness of the statements contained in, the Offering Memorandum (except to the extent specified in the foregoing opinion), based on the foregoing, nothing has come to the attention of such counsel that causes it to believe that:

(a) the Final Offering Memorandum, as of its date and as of the Closing Date, contained or contains any untrue statement of a material fact or omitted or omits to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; or

(b) the Preliminary Offering Memorandum and the Pricing Disclosure Supplement, as of the Applicable Time, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading;

in each case other than (1) the financial statements included or incorporated by reference therein, including the notes and schedules thereto and the auditors' reports thereon, and (2) the other financial and accounting data included or incorporated by reference therein, as to which such counsel need express no belief.

In rendering such opinion, such counsel may (A) rely in respect of matters of fact upon representations of the Inergy Parties set forth in this Agreement and upon certificates of officers and employees of the Issuers and Guarantors and upon information obtained from public officials, (B) assume that all documents submitted to them as originals are authentic, that all copies submitted to them conform to the originals thereof, and that the signatures on all documents examined by them are genuine, (C) state that their opinion is limited to federal laws, the Delaware LP Act, the Delaware LLC Act, and the DGCL and the laws of the State of New York, (D) with respect to the opinions expressed in subparagraphs (i) through (vi) above as to the due qualification or registration as a foreign limited partnership, corporation or limited liability company, as the case may be, state that such opinions are based upon certificates of foreign qualification or registration provided by the Secretary of State of the States listed on an exhibit to such opinion (each of which shall be dated as of a date not more than fourteen days prior to the Closing Date and shall be provided to you), and (E) state that they express no opinion with respect to state or local taxes or tax statutes to which any of the limited partners of the Partnership or any of the other Inergy Parties may be subject.

**Laura Ozenberger Opinion**

Laura Ozenberger shall have furnished to the Initial Purchasers her written opinion, addressed to the Initial Purchasers and dated the Closing Date, in form and substance reasonably satisfactory to Wachovia Capital Markets, LLC, to the effect that:

(i) None of the offering, issuance and sale of the Notes and the Guarantees by the Issuers and the Guarantors, respectively, the execution, delivery and performance of the Notes, the Guarantees, the Exchange Notes, the Exchange Guarantees, the Indenture, the Registration Rights Agreement and this Agreement by the Issuers and the Guarantors, or the consummation by each of them of the transactions contemplated hereby (A) constitutes or will constitute a breach or violation of, or a default (or an event which, with notice or lapse of time or both, would constitute such a default) under, any agreement, lease or instrument known to her (excluding any Credit Agreement or Organizational Document and any other agreement filed or incorporated by reference as an exhibit to the Annual Report on Form 10-K for the year ended September 30, 2007 or Quarterly Report on Form 10-Q for the quarter ended December 31, 2007, as to which such counsel need not express an opinion) to which any of the Inergy Parties or any of their properties may be bound, or (B) will result, to my knowledge, in any violation of any judgment, order, decree, rule or regulation of any court or arbitrator or governmental agency having jurisdiction over the Inergy Parties or any of their assets or properties (such opinion with respect to federal law assumes the accuracy of the representations and warranties of the Initial Purchasers contained in the Agreement and their compliance with their agreements set forth therein) (provided, however, that such counsel need express no opinion with respect to compliance with any state securities or federal or state antifraud law except as otherwise specifically stated in the opinion of such counsel), which breaches, violations, defaults or liens, in the case of clauses (A), or (B) would, individually or in the aggregate, have a Material Adverse Effect.

(ii) Except as described in the Offering Memorandum, to my knowledge there is no litigation, proceeding or governmental investigation pending or threatened against any of the Inergy Parties or to which any of the Inergy Parties is a party or to which any of their respective properties is subject, which, if adversely determined to such Inergy Parties, is reasonably likely to have a Material Adverse Effect.

Such counsel shall also have furnished to the Initial Purchasers a written statement, addressed to the Initial Purchasers and dated the Closing Date, in form and substance satisfactory to the Initial Purchasers, to the effect that such counsel has participated in conferences with officers and other representatives of the Issuers and Guarantors and the independent registered public accounting firm of the Partnership and your representatives, at which the contents of the Offering Memorandum and related matters were discussed, and although such counsel has not independently verified, is not passing on, and is not assuming any responsibility for the accuracy, completeness or fairness of the statements contained in, the Offering Memorandum, based on the foregoing, nothing has come to the attention of such counsel that causes her to believe that:

(a) the Final Offering Memorandum, as of its date and as of the Closing Date, contained or contains any untrue statement of a material fact or omitted or omits to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; or

(b) the Preliminary Offering Memorandum and the Pricing Disclosure Supplement, as of the Applicable Time, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading;

in each case other than (1) the financial statements included or incorporated by reference therein, including the notes and schedules thereto and the auditors' reports thereon, and (2) the other financial and accounting data included or incorporated by reference therein, as to which such counsel need express no belief.

In rendering such opinion, such counsel may (A) rely in respect of matters of fact upon representations of the Inergy Parties set forth in this Agreement and upon certificates of officers and employees of the Inergy Parties and upon information obtained from public officials, (B) assume that all documents submitted to her as originals are authentic, that all copies submitted to her conform to the originals thereof, and that the signatures on all documents examined by her are genuine, (C) state that her opinion is limited to the laws of the state of Missouri, and (D) state that she expresses no opinion with respect to state or local taxes or tax statutes to which any of the limited partners of the Partnership or any of the other Inergy Parties may be subject.

**Michael K. Post Opinion**

Michael K. Post shall have furnished to the Initial Purchasers its written opinion, addressed to the Initial Purchasers and dated the Closing Date, in form and substance reasonably satisfactory to Wachovia Capital Markets, LLC, to the effect that:

- (i) None of the offering, issuance and sale of the Notes and the Guarantees by the Issuers and the Guarantors, respectively, in the manner provided in this Agreement, the Indenture and the Registration Rights Agreement, the execution, delivery and performance of the Notes, the Guarantees, the Exchange Notes, the Indenture, the Registration Rights Agreement and this Agreement by the Issuers and the Guarantors, constitutes or could reasonably be expected to constitute a breach or violation of, or a default (or an event which, with notice or lapse of time or both, would constitute such a default) under the Credit Agreement, which breach, violation or default would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and
- (ii) The statements set forth in the Offering Memorandum under the caption “Description of Other Indebtedness—Description of Credit Facility,” insofar as they purport to describe the provisions of the Credit Agreement referred to therein, are accurate in all material respects.

In rendering such opinion, such counsel may (A) rely in respect of matters of fact upon representations of the Inergy Parties set forth in this Agreement and upon certificates of officers and employees of the Inergy Parties and upon information obtained from public officials, (B) assume that all documents submitted to such counsel as originals are authentic, that all copies submitted to such counsel conform to the originals thereof, and that the signatures on all documents examined by such counsel are genuine, (C) state that its opinion is limited to the laws of the States of Missouri, and (D) state that such counsel expresses no opinion with respect to state or local taxes or tax statutes to which any of the limited partners of the Partnership or any of the other Inergy Parties may be subject.