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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): **May 15, 2007**

Commission File No. 1-10403

TEPPCO Partners, L.P.	**Delaware**	**76-0291058**
TE Products Pipeline Company, Limited Partnership	**Delaware**	**76-0329620**
TCTM, L.P.	**Delaware**	**76-0595522**
TEPPCO Midstream Companies, L.P.	**Delaware**	**76-0692243**
Val Verde Gas Gathering Company, L.P.	**Delaware**	**48-1260551**
(Exact name of Registrant as specified in its charter)	(State of Incorporation or Organization)	(I.R.S. Employer Identification Number)

1100 Louisiana Street, Suite 1600
Houston, Texas 77002
(Address of principal executive offices, including zip code)
(713) 381-3636
(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 (see General Instruction A.2. below):

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

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

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

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

Item 8.01 ***Other Events*****.**

On May 15, 2007, TEPPCO Partners, L.P. (the "Partnership") and TE Products Pipeline Company, Limited Partnership, TCTM, L.P., TEPPCO Midstream Companies, L.P. and Val Verde Gas Gathering Company, L.P. (collectively, the "Subsidiary Guarantors"), and their respective general partners entered into an underwriting agreement relating to the public offering of $300,000,000 principal amount of the Partnership's 7.000% Fixed/Floating Rate Junior Subordinated Notes due 2067 (the "Notes"). The Notes are guaranteed on a junior subordinated, unsecured basis by the Subsidiary Guarantors (the "Guarantee," and together with the Notes, the "Securities"). A copy of the Underwriting Agreement is filed as Exhibit 1.1 hereto. Closing of the issuance and sale of the Securities occurred on May 18, 2007.

The Notes are a new series of debt securities that will be issued under an Indenture dated as of May 14, 2007 (the "Base Indenture"), as supplemented by the First Supplemental Indenture dated May 18, 2007 (the "Supplemental Indenture," and, together with the Base Indenture, the "Indenture"), among the Partnership, as issuer, the Subsidiary Guarantors, as guarantors, and The Bank of New York Trust Company, N.A., as trustee (the "Trustee").

The Indenture allows the Partnership to elect to defer interest payments on the Notes on one or more occasions for up to ten consecutive years subject to certain conditions. Deferred interest not paid on an interest payment date will bear interest from that interest payment date until paid at the then prevailing interest rate on the Notes, compounded semi-annually during the fixed rate period and quarterly during the floating rate period.

During any period in which the Partnership defers interest payments on the Notes, subject to certain exceptions, (1) the Partnership will not declare or make any distributions with respect to, or redeem, purchase or make a liquidation payment with respect to, any of its equity securities, (2) neither the Partnership nor the Subsidiary Guarantors will make, and the Partnership and the Subsidiary Guarantors will cause their respective majority-owned subsidiaries not to make, any payment of interest, principal or premium, if any, on or repay, purchase or redeem any of the Partnership's or the Subsidiary Guarantors' debt securities (including securities similar to the Notes) that contractually rank equally with or junior to the Notes or the Guarantee, as applicable, and (3) neither the Partnership nor the Subsidiary Guarantors will make, and the Partnership and the Subsidiary Guarantors will cause their respective majority-owned subsidiaries not to make, any payments under a guarantee of debt securities (including under a guarantee of debt securities that are similar to the Notes) that contractually ranks equally with or junior to the Notes or the Guarantee, as applicable. The Indenture does not limit the Partnership's ability to incur additional debt, including debt that ranks senior in priority of payment to or *pari passu* with the Notes. Reference is hereby made to the Base Indenture and the Supplemental Indenture, which are filed as Exhibits 4.1 and 4.2, respectively, hereto, for the complete terms of the Notes.

In connection with the issuance of the Notes, the Partnership and Subsidiary Guarantors entered into a Replacement Capital Covenant in favor of the holders of a designated series of long-term indebtedness that ranks senior to the Notes that the Partnership and the Subsidiary Guarantors will not redeem, repurchase, defease or purchase (or cause any of their respective

majority-owned subsidiaries to redeem, repurchase, defease or purchase) any of the Notes on or before June 1, 2037, unless, subject to certain limitations, during the 180 days prior to the date of that redemption, repurchase, defeasance or purchase the Partnership, the Subsidiary Guarantors or any of their respective majority-owned subsidiaries has received a specified amount of proceeds from the sale of qualifying securities that have characteristics that are the same as, or more equity-like than, the applicable characteristics of the Notes. Reference is hereby made to the Replacement Capital Covenant, which is filed as Exhibit 99.1 hereto, for the complete terms of the Replacement Capital Covenant.

On May 16, 2007, the Partnership filed with the Securities and Exchange Commission a prospectus supplement dated May 15, 2007 to the accompanying base prospectus dated November 3, 2003 included in the Partnership's and the Subsidiary Guarantors' registration statement on Form S-3 (Registration No. 333-110207). The prospectus supplement was filed pursuant to Rule 424(b)(5) under the Securities Act of 1933, as amended, in connection with the above described offering. Certain opinions related to such registration statement and the offering are filed as exhibits to this Current Report on Form 8-K.

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

(d) Exhibits. The exhibits set forth below are filed herewith, except for 99.1, which is furnished herewith.

Exhibit Number	Description of Exhibit
1.1*	Underwriting Agreement, dated as of May 15, 2007, by and among TEPPCO Partners, L.P., TE Products Pipeline Company, Limited Partnership, TCTM, L.P., TEPPCO Midstream Companies, L.P., Val Verde Gas Gathering Company, L.P., Texas Eastern Products Pipeline Company, LLC, TEPPCO GP, Inc., TEPPCO NGL Pipelines, LLC and Wachovia Capital Markets, LLC and J.P. Morgan Securities, Inc., as Representatives of the several underwriters named on Schedule I thereto.
4.1	Indenture, dated as of May 14, 2007, by and among TEPPCO Partners, L.P., as issuer, TE Products Pipeline Company, Limited Partnership, TCTM, L.P., TEPPCO Midstream Companies, L.P. and Val Verde Gas Gathering Company, L.P., as subsidiary guarantors, and The Bank of New York Trust Company, N.A., as trustee (incorporated by reference to Exhibit 99.1 to the Partnership's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 15, 2007).
4.2*	First Supplemental Indenture, dated as of May 18, 2007, by and among TEPPCO Partners, L.P., as issuer, TE Products Pipeline Company, Limited Partnership, TCTM, L.P., TEPPCO Midstream Companies, L.P. and Val Verde Gas Gathering Company, L.P., as subsidiary guarantors, and The Bank of New York Trust Company, N.A., as trustee.
4.3	Form of Junior Subordinated Note, including Guarantee (included in Exhibit 4.2 hereto).
5.1*	Validity Opinion of Bracewell & Giuliani LLP.
8.1*	Tax Opinion of Bracewell & Giuliani LLP.
23.1	Consent of Bracewell & Giuliani LLP (included in Exhibits 5.1 and 8.1 hereto).
99.1*	Replacement of Capital Covenant, dated May 18, 2007, executed by TEPPCO Partners, L.P., TE Products Pipeline Company, Limited Partnership, TCTM, L.P., TEPPCO Midstream Companies, L.P. and Val Verde Gas Gathering Company, L.P. in favor of the covered debtholders described therein.

* Filed herewith

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.

TEPPCO PARTNERS, L.P.

By: Texas Eastern Products Pipeline Company, LLC
Its: General Partner

By: /s/ William G. Manias
William G. Manias
Vice President and Chief Financial Officer

TE PRODUCTS PIPELINE COMPANY, LIMITED PARTNERSHIP

By: TEPPCO GP, Inc.
Its: General Partner

By: /s/ William G. Manias
William G. Manias
Vice President and Chief Financial Officer

TCTM, L.P.

By: TEPPCO GP, Inc.
Its: General Partner

By: /s/ William G. Manias
William G. Manias
Vice President and Chief Financial Officer

TEPPCO MIDSTREAM COMPANIES, L.P.

By: TEPPCO GP, Inc.
Its: General Partner

By: /s/ William G. Manias
William G. Manias
Vice President and Chief Financial Officer

VAL VERDE GAS GATHERING COMPANY, L.P.

By: TEPPCO NGL Pipelines, LLC
Its: General Partner

By: /s/ William G. Manias
William G. Manias
Vice President and Chief Financial Officer

Dated: May 18, 2007

EXHIBIT INDEX

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4.1	Indenture, dated as of May 14, 2007, by and among TEPPCO Partners, L.P., as issuer, TE Products Pipeline Company, Limited Partnership, TCTM, L.P., TEPPCO Midstream Companies, L.P. and Val Verde Gas Gathering Company, L.P., as subsidiary guarantors, and The Bank of New York Trust Company, N.A., as trustee (incorporated by reference to Exhibit 99.1 to the Partnership's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 15, 2007).
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* Filed herewith

EXHIBIT 1.1

Execution Version

TEPPCO Partners, L.P.
7.00% Fixed/Floating Rate Junior Subordinated Notes due 2067 ("Notes")
guaranteed by
TE Products Pipeline Company, Limited Partnership, TCTM, L.P., TEPPCO Midstream Companies, L.P., and Val Verde Gas Gathering Company, L.P.

UNDERWRITING AGREEMENT

May 15, 2007

Wachovia Capital Markets, LLC
J.P. Morgan Securities Inc.
As Representatives of the several underwriters named in Schedule I
c/o Wachovia Capital Markets, LLC
One Wachovia Center
301 South Tryon Street
Charlotte, North Carolina 28288

Ladies and Gentlemen:

TEPPCO Partners, L.P., a Delaware limited partnership (the "Partnership"), proposes to issue and sell to the underwriters named in Schedule I hereto (collectively, the "Underwriters"), for whom Wachovia Capital Markets, LLC and J.P. Morgan Securities Inc. are acting as representatives (the "Representatives"), $300,000,000 principal amount of the Partnership's 7.00% Fixed/Floating Rate Junior Subordinated Notes due 2067 (the "Notes"), as set forth in Schedule I hereto, to be fully and unconditionally guaranteed on a junior subordinated, unsecured basis by TE Products Pipeline Company, Limited Partnership, a Delaware limited partnership ("TE Products Pipeline"), TCTM, L.P., a Delaware limited partnership ("TCTM"), TEPPCO Midstream Companies, L.P., a Delaware limited partnership ("TEPPCO Midstream"), and Val Verde Gas Gathering Company, L.P., a Delaware limited partnership ("Val Verde" and, together with TE Products Pipeline, TCTM and TEPPCO Midstream, the "Subsidiary Partnerships") (the "Guarantee," and together with the Notes, the "Securities").

The Securities are to be issued under the indenture dated as of May 14, 2007 (the "Base Indenture") among the Partnership, as issuer, the Subsidiary Partnerships, as subsidiary guarantors, and The Bank of New York Trust Company, N.A., as trustee (the "Trustee"), as supplemented by the First Supplemental Indenture (the "Supplemental Indenture"), to be dated as of the Delivery Date (as defined in Section 3) (the Base Indenture, as so supplemented, the "Indenture"). Texas Eastern Products Pipeline Company, LLC, a Delaware limited liability company (the "General Partner"), is the general partner of the Partnership. TEPPCO GP, Inc., a Delaware corporation ("TEPPCO GP"), is the general partner of TE Products Pipeline, TCTM and TEPPCO Midstream. TEPPCO NGL Pipelines, LLC, a Delaware limited liability company ("TEPPCO NGL Pipelines"), is the general partner of Val Verde (TEPPCO GP and TEPPCO NGL Pipelines are collectively referred to herein as the "Subsidiary General Partners"). The

General Partner, the Partnership, the Subsidiary General Partners and the Subsidiary Partnerships are collectively referred to herein as the "TEPPCO Parties."

This is to confirm the agreement among the TEPPCO Parties and the Underwriters concerning the purchase of the Notes from the Partnership by the Underwriters.

1. Representations, Warranties and Agreements of the TEPPCO Parties. Each of the TEPPCO Parties represents and warrants to, and agrees with, the Underwriters and the QIU (in its capacity as such, as defined herein) that:

(a) The Partnership, the Subsidiary Partnerships and Jonah Gas Gathering Company have filed with the Securities and Exchange Commission (the "Commission") a registration statement on Form S-3 (file number 333-110207), including a prospectus, relating to the Securities, and the Partnership and the Subsidiary Partnerships have filed with, or transmitted for filing to, or shall promptly hereafter file with or transmit for filing to, the Commission a prospectus supplement (the "Prospectus Supplement") specifically relating to the Securities pursuant to Rule 424 under the Securities Act of 1933, as amended (the "Securities Act"). The registration statement as amended at the date of this underwriting agreement (the "Agreement"), including information, if any, deemed to be part of the registration statement at the time of effectiveness pursuant to Rule 430A under the Securities Act, is hereinafter referred to as the "Registration Statement." The term "Base Prospectus" means the prospectus included in the Registration Statement. The term "Prospectus" means the Base Prospectus together with the Prospectus Supplement dated May 14, 2007. The term "Preliminary Prospectus" means any preliminary prospectus supplement specifically relating to the Securities, together with the Base Prospectus.

(b) As used in this Agreement:

(i) "Applicable Time" means 4:25 p.m. (New York City time) on the day of this Agreement;

(ii) "Effective Date" means any date as of which any part of such registration statement relating to the Notes became, or is deemed to have become, effective under the Securities Act in accordance with the Rules and Regulations;

(iii) "Issuer Free Writing Prospectus" means each "free writing prospectus" (as defined in Rule 405 of the Rules and Regulations) prepared by or on behalf of the Partnership and the Subsidiary Partnerships or used or referred to by the Partnership and the Subsidiary Partnerships in connection with the offering of the Securities;

(iv) "Pricing Disclosure Package" means, as of the Applicable Time, the most recent Preliminary Prospectus together with each Issuer Free Writing Prospectus filed with the Commission by the Partnership and the Subsidiary Partnerships on or before the Applicable Time and identified on Schedule II hereto and the "pricing term sheet" attached as Exhibit A to this Agreement; and

(v) the term "Registration Statement" includes the various parts of such registration statement, each as amended as of the Effective Date for such part, including any Preliminary Prospectus or the Prospectus.

Any reference to the Registration Statement, the Preliminary Prospectus or the Prospectus shall be deemed to refer to and include any documents incorporated by reference therein pursuant to Form S-3 under the Securities Act as of the date of such document, as the case may be. Any reference to the "most recent Preliminary Prospectus" shall be deemed to refer to the latest Preliminary Prospectus included in the Registration Statement or filed pursuant to Rule 424(b) on or prior to the date hereof. Any reference to any amendment or supplement to any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include any document filed under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), after the date of such Preliminary Prospectus or the Prospectus, as the case may be, and incorporated by reference in such Preliminary Prospectus or the Prospectus, as the case may be; and any reference to any amendment to the Registration Statement shall be deemed to include the most recent annual report of the Partnership on Form 10-K filed with the Commission pursuant to Section 13(a) or 15(d) of the Exchange Act after the Effective Date that is incorporated by reference in the Registration Statement. The Commission has not issued any order preventing or suspending the use of any Preliminary Prospectus or the Prospectus or suspending the effectiveness of the Registration Statement, and no proceeding or examination for such purpose has been instituted or, to the Partnership's knowledge, threatened by the Commission. The Commission has not notified the Partnership of any objection to the use of the Registration Statement.

(c) Well Known Seasoned Issuer. The Partnership has been since December 1, 2005 and continues to be a "well known seasoned issuer" (as defined in Rule 405 under the Securities Act), including not having been an "ineligible issuer" (as defined in Rule 405 under the Securities Act) at any such time or date.

(d) Form of Documents. The Registration Statement conformed and will conform in all material respects on the Effective Date and on the Delivery Date, and any amendment to the Registration Statement filed after the date hereof will conform in all material respects when filed, to the requirements of the Securities Act and the rules and regulations of the Commission thereunder (the "Rules and Regulations"). The Preliminary Prospectus conformed, and the Prospectus will conform, in all material respects when filed with the Commission pursuant to Rule 424(b) to the requirements of the Securities Act and the Rules and Regulations. The documents incorporated by reference in any Preliminary Prospectus or the Prospectus conformed, and any further documents so incorporated will conform, when filed with the Commission, in all material respects to the requirements of the Exchange Act or the Securities Act, as applicable, and the rules and regulations of the Commission thereunder.

(e) Registration Statement. The Registration Statement did not, as of the Effective Date, 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; provided that no representation or warranty is made as to information contained in or omitted from the Registration Statement in reliance upon and in conformity with written information

furnished to any of the TEPPCO Parties through the Representatives by or on behalf of any Underwriter specifically for inclusion therein, which information is specified in Section 8(b).

(f) Prospectus. The Prospectus will not, as of its date and on the Delivery Date, contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that no representation or warranty is made as to information contained in or omitted from the Prospectus in reliance upon and in conformity with written information furnished to any of the TEPPCO Parties through the Representatives by or on behalf of any Underwriter specifically for inclusion therein, which information is specified in Section 8(b).

(g) Documents Incorporated by Reference. The documents incorporated by reference in any Preliminary Prospectus or the Prospectus did not, and any further documents filed and incorporated by reference therein will not, when filed with the Commission, contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(h) Pricing Disclosure Package. The Pricing Disclosure Package did not, as of the Applicable Time, contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that no representation or warranty is made as to information contained in or omitted from the Pricing Disclosure Package in reliance upon and in conformity with written information furnished to any of the TEPPCO Parties through the Representatives by or on behalf of any Underwriters specifically for inclusion therein, which information is specified in Section 8(b).

(i) Issuer Free Writing Prospectus and Pricing Disclosure Package. Each Issuer Free Writing Prospectus, when considered together with the Pricing Disclosure Package as of the Applicable Time, did not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(j) Each Issuer Free Writing Prospectus. Each Issuer Free Writing Prospectus conformed or will conform in all material respects to the requirements of the Securities Act and the Rules and Regulations on the date of first use, and the Partnership and the Subsidiary Partnerships have complied with any filing requirements applicable to such Issuer Free Writing Prospectus pursuant to the Rules and Regulations. No TEPPCO Party has made any offer relating to the Securities that would constitute an Issuer Free Writing Prospectus without the prior written consent of the Representatives, except as set forth on Schedule IV hereto. The Partnership and the Subsidiary Partnerships have retained in accordance with the Rules and Regulations all Issuer Free Writing Prospectuses that were not required to be filed pursuant to the Rules and Regulations.

(k) Formation and Qualification of the Partnership Entities. Each of the General Partner, the Partnership, the Subsidiary General Partners, the Subsidiary Partnerships and the subsidiaries of the Partnership listed on Schedule III hereto (each, a "Partnership Entity"

and collectively, the "Partnership Entities," and the subsidiaries of the Partnership listed on Schedule III hereto, the "Non-guarantor Subsidiaries") has been duly formed or incorporated, as the case may be, and is validly existing in good standing under the laws of its respective jurisdiction of formation or incorporation, as the case may be, with all corporate, limited liability company or partnership, as the case may be, power and authority necessary to own or hold its properties and conduct the businesses in which it is engaged and, in the case of the General Partner, TEPPCO NGL Pipelines and TEPPCO GP, to act as general partner of the Partnership, Val Verde and the other Subsidiary Partnerships, respectively, in each case in all material respects as described in the Registration Statement and the Prospectus. Each Partnership Entity is duly registered or qualified to do business and is in good standing as a foreign corporation, limited liability company or limited partnership, as the case may be, in each jurisdiction in which its ownership or lease of property or the conduct of its businesses requires such qualification or registration, except where the failure to so qualify or register would not, individually or in the aggregate, have a material adverse effect on the condition (financial or otherwise), results of operations, business or prospects of the Partnership Entities taken as a whole (a "Material Adverse Effect") or subject the limited partners of the Partnership to any material liability or disability.

(l) Ownership of General Partner. Enterprise GP Holdings L.P., a Delaware limited partnership ("EPE GP"), owns 100% of the issued and outstanding membership interests in the General Partner; such membership interests have been duly authorized and validly issued in accordance with the limited liability company agreement of the General Partner, as amended and/or restated on or prior to the date hereof (the "GP LLC Agreement"); and EPE GP owns such membership interests free and clear of all liens, encumbrances, security interests, equities, charges or claims other than those in favor of lenders of EPE GP.

(m) Ownership of General Partner Interest in the Partnership. The General Partner is the sole general partner of the Partnership with a 2.0% general partner interest in the Partnership (including the right to receive Incentive Distributions (as defined in the Partnership Agreement) (the "Incentive Distribution Rights")); such general partner interest has been duly authorized and validly issued in accordance with the agreement of limited partnership of the Partnership, as amended and/or restated on or prior to the date hereof (the "Partnership Agreement"); and the General Partner owns such general partner interest free and clear of all liens, encumbrances, security interests, equities, charges or claims.

(n) Ownership of TEPPCO GP. The Partnership owns 100% of the issued and outstanding capital stock of TEPPCO GP; such capital stock has been duly authorized and validly issued in accordance with the bylaws of TEPPCO GP, as amended or restated on or prior to the date hereof (the "TEPPCO GP Bylaws"), and the certificate of incorporation of TEPPCO GP, as amended and restated on or prior to the date hereof (the "TEPPCO GP Certificate of Incorporation"), and is fully paid and non-assessable; and the Partnership owns such capital stock free and clear of all liens, encumbrances, security interests, equities, charges or claims.

(o) Ownership of TE Products Pipeline, TCTM and TEPPCO Midstream. (i) TEPPCO GP is the sole general partner of TE Products Pipeline, TCTM and TEPPCO Midstream with a 0.001% general partner interest in each of TE Products Pipeline, TCTM and TEPPCO Midstream; each such general partner interest has been duly authorized and validly

issued in accordance with the agreements of limited partnership of TE Products Pipeline, TCTM and TEPPCO Midstream, as amended and/or restated on or prior to the date hereof (the "TE Products Pipeline, TCTM and TEPPCO Midstream Partnership Agreements"); and TEPPCO GP owns each such general partner interest free and clear of all liens, encumbrances, security interests, equities, charges or claims; and (ii) the Partnership is the sole limited partner of TE Products Pipeline, TCTM and TEPPCO Midstream with a 99.999% limited partner interest in each of TE Products Pipeline, TCTM and TEPPCO Midstream; each such limited partner interest has been duly authorized and validly issued in accordance with the applicable TE Products Pipeline, TCTM and TEPPCO Midstream Partnership Agreement and is fully paid (to the extent required under the applicable TE Products Pipeline, TCTM and TEPPCO Midstream Partnership Agreement) and non-assessable (except as such non-assessability may be affected by Sections 17-607 and 17-804 of the Delaware Revised Uniform Limited Partnership Act (the "Delaware LP Act") and as otherwise described in the Prospectus); and the Partnership owns each such limited partner interest free and clear of all liens, encumbrances, security interests, equities, charges or claims.

(p) Ownership of TEPPCO NGL Pipelines. TEPPCO Midstream owns 100% of the issued and outstanding membership interests in TEPPCO NGL Pipelines; such membership interests have been duly authorized and validly issued in accordance with the limited liability company agreement of TEPPCO NGL Pipelines, as amended and/or restated on or prior to the date hereof (the "TEPPCO NGL Pipelines Agreement"); and TEPPCO Midstream owns such membership interests free and clear of all liens, encumbrances, security interests, equities, charges or claims other than those in favor of lenders of TEPPCO Midstream.

(q) Ownership of Val Verde. (i) TEPPCO NGL Pipelines is the sole general partner of Val Verde with a 0.001% general partner interest in Val Verde; such general partner interest has been duly authorized and validly issued in accordance with the agreement of limited partnership of Val Verde, as amended and/or restated on or prior to the date hereof (the "Val Verde Partnership Agreement") (the Val Verde Partnership Agreement and the TE Products Pipeline, TCTM and TEPPCO Midstream Partnership Agreements, collectively, the "Subsidiary Partnership Agreements"); and TEPPCO NGL Pipelines owns such general partner interest free and clear of all liens, encumbrances, security interests, equities, charges or claims; and (ii) TEPPCO Midstream is the sole limited partner of Val Verde with a 99.999% limited partner interest in Val Verde; such limited partner interest has been duly authorized and validly issued in accordance with the Val Verde Partnership Agreement and is fully paid (to the extent required under the Val Verde Partnership Agreement) and non-assessable (except as such non-assessability may be affected by Sections 17-607 and 17-804 of the Delaware LP Act and as otherwise described in the Prospectus); and TEPPCO Midstream owns such limited partner interest free and clear of all liens, encumbrances, security interests, equities, charges or claims.

(r) No Registration Rights. Neither the filing of the Registration Statement nor the offering or sale of the Securities as contemplated by this Agreement gives rise to any rights for or relating to the registration of any securities of the Partnership, the Subsidiary Partnerships or any of the Non-guarantor Subsidiaries, except such rights as have been waived.

(s) Ownership of the Non-guarantor Subsidiaries. All of the outstanding shares of capital stock, partnership interests or membership interests, as the case may be, of each

of the Non-guarantor Subsidiaries have been duly and validly authorized and issued, and are fully paid and non-assessable (except as such non-assessability may be affected by Sections 17-607 and 17-804 of the Delaware LP Act, in the case of partnership interests, or Sections 18-607 and 18-804 of the Delaware Limited Liability Company Act (the "Delaware LLC Act"), in the case of membership interests, and except as otherwise disclosed in the Prospectus). Except as described in the Prospectus, the Partnership and/or the Subsidiary Partnerships, as the case may be, directly or indirectly, owns the shares of capital stock, partnership interests or membership interests in each of the Non-guarantor Subsidiaries as set forth on Schedule III hereto free and clear of all liens, encumbrances (other than contractual restrictions on transfer contained in the applicable constituent documents), security interests, equities, charges, claims or restrictions upon voting or any other claim of any third party. None of the TEPPCO Parties has any subsidiaries other than as set forth on Schedule III hereto that, individually or in the aggregate, would be deemed to be a "significant subsidiary" as such term is defined in Rule 405 of the Securities Act.

(t) Power and Authority. (i) Each of the TEPPCO Parties has all requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder; (ii) each of the Partnership and the Subsidiary Partnerships has all requisite power and authority to execute and deliver the Base Indenture and the Supplemental Indenture and to perform its obligations thereunder; and (iii) the Partnership and the Subsidiary Partnerships have all requisite power and authority to issue, sell and deliver the Notes and the Guarantee, respectively, in accordance with and upon the terms and conditions set forth in this Agreement, the Partnership Agreement, the Subsidiary Partnership Agreements, the Indenture, the Registration Statement and the Prospectus. All action required to be taken by the TEPPCO Parties or any of their security holders, partners or members for the (A) due and proper authorization, execution and delivery of this Agreement, the Base Indenture and the Supplemental Indenture, (B) the authorization, issuance, sale and delivery of the Securities and (C) the consummation of the transactions contemplated hereby and thereby has been duly and validly taken.

(u) Authorization, Execution and Delivery of Agreement. This Agreement has been duly authorized and validly executed and delivered by each of the TEPPCO Parties party hereto.

(v) Enforceability of Indenture. The execution and delivery of, and the performance by the Partnership and the Subsidiary Partnerships of their respective obligations under the Base Indenture and the Supplemental Indenture have been duly and validly authorized by each of the Partnership and the Subsidiary Partnerships, and, at the Delivery Date, the Indenture will be duly qualified under the Trust Indenture Act, and the Indenture, assuming due authorization, execution and delivery of the Base Indenture and the Supplemental Indenture by the Trustee, when executed and delivered by the Partnership and the Subsidiary Partnerships, will constitute a valid and legally binding agreement of the Partnership and the Subsidiary Partnerships enforceable against the Partnership and the Subsidiary Partnerships 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).

(w) Valid Issuance of the Notes. The Notes have been duly authorized for issuance and sale to the Underwriters, and, when executed by the Partnership and authenticated by the Trustee in accordance with the provisions of the Indenture and delivered to and paid for by the Underwriters in accordance with the terms of this Agreement, will have been duly executed and delivered by the Partnership, and will constitute the valid and legally binding obligations of the Partnership entitled to the benefits of the Indenture and enforceable against the Partnership in accordance with their 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).

(x) Valid Issuance of the Guarantee. The Guarantee to be endorsed on the Notes by the Subsidiary Partnerships has been duly authorized by the Subsidiary General Partners on behalf of the Subsidiary Partnerships and, on the Delivery Date, will have been duly executed and delivered by the Subsidiary Partnerships; when the Notes have been issued, executed and authenticated in accordance with the Indenture, including endorsement of the Notes by the Subsidiary Partnerships, and delivered to and paid for by the Underwriters in accordance with the terms of this Agreement, the Guarantee will constitute the valid and legally binding obligation of the Subsidiary Partnerships enforceable against the Subsidiary Partnerships 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).

(y) No Conflicts or Violations. None of the (i) offering, issuance and sale by the Partnership and the Subsidiary Partnerships of the Securities, (ii) execution, delivery and performance of this Agreement, the Base Indenture and the Supplemental Indenture by the TEPPCO Parties that are parties hereto and thereto, or (iii) consummation of the transactions contemplated hereby and thereby (A) conflicts or will conflict with or constitutes or will constitute a violation of the certificate of limited partnership or agreement of limited partnership, certificate of formation or limited liability company agreement, certificate or articles of incorporation or bylaws or other organizational documents of any of the Partnership Entities, (B) conflicts or will conflict with or constitutes or will constitute a breach or violation of, or a default (or an event that, 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 Partnership Entities is a party or by which any of them or any of their respective properties may be bound, (C) violates or will violate any statute, law or regulation or any order, judgment, decree or injunction of any court, arbitrator or governmental agency or body having jurisdiction over any of the Partnership Entities or any of their properties or assets, or (D) results or will result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of any of the Partnership Entities, which conflicts, breaches, violations, defaults or liens, in the case of clauses (B) or (D), would, individually or in the aggregate, have a Material Adverse Effect.

(z) 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 Partnership Entities or any of their respective properties is

required in connection with (i) the offering, issuance and sale by the Partnership and the Subsidiary Partnerships of the Securities in the manner contemplated in this Agreement and in the Registration Statement and Prospectus, (ii) the execution, delivery and performance of this Agreement, the Base Indenture and the Supplemental Indenture by the TEPPCO Parties that are parties thereto or (iii) the consummation by the TEPPCO Parties of the transactions contemplated by this Agreement and the Indenture, except for (A) such Consents required under the Securities Act, the Exchange Act, the Trust Indenture Act and state securities or Blue Sky laws in connection with the purchase and distribution of the Securities by the Underwriters and (B) such Consents that have been, or prior to the Delivery Date (as defined herein) will be, obtained.

(aa) No Default. None of the Partnership Entities is (i) in violation of its certificate of limited partnership or agreement of limited partnership, certificate of formation or limited liability company agreement, certificate or articles of incorporation or bylaws or other organizational documents, (ii) in violation of any law, statute, ordinance, administrative or governmental rule or regulation applicable to it or of any order, judgment, decree or injunction of any court or governmental agency or body having jurisdiction over it or has failed to obtain any license, permit, certificate, franchise or other governmental authorization or permit necessary to the ownership of its property or to the conduct of its business, or (iii) in breach, default (and no event that, with notice or lapse of time or both, would constitute such a default has occurred or is continuing) 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 Partnership Entities to perform their obligations under this Agreement.

(bb) Independent Registered Public Accounting Firm. Deloitte & Touche LLP, who has audited the financial statements contained or incorporated by reference in the Registration Statement and the most recent Preliminary Prospectus (or any amendment or supplement thereto) (other than the financial statements included for the two years ended December 31, 2005) is an independent registered public accounting firm with respect to the Partnership and the General Partner within the meaning of the Securities Act and the applicable rules and regulations thereunder adopted by the Commission and the Public Company Accounting Oversight Board (United States) (the "PCAOB").

(cc) Financial Statements. The historical financial statements (including the related notes and financial statement schedule) contained or incorporated by reference in the Registration Statement and the most recent Preliminary Prospectus (and any amendment or supplement thereto) (i) comply in all material respects with the applicable requirements under the Securities Act and the Exchange Act and the related Rules and Regulations (except that certain financial statement schedules are omitted), (ii) 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, and (iii) have been prepared in accordance with accounting principles generally accepted in the United States of America consistently applied throughout the periods involved, except to the extent disclosed therein. The other financial information of the General Partner and the

Partnership and its subsidiaries, including non-GAAP financial measures, if any, contained or incorporated by reference in the Registration Statement and the most recent Preliminary Prospectus (and any amendment or supplement thereto) has been derived from the accounting records of the General Partner and the Partnership and its subsidiaries, and fairly presents the information purported to be shown thereby. Nothing has come to the attention of any of the Partnership Entities that has caused them to believe that the statistical and market-related data included in the Registration Statement and the most recent Preliminary Prospectus is not based on or derived from sources that are reliable and accurate in all material respects.

(dd) No Distribution of Other Offering Materials. None of the Partnership Entities has distributed or, prior to the completion of the distribution of the Notes, will distribute, any offering material in connection with the offering and sale of the Notes other than any Preliminary Prospectus, the Prospectus, any Issuer Free Writing Prospectus to which the Representatives have consented in accordance with Section 1(j), 4(k) or 5 and any Issuer Free Writing Prospectus set forth on Schedule IV hereto and any other materials, if any, permitted by the Securities Act, including Rule 134 of the Rules and Regulations.

(ee) Conformity to Description of the Securities. The Securities, when issued and delivered against payment therefor as provided in this Agreement and in the Indenture, will conform in all material respects to the descriptions thereof contained in the Registration Statement, the Prospectus and the Pricing Disclosure Package.

(ff) Certain Transactions. Except as disclosed in the Registration Statement and the most recent Preliminary Prospectus (or any amendment or supplement thereto), subsequent to the respective dates as of which such information is given in the Registration Statement and the most recent Preliminary Prospectus (or any amendment or supplement thereto), (i) none of the Partnership Entities has incurred any liability or obligation, indirect, direct or contingent, or entered into any transactions, not in the ordinary course of business, that, individually or in the aggregate, is material to the Partnership Entities, taken as a whole, and (ii) there has not been any material change in the capitalization or material increase in the long-term debt of the Partnership Entities, or any dividend or distribution of any kind declared, paid or made by the Partnership on any class of its partnership interests.

(gg) No Omitted Descriptions; Legal Descriptions. There are no legal or governmental proceedings pending or, to the knowledge of the TEPPCO Parties, threatened or contemplated, against any of the Partnership Entities, or to which any of the Partnership Entities is a party, or to which any of their respective properties or assets is subject, that are required to be described in the Registration Statement or the most recent Preliminary Prospectus but are not described as required, and there are no agreements, contracts, indentures, leases or other instruments that are required to be described in the Registration Statement or the most recent Preliminary Prospectus or to be filed as an exhibit to the Registration Statement that are not described or filed as required by the Securities Act or the Rules and Regulations or the Exchange Act or the rules and regulations thereunder. The statements included in or incorporated by reference into the Registration Statement and the most recent Preliminary Prospectus under the headings “Description of the Notes” and “Certain United States Federal Income Tax Considerations,” insofar as such statements summarize legal matters, agreements, documents or

proceedings discussed therein, are accurate and fair summaries of such legal matters, agreements, documents or proceedings.

(hh) Title to Properties. Each Partnership Entity has (i) good and indefeasible title to all its interests in its properties that are material to the operations of the Partnership Entities, taken as a whole, and (ii) good and marketable title in fee simple to, or valid rights to lease or otherwise use, all items of other real and personal property which are material to the business of the Partnership Entities, in each case free and clear of all liens, encumbrances, claims and defects and imperfections of title except such as (A) do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Partnership Entities, (B) could not reasonably be expected to have a Material Adverse Effect or (C) are described, and subject to the limitations contained, in the most recent Preliminary Prospectus.

(ii) Rights-of-Way. Each of the Partnership Entities has such Consents, easements, rights-of-way or licenses from any person ("rights-of-way") as are necessary to conduct its business in the manner described in the most recent Preliminary Prospectus, subject to such qualifications as may be set forth in the most recent Preliminary Prospectus and except for such rights-of-way the failure of which to have obtained would not have, individually or in the aggregate, a Material Adverse Effect; each of the Partnership Entities has fulfilled and performed all its material obligations with respect to such rights-of-way and no event has occurred which allows, or after notice or lapse of time would allow, revocation or termination thereof or would result in any impairment of the rights of the holder of any such rights-of-way, except for such revocations, terminations and impairments that will not have a Material Adverse Effect, subject in each case to such qualification as may be set forth in the most recent Preliminary Prospectus; and, except as described in the most recent Preliminary Prospectus, none of such rights-of-way contains any restriction that is materially burdensome to the Partnership Entities, taken as a whole.

(jj) Permits. Each of the Partnership Entities has such permits, Consents, licenses, franchises, certificates and authorizations of governmental or regulatory authorities ("permits") as are necessary to own or lease its properties and to conduct its business in the manner described in the most recent Preliminary Prospectus, subject to such qualifications as may be set forth in the most recent Preliminary Prospectus and except for such permits that, if not obtained, would not have, individually or in the aggregate, a Material Adverse Effect; each of the Partnership Entities has fulfilled and performed all its material obligations with respect to such permits in the manner described, and subject to the limitations contained in the most recent Preliminary Prospectus, and no event has occurred that would prevent the permits from being renewed or reissued or that allows, or after notice or lapse of time would allow, revocation or termination thereof or results or would result in any impairment of the rights of the holder of any such permit, except for such non-renewals, non-issues, revocations, terminations and impairments that would not, individually or in the aggregate, have a Material Adverse Effect. None of the Partnership Entities has received notification of any revocation or modification of any such permit or has any reason to believe that any such permit will not be renewed in the ordinary course.

(kk) Books and Records; Accounting Controls. The Partnership Entities (i) make and keep books, records and accounts that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets, and (ii) maintain systems of internal accounting controls sufficient 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 accounting principles generally accepted in the United States of America 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.

(ll) Related Party Transactions. No relationship, direct or indirect, exists between or among the Partnership Entities on the one hand, and the directors, officers, partners, customers or suppliers of the General Partner and its affiliates (other than the Partnership Entities) on the other hand, which is required to be described in the most recent Preliminary Prospectus and which is not so described.

(mm) Environmental Compliance. There has been no storage, generation, transportation, handling, treatment, disposal or discharge of any kind of toxic or other wastes or other hazardous substances by any of the Partnership Entities (or, to the knowledge of the TEPPCO Parties, any other entity (including any predecessor) for whose acts or omissions any of the Partnership Entities is or could reasonably be expected to be liable) at, upon or from any of the property now or previously owned or leased by any of the Partnership Entities or upon any other property, in violation of any statute or any ordinance, rule, regulation, order, judgment, decree or permit or which would, under any statute or any ordinance, rule (including rule of common law), regulation, order, judgment, decree or permit, give rise to any liability, except for any violation or liability that could not reasonably be expected to have, individually or in the aggregate with all such violations and liabilities, a Material Adverse Effect; and there has been no disposal, discharge, emission or other release of any kind onto such property or into the environment surrounding such property of any toxic or other wastes or other hazardous substances with respect to which any of the TEPPCO Parties has knowledge, except for any such disposal, discharge, emission or other release of any kind which could not reasonably be expected to have, individually or in the aggregate with all such discharges and other releases, a Material Adverse Effect.

(nn) Insurance. The Partnership Entities are covered under policies of 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. Except as disclosed in the most recent Preliminary Prospectus, none of the Partnership Entities 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; all such insurance is outstanding and duly in force on the date hereof and will be outstanding and duly in force on the Delivery Date.

(oo) Litigation. There are no legal or governmental proceedings pending to which any Partnership Entity is a party or of which any property or assets of any Partnership Entity is the subject that, individually or in the aggregate, if determined adversely to such

Partnership Entity, could reasonably be expected to have a Material Adverse Effect; and to the knowledge of the TEPPCO Parties, no such proceedings are threatened or contemplated by governmental authorities or threatened by others.

(pp) No Labor Disputes. No labor dispute with the employees that are engaged in the business of the Partnership or its subsidiaries exists or, to the knowledge of the TEPPCO Parties, is imminent or threatened that is reasonably likely to result in a Material Adverse Effect.

(qq) Intellectual Property. Each Partnership Entity owns or possesses adequate rights to use all material patents, patent applications, trademarks, service marks, trade names, trademark registrations, service mark registrations, copyrights, licenses and know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures) necessary for the conduct of their respective businesses; and the conduct of their respective businesses will not conflict in any material respect with, and no Partnership Entity has received any notice of any claim of conflict with, any such rights of others.

(rr) Investment Company. None of the Partnership Entities is now, or after sale of the Securities to be sold by hereunder and application of the net proceeds from such sale will be, an "investment company" within the meaning of the Investment Company Act.

(ss) Absence of Certain Actions. No action has been taken and no statute, rule, regulation or order has been enacted, adopted or issued by any governmental agency or body which prevents the issuance or sale of the Securities in any jurisdiction; no injunction, restraining order or order of any nature by any federal or state court of competent jurisdiction has been issued with respect to any Partnership Entity which would prevent or suspend the issuance or sale of the Securities or the use of the most recent Preliminary Prospectus in any jurisdiction; no action, suit or proceeding is pending against or, to the knowledge of the TEPPCO Parties, threatened against or affecting any Partnership Entity before any court or arbitrator or any governmental agency, body or official, domestic or foreign, which could reasonably be expected to interfere with or adversely affect the issuance of the Securities or in any manner draw into question the validity or enforceability of this Agreement or any action taken or to be taken pursuant hereto; and the Partnership has complied with any and all requests by any securities authority in any jurisdiction for additional information to be included in the most recent Preliminary Prospectus.

(tt) No Prohibition of Dividends or Distribution. None of the wholly-owned subsidiaries of the Partnership is currently prohibited, directly or indirectly, from paying any dividends to the Partnership, from making any other distribution on such subsidiary's capital stock or partnership or member interests, from repaying to the Partnership any loans or advances to such subsidiary from the Partnership or from transferring any of such subsidiary's property or assets to the Partnership or any other subsidiary of the Partnership, except as described in or contemplated by the Registration Statement and the Prospectus (exclusive of any amendment or supplement thereto).

(uu) No Stabilizing Transactions. None of the General Partner, the Partnership, the Subsidiary General Partners, the Subsidiary Partnerships or any of their controlled affiliates

has taken, directly or indirectly, any action designed to or which has constituted or which would reasonably be expected to cause or result in stabilization or manipulation of the price of any securities of the Partnership or the Subsidiary Partnerships to facilitate the sale or resale of the Securities.

(vv) Form S-3. The conditions for the use of a shelf registration on Form S-3, by the Partnership and the Subsidiary Partnerships, as set forth in the General Instructions thereto, have been satisfied.

(ww) Disclosure Controls. The General Partner and the Partnership have established and maintain disclosure controls and procedures (as such term is defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act) which (i) are designed to ensure that material information relating to the Partnership, including its consolidated subsidiaries, is made known to the General Partner's principal executive officer and its principal financial officer by others within those entities, particularly during the periods in which the periodic reports required under the Exchange Act are being prepared; (ii) have been evaluated for effectiveness as of the end of the period covered by the Partnership's most recent annual report filed with the Commission; and (iii) are effective in achieving reasonable assurances that the Partnership's desired control objectives as described in Item 9A of the Partnership's Annual Report on Form 10-K for the period ended December 31, 2006 (the "2006 Annual Report") have been met.

(xx) No Deficiency in Internal Controls. Based on the evaluation of its disclosure controls and procedures conducted in connection with the preparation and filing of the 2006 Annual Report, neither the Partnership nor the General Partner is aware of (i) any significant deficiencies which are still deemed significant deficiencies on the date hereof or material weaknesses in the design or operation of its internal controls over financial reporting that are likely to adversely affect the Partnership's ability to record, process, summarize and report financial data; or (ii) any fraud, whether or not material, that involves management or other employees who have a role in the Partnership's internal controls over financial reporting.

(yy) No Changes in Internal Controls. Since the date of the most recent evaluation of such disclosure controls and procedures, there have been no significant changes in the Partnership's internal controls that materially affected or are reasonably likely to materially adversely affect the Partnership's internal controls over financial reporting.

(zz) Sarbanes-Oxley Act. The principal executive officer and principal financial officer of the General Partner have made all certifications required by the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") and any related rules and regulations promulgated by the Commission, and the statements contained in any such certification are complete and correct. The Partnership and the General Partner are otherwise in compliance in all material respects with all applicable provisions of the Sarbanes-Oxley Act that are effective.

2. Purchase of the Securities. (a) On the basis of the representations and warranties contained in, and subject to the terms and conditions of, this Agreement, the Partnership agrees to issue and sell the Notes to the several Underwriters and each of the Underwriters, severally and not jointly, agrees to purchase the principal amount of Notes from the Partnership set forth opposite that Underwriter's name in Schedule I hereto at a price equal to

98.625% of the principal amount thereof plus accrued interest, if any, from the Delivery Date. The Partnership shall not be obligated to deliver any of the Notes except upon payment for all the Notes to be purchased as provided herein.

(b) The Partnership understands that the Underwriters intend to make a public offering of the Notes on the terms and conditions set forth in the Pricing Disclosure Package. The Partnership acknowledges and agrees that the Underwriters may offer and sell Notes to or through any affiliate of an Underwriter and that any such affiliate may offer and sell Notes purchased by it to or through any Underwriter.

(c) The Partnership and the Subsidiary Partnerships hereby confirm their engagement of BNY Capital Markets, Inc. and BNY Capital Markets, Inc. hereby confirms its agreement with the Partnership and the Subsidiary Partnerships to render services as, a "qualified independent underwriter" within the meaning of Rule 2720(b)(15) of the National Association of Notes Dealers, Inc. (the "NASD") with respect to the offering and sale of the Notes. BNY Capital Markets, Inc., in its capacity as qualified independent underwriter and not otherwise, is referred to herein as the "QIU."

3. Delivery of and Payment for the Securities. Delivery of and payment for the Notes shall be made at the office of Bracewell & Giuliani LLP, Houston, Texas, at 9:00 A.M., Houston time, on the third full business day after the date of this Agreement or such other date and time and place as shall be determined by agreement between the Underwriters and the Partnership (such date and time of delivery and payment for the Notes being herein called the "Delivery Date"). Delivery of the Notes shall be made to the Underwriters against payment by the Underwriters of the purchase price thereof to or upon the order of the Partnership by wire transfer payable in same-day funds to an account specified by the Partnership. Delivery of the Notes shall be made in book-entry form through the Full Fast Program of the facilities of The Depository Trust Company ("DTC") unless the Underwriters shall otherwise instruct. Time shall be of the essence, and delivery at the time and place specified pursuant to this Agreement is a further condition of the obligation of the Underwriters.

4. Further Agreements of the TEPPCO Parties. Each of the TEPPCO Parties, jointly and severally, covenants and agrees with each Underwriter and the QIU (in its capacity as such):

(a) Preparation of Prospectus and Registration Statement. (i) To prepare the Prospectus in a form approved by the Underwriters and to file such Prospectus pursuant to Rule 424(b) under the Securities Act not later than Commission's close of business on the second business day following the execution and delivery of this Agreement or, if applicable, such earlier time as may be required by Rule 430A(a)(3) under the Securities Act; (ii) to make no further amendment or any supplement to the Registration Statement or to the Prospectus except as permitted herein; (iii) to advise the Underwriters, promptly after it receives notice thereof, of the time when any amendment to the Registration Statement has been filed or becomes effective or any supplement to the Prospectus or any amended Prospectus has been filed and to furnish the Underwriters with copies thereof; (iv) to advise the Underwriters promptly after it receives notice thereof of the issuance by the Commission of any stop order or of any order preventing or suspending the use of the Prospectus or any Issuer Free Writing Prospectus, of the suspension of

the qualification of the Notes for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose or of any request by the Commission for the amending or supplementing of the Registration Statement, the Prospectus or any Issuer Free Writing Prospectus or for additional information; and (v) in the event of the issuance of any stop order or of any order preventing or suspending the use of the Prospectus or any Issuer Free Writing Prospectus or suspending any such qualification, to use promptly its best efforts to obtain its withdrawal.

(b) Conformed Copies of Registration Statements. To furnish promptly to the Underwriters and to counsel for the Underwriters, upon request, a conformed copy of the Registration Statement as originally filed with the Commission, and each amendment thereto filed with the Commission, including all consents and exhibits filed therewith.

(c) Exchange Act Reports. To file promptly all reports and any definitive proxy or information statements required to be filed by the Partnership with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act ("Exchange Act Reports") subsequent to the date of the Prospectus and for so long as the delivery of a prospectus is required in connection with the offering or sale of the Notes.

(d) Copies of Documents to the Underwriters. To deliver promptly to the Underwriters such number of the following documents as the Underwriters shall reasonably request: (i) conformed copies of the Registration Statement as originally filed with the Commission and each amendment thereto (in each case excluding exhibits), (ii) each Preliminary Prospectus, the Prospectus and any amended or supplemented Prospectus, (iii) each Issuer Free Writing Prospectus and (iv) any document incorporated by reference in any Preliminary Prospectus or the Prospectus; and, if the delivery of a prospectus is required at any time after the date hereof in connection with the offering or sale of the Notes or any other securities relating thereto and if at such time any events shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus is delivered, not misleading, or, if for any other reason it shall be necessary to amend or supplement the Prospectus or to file under the Exchange Act any document incorporated by reference in the Prospectus in order to comply with the Securities Act or the Exchange Act or with a request from the Commission, to notify the Underwriters immediately thereof and to promptly prepare and, subject to Section 4(e) hereof, file with the Commission an amended Prospectus or supplement to the Prospectus which will correct such statement or omission or effect such compliance.

(e) Filing of Amendment or Supplement. To file promptly with the Commission any amendment to the Registration Statement or the Prospectus or any supplement to the Prospectus that may, in the judgment of the Partnership, the Subsidiary Partnerships or the Underwriters, be required by the Securities Act or the Exchange Act or requested by the Commission. Prior to filing with the Commission any amendment to the Registration Statement or supplement to the Prospectus, any document incorporated by reference in the Prospectus or any Prospectus pursuant to Rule 424 of the Rules and Regulations, to furnish a copy thereof to the Underwriters and counsel for the Underwriters and not to file any such document to which

the Underwriters shall reasonably object after having been given reasonable notice of the proposed filing thereof unless the Partnership is required by law to make such filing.

(f) Reports to Security Holders. As soon as practicable after the Delivery Date, to make generally available to the Partnership's security holders an earning statement of the Partnership and its subsidiaries (which need not be audited) complying with Section 11(a) of the Securities Act and the Rules and Regulations (including, at the option of the Partnership, Rule 158).

(g) Copies of Reports. For a period of two years following the date hereof, to furnish to the Underwriters copies of all materials furnished by the Partnership to its security holders and all reports and financial statements furnished by the Partnership to the Commission pursuant to the Exchange Act or any rule or regulation of the Commission thereunder, in each case to the extent that such materials, reports and financial statements are not publicly filed with the Commission.

(h) Blue Sky Laws. Promptly to take from time to time such actions as the Underwriters may reasonably request to qualify the Notes for offering and sale under the securities or Blue Sky laws of such jurisdictions as the Underwriters may designate and to continue such qualifications in effect for so long as required for the resale of the Notes; and to arrange for the determination of the eligibility for investment of the Notes under the laws of such jurisdictions as the Underwriters may reasonably request; provided that no Partnership Entity shall be obligated to qualify as a foreign entity in any jurisdiction in which it is not so qualified or to file a general consent to service of process in any jurisdiction.

(i) Application of Proceeds. To apply the net proceeds from the sale of the Notes as set forth in the Prospectus.

(j) Investment Company. To take such steps as shall be necessary to ensure that no Partnership Entity shall become an "investment company" as defined in the Investment Company Act.

(k) Issuer Free Writing Prospectuses. Not to make any offer relating to the Notes that would constitute an Issuer Free Writing Prospectus without the prior written consent of the Representatives.

(l) Retention of Issuer Free Writing Prospectuses. To retain in accordance with the Rules and Regulations all Issuer Free Writing Prospectuses not required to be filed pursuant to the Rules and Regulations; and if at any time after the date hereof and prior to the Delivery Date, any events shall have occurred as a result of which any Issuer Free Writing Prospectus, as then amended or supplemented, would conflict with the information in the Registration Statement, the most recent Preliminary Prospectus or the Prospectus or, when considered together with the most recent Preliminary Prospectus, would include an untrue statement of a material fact or omit to state any 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 for any other reason it shall be necessary to amend or supplement any Issuer Free Writing Prospectus, to notify the Representatives and, upon its reasonable request or as

required by the Rules and Regulations, to file such document and to prepare and furnish without charge to each Underwriter as many copies as the Representatives may from time to time reasonably request of an amended or supplemented Issuer Free Writing Prospectus that will correct such conflict, statement or omission or effect such compliance.

(m) Foreign Sales. To take such reasonable steps as are reasonably requested by the Representatives to comply with all applicable securities and other applicable laws, rules and regulations in each foreign jurisdiction in which the Securities are offered.

5. Further Agreements of the Underwriters. Each Underwriter severally represents and warrants to, and agrees with, the Company and each other Underwriter that such Underwriter, has not made, and will not make, an offer relating to the Notes that would constitute a "free writing prospectus" (as defined in Rule 405 but excluding any Issuer Free Writing Prospectus identified on Schedule IV hereto) required to be filed with the Commission, without the prior written consent of the Partnership and the Representatives prior to the use of such free writing prospectus.

6. Expenses. The Partnership agrees to pay (a) the costs incident to the authorization, issuance, sale and delivery of the Notes and any taxes payable in that connection; (b) the costs incident to the preparation, printing and filing under the Securities Act of the Registration Statement, any amendments and exhibits thereto, and except as provided in the proviso to this Section 6, the Preliminary Prospectus and Prospectus; (c) the costs of printing and distributing the Registration Statement as originally filed and each amendment thereto and any post-effective amendments thereof (including, in each case, exhibits); (d) the costs of producing and distributing this Agreement, any underwriting and selling group documents and any other related documents in connection with the offering, purchase, sale and delivery of the Notes; (e) the filing fees incident to securing the review, if applicable, by the NASD of the terms of sale of the Notes; (f) any applicable listing or other similar fees; (g) the fees and expenses of preparing, printing and distributing a Blue Sky Memorandum (including related fees and expenses of counsel to the Underwriters); (h) the cost of printing certificates representing the Notes; (i) the costs and charges of any transfer agent or registrar; (j) the costs and expenses of the Partnership and the Subsidiary Partnerships relating to investor presentations on any "road show" undertaken in connection with the marketing of the offering of the Notes, including, without limitation, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show presentations with the prior approval of the Partnership or the Subsidiary Partnerships, travel and lodging expenses of the representatives and officers of the Partnership and any such consultants; and (k) all other costs and expenses incident to the performance of the obligations of the TEPPCO Parties under this Agreement; provided that, except as provided in this Section 6 and in Section 12 hereof, the Underwriters and the QIU (in its capacity as such) shall pay (i) their own costs and expenses, including the costs and expenses of their counsel, any transfer taxes on the Notes which they may sell and the expenses of advertising any offering of the Notes made by the Underwriters and (ii) the Partnership in the amount of $375,000 in respect of certain of the Partnership's offering expenses.

7. Conditions of Underwriters' Obligations. The respective obligations of the Underwriters and the QIU (in its capacity as such) hereunder are subject to the accuracy,

when made and on the Delivery Date, of the representations and warranties of the TEPPCO Parties contained herein, to the accuracy of the statements of the TEPPCO Parties and the officers of the General Partner and the Subsidiary General Partners made in any certificates delivered pursuant hereto, to the performance by each of the TEPPCO Parties of its obligations hereunder and to each of the following additional terms and conditions:

(a) The Prospectus shall have been timely filed with the Commission in accordance with Section 4(a); no stop order suspending the effectiveness of the Registration Statement or preventing or suspending the use of the Prospectus or any Issuer Free Writing Prospectuses or any part thereof shall have been issued and no proceeding for that purpose shall have been initiated or threatened by the Commission; any request of the Commission for inclusion of additional information in the Registration Statement or the Prospectus or otherwise shall have been complied with to the reasonable satisfaction of the Underwriters; and the Commission shall not have notified the TEPPCO Parties of any objection to the use of the form of the Registration Statement.

(b) The Underwriters shall not have discovered and disclosed to the TEPPCO Parties on or prior to the Delivery Date that the Registration Statement, the Prospectus or the Pricing Disclosure Package, or any amendment or supplement thereto, contains an untrue statement of a fact which, in the opinion of counsel for the Underwriters, is material or omits to state any fact which, in the opinion of such counsel, is material and is required to be stated therein or in the documents incorporated by reference therein or is necessary to make the statements therein not misleading.

(c) All corporate, partnership and limited liability company proceedings and other legal matters incident to the authorization, execution and delivery of this Agreement, the authorization, execution and filing of the Registration Statement, the Prospectus and any Issuer Free Writing Prospectus, and all other legal matters relating to this Agreement and the transactions contemplated hereby shall be reasonably satisfactory in all material respects to counsel for the Underwriters, and the TEPPCO Parties shall have furnished to such counsel all documents and information that they or their counsel may reasonably request to enable them to pass upon such matters.

(d) Bracewell & Giuliani LLP, special counsel to the TEPPCO Parties, shall have furnished to the Underwriters its written opinion addressed to the Underwriters and dated the Delivery Date, in form and substance satisfactory to the Underwriters, substantially to the effect set forth in Exhibit B to this Agreement.

(e) Patricia A. Totten, Esq., shall have furnished to the Underwriters her written opinion, as Chief Legal Officer of the TEPPCO Parties, addressed to the Underwriters and dated the Delivery Date, in form and substance reasonably satisfactory to the Underwriters, substantially to the effect set forth in Exhibit C to this Agreement.

(f) The Underwriters shall have received from Cadwalader, Wickersham & Taft LLP, counsel for the Underwriters, such opinion or opinions, dated the Delivery Date, with respect to such matters as the Underwriters may reasonably require, and the TEPPCO Parties

shall have furnished to such counsel such documents and information as they may reasonably request for the purpose of enabling them to pass upon such matters.

(g) At the time of execution of this Agreement, the Underwriters shall have received from each of Deloitte & Touche LLP and KPMG LLP a letter or letters, in form and substance satisfactory to the Underwriters, addressed to the Underwriters and dated the date hereof, each (i) confirming that they are an independent registered public accounting firm within the meaning of the Securities Act and are in compliance with the applicable rules and regulations thereunder adopted by the Commission and the PCAOB, 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 most recent Preliminary Prospectus and the Prospectus, 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 of the Partnership and other matters ordinarily covered by accountants' "comfort letters" to underwriters in connection with registered public offerings.

(h) With respect to the letter or letters of each of Deloitte & Touche LLP and KPMG LLP referred to in the preceding paragraph and delivered to the Underwriters concurrently with the execution of this Agreement (the "initial letters"), such accounting firm shall have furnished to the Underwriters a letter (the "bring-down letter") of each of Deloitte & Touche LLP and KPMG LLP, addressed to the Underwriters and dated the Delivery Date, (i) confirming that they are an independent registered public accounting firm within the meaning of the Securities Act and are in compliance with the applicable rules and regulations thereunder adopted by the Commission and the PCAOB, (ii) stating, as of the date of the bring-down letter (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the Prospectus, as of a date not more than five days prior to the date of the bring-down letter), the conclusions and findings of such firm with respect to the financial information of the Partnership and other matters covered by the initial letters and (iii) confirming in all material respects the conclusions and findings set forth in the initial letters.

(i) The Partnership and the Subsidiary Partnerships shall have furnished to the Underwriters a certificate, dated the Delivery Date, of the chief executive officer and the chief financial officer of the General Partner and the Subsidiary General Partners stating that: (i) such officers have carefully examined the Registration Statement, the Prospectus and the Pricing Disclosure Package; (ii) in their opinion, (1) the Registration Statement, including the documents incorporated therein by reference, as of the most recent Effective Date, (2) the Prospectus, including any documents incorporated by reference therein, as of the date of the Prospectus and as of the Delivery Date, and (3) the Pricing Disclosure Package, as of the Applicable Time, did not and do not include any untrue statement of a material fact and did not and do not 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; (iii) as of the Delivery Date, the representations and warranties of the TEPPCO Parties in this Agreement are true and correct; (iv) the TEPPCO Parties have complied with all their agreements contained herein and satisfied all conditions on their part to be performed or satisfied hereunder on or prior to the Delivery Date; (v) no stop order suspending the effectiveness of the Registration Statement or suspending or preventing the use of the Prospectus or any Issuer Free Writing Prospectus has

been issued and no proceedings for that purpose have been instituted or, to the best of such officer's knowledge, are threatened; (vi) the Commission has not notified the Partnership of any objection to the use of the form of the Registration Statement or any post-effective amendment thereto; (vii) since the date of the most recent financial statements included or incorporated by reference in the Prospectus, there has been no material adverse effect on the condition (financial or otherwise), results of operations, business or prospects of the Partnership Entities, taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth in or contemplated in the Prospectus; and (viii) since the Effective Date, no event has occurred that is required under the Rules and Regulations or the Act to be set forth in a supplement or amendment to the Registration Statement, the Prospectus or any Issuer Free Writing Prospectus that has not been so set forth.

(j) If any event shall have occurred on or prior to the Delivery Date that requires the Partnership or the Subsidiary Partnerships under Section 4(e) to prepare an amendment or supplement to the Prospectus, such amendment or supplement shall have been prepared, the Underwriters shall have been given a reasonable opportunity to comment thereon as provided in Section 4(e) hereof, and copies thereof shall have been delivered to the Underwriters reasonably in advance of the Delivery Date.

(k) No action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any governmental agency or body which would, as of the Delivery Date, prevent the issuance or sale of the Notes; and no injunction, restraining order or order of any other nature by any federal or state court of competent jurisdiction shall have been issued as of the Delivery Date which would prevent the issuance or sale of the Notes.

(l) Subsequent to the execution and delivery of this Agreement, if any debt securities of any of the Partnership Entities are rated by any "nationally recognized statistical rating organization," as that term is defined by the Commission for purposes of Section 3(a)(62) of the Exchange Act, (i) no downgrading shall have occurred in the rating accorded such debt securities (including the Notes) and (ii) no such organization shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any securities of any of the Partnership Entities.

(m) On or after the Applicable Time, the Notes shall have been accorded a rating of not less than BB (stable) by Standard & Poor's Ratings Group and not less than Bal (negative) by Moody's Investors Service, Inc.

(n) Subsequent to the execution and delivery of this Agreement, (i) neither the Partnership nor any of its subsidiaries shall have sustained 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, order or decree and (ii) except as set forth in the Prospectus, there shall not have been any change in the capital or long-term debt of the Partnership or any of its subsidiaries or any change, or any development involving a prospective change, in or affecting the condition (financial or otherwise), results of operations, unitholders' equity, properties, management, business or prospects of the Partnership and its subsidiaries taken as a whole, the effect of which, in any such case described in clause (i) or (ii), is, in the judgment of the Representatives, so material and adverse as to make it impracticable or

inadvisable to proceed with the public offering or the delivery of the Notes being delivered on the Delivery Date on the terms and in the manner contemplated in the Prospectus.

(o) Subsequent to the execution and delivery of this Agreement there shall not have occurred any of the following: (i) trading in securities generally on the New York Stock Exchange or the American Stock Exchange shall have been suspended or materially limited or the settlement of such trading generally shall have been materially disrupted or minimum prices shall have been established on the New York Stock Exchange, (ii) a banking moratorium shall have been declared by federal or New York State authorities, (iii) a material disruption in commercial banking or clearance services in the United States, (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) a calamity or crisis the effect of which on the financial markets is such as to make it, in the sole judgment of the Representatives, impracticable or inadvisable to proceed with the offering or delivery of the Notes being delivered on the Delivery Date on the terms and in the manner contemplated in the Prospectus.

(p) The Partnership, the Subsidiary Partnerships and the Trustee shall have executed and delivered the Notes, the Base Indenture and the Supplemental Indenture.

All such opinions, certificates, letters and documents 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 the Underwriters and to counsel for the Underwriters.

8. Indemnification and Contribution. (a) Each of the TEPPCO Parties, jointly and severally, agrees to indemnify and hold harmless each Underwriter, the QIU (in its capacity as such), the directors, officers, employees and agents of any Underwriter, the QIU (in its capacity as such) and each person who controls any Underwriter or the QIU (in its capacity as such) within the meaning of either the Securities Act or the Exchange Act from and against any and all losses, claims, damages or liabilities, joint or several, to which that Underwriter, the QIU (in its capacity as such), director, officer, employee or contesting person may become subject under the Securities Act, the Exchange Act or other Federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of a material fact contained in: (A) the Registration Statement, the Pricing Disclosure Package, the Prospectus, any Preliminary Prospectus or in any amendment thereof or supplement thereto, or (B) any Issuer Free Writing Prospectus or in any amendment or supplement thereto; or (ii) the omission or the alleged omission to state in any Preliminary Prospectus, the Registration Statement, the Pricing Disclosure Package, the Prospectus, any Issuer Free Writing Prospectus or in any amendment or supplement thereto any material fact required to be stated therein or necessary to make the statements therein not misleading; and agrees to reimburse each such indemnified party, as incurred, for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the TEPPCO Parties will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in

conformity with written information furnished to the TEPPCO Parties by the Underwriters through the Representatives specifically for inclusion therein, which information consists solely of the information specified in Section 8(b). This indemnity agreement will be in addition to any liability which the TEPPCO Parties may otherwise have.

(b) Each Underwriter, severally and not jointly, agrees to indemnify and hold harmless each TEPPCO Party, the directors of the General Partner and the Subsidiary General Partners, the respective officers of the General Partner and the Subsidiary General Partners who signed the Registration Statement, and each person who controls the TEPPCO Parties within the meaning of either the Securities Act or the Exchange Act to the same extent as the foregoing indemnity from the Partnership to the Underwriters, but only with reference to written information relating to the Underwriters through the Representatives furnished to the Partnership by the Underwriters specifically for inclusion in the documents referred to in the foregoing indemnity. This indemnity agreement will be in addition to any liability which the Underwriters may otherwise have. The TEPPCO Parties acknowledge that the statements set forth in the most recent Preliminary Prospectus and the Prospectus (i) in the last paragraph of the cover page regarding delivery of the Notes and (ii) under the heading "Underwriting," (A) the list of names of each of the Underwriters and the QIU (in its capacity as such) and (B) the statements in the fourth, sixth, seventh and eighth paragraphs regarding discounts, short sales, stabilization and penalty bids constitute the only information furnished in writing by or on behalf of the Underwriters for inclusion in any Preliminary Prospectus, the Registration Statement, the Pricing Disclosure Package, the Prospectus, any Issuer Free Writing Prospectuses or in any amendment or supplement thereto.

(c) Promptly after receipt by an indemnified party under this Section 8 of notice of any claim or the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 8, notify the indemnifying party in writing of the claim or the commencement thereof; but the failure so to notify the indemnifying party (i) will not relieve it from liability under paragraph (a) or (b) above unless and to the extent it did not otherwise learn of such action and such failure results in the forfeiture by the indemnifying party of substantive rights and defenses and (ii) will not, in any event, relieve the indemnifying party from any obligations to any indemnified party other than the indemnification obligation provided in paragraph (a) or (b) above. The indemnifying party shall be entitled to appoint counsel of the indemnifying party's choice at the indemnifying party's expense to represent the indemnified party in any action for which indemnification is sought (in which case the indemnifying party shall not thereafter be responsible for the reasonable fees, costs and expenses of any separate counsel retained by the indemnified party or parties except as set forth below); provided, however, that such counsel shall be reasonably satisfactory to the indemnified party. Notwithstanding the indemnifying party's election to appoint counsel to represent the indemnified party in an action, the indemnified party shall have the right to employ separate counsel (including local counsel), and the indemnifying party shall bear the reasonable fees, costs and expenses of such separate counsel if (i) the use of counsel chosen by the indemnifying party to represent the indemnified party would present such counsel with a conflict of interest, (ii) the actual or potential defendants in, or targets of, any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying

party, (iii) the indemnifying party shall not have employed counsel reasonably satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of the institution of such action or (iv) the indemnifying party shall authorize the indemnified party to employ separate counsel at the expense of the indemnifying party. An indemnifying party will not, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding.

(d) In the event that the indemnity provided in this Section 8 is unavailable to or insufficient to hold harmless an indemnified party for any reason, the TEPPCO Parties, the Underwriters or the QIU (in its capacity as such)agree to contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending same) (collectively, the "Losses") to which the TEPPCO Parties and the Underwriters may be subject in such proportion as is appropriate to reflect the relative benefits received by the TEPPCO Parties on the one hand and by the Underwriters and the QIU (in its capacity as such) on the other from the offering of the Notes; provided, however, that in no case shall the Underwriters be responsible for any amount in excess of the amount by which the total price at which the Notes underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which the Underwriters have otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. If the allocation provided by the immediately preceding sentence is unavailable for any reason, the TEPPCO Parties and the Underwriters shall contribute in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the TEPPCO Parties on the one hand and of the Underwriters on the other in connection with the statements or omissions which resulted in such Losses as well as any other relevant equitable considerations. Benefits received by the TEPPCO Parties shall be deemed to be equal to the total net proceeds from the offering (before deducting expenses) received by it, and benefits received by the Underwriters shall be deemed to be equal to the total underwriting discounts and commissions, in each case as set forth on the cover page of the Prospectus. Relative fault shall be determined by reference to, among other things, whether any untrue or any alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information provided by the TEPPCO Parties on the one hand or the Underwriters through the Representatives on the other, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The TEPPCO Parties and each of the Underwriters agree that it would not be just and equitable if contribution were determined by pro rata allocation or any other method of allocation which does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this paragraph (d), 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 Section 8, each person who controls any Underwriter or the QIU (in its capacity as such) within the meaning of either the Securities Act or the Exchange Act and each director, officer, employee and agent of any Underwriter or the QIU (in its capacity as such) shall have the same rights to contribution as the Underwriters, and each person who controls the TEPPCO Parties within the meaning of

either the Securities Act or the Exchange Act, each officer of the General Partner and the Subsidiary General Partners who shall have signed the Registration Statement and each director of the General Partner and the Subsidiary General Partners shall have the same rights to contribution as the TEPPCO Parties, subject in each case to the applicable terms and conditions of this paragraph (d).

9. No Fiduciary Duty. The TEPPCO Parties hereby acknowledge that each Underwriter is acting solely as an underwriter in connection with the purchase and sale of the Notes. The TEPPCO Parties further acknowledge that each Underwriter is acting pursuant to a contractual relationship created solely by this Agreement entered into on an arm's-length basis and in no event do the parties intend that each Underwriter acts or be responsible as a fiduciary to any of the Partnership Entities, their management, unitholders, creditors or any other person in connection with any activity that each Underwriter may undertake or have undertaken in furtherance of the purchase and sale of the Notes, either before or after the date hereof. Each Underwriter hereby expressly disclaims any fiduciary or similar obligations to any of the Partnership Entities, either in connection with the transactions contemplated by this Agreement or any matters leading up to such transactions, and the Partnership hereby confirms its understanding and agreement to that effect. The TEPPCO Parties and the Underwriters agree that they are each responsible for making their own independent judgments with respect to any such transactions and that any opinions or views expressed by the Underwriters to any of the Partnership Entities regarding such transactions, including but not limited to any opinions or views with respect to the price or market for the Notes, do not constitute advice or recommendations to any of the Partnership Entities. The TEPPCO Parties hereby waive and release, to the fullest extent permitted by law, any claims that they may have against each Underwriter with respect to any breach or alleged breach of any fiduciary or similar duty to any of the TEPPCO Parties in connection with the transactions contemplated by this Agreement or any matters leading up to such transactions.

10. Defaulting Underwriters. (a) If, on the Delivery Date, any Underwriter defaults in the performance of its obligations under this Agreement, the remaining non-defaulting Underwriters shall be obligated to purchase the Notes that the defaulting Underwriter agreed but failed to purchase on the Delivery Date in the respective proportions which the number of Notes set forth opposite the name of each remaining non-defaulting Underwriter in Schedule I hereto bears to the total number of Notes set forth opposite the names of all the remaining non-defaulting Underwriters in Schedule I hereto; provided, however, that the remaining non-defaulting Underwriters shall not be obligated to purchase any of the Notes on the Delivery Date if the total number of Notes that the defaulting Underwriter or Underwriters agreed but failed to purchase on such date exceeds 9% of the total number of Notes to be purchased on the Delivery Date, and any remaining non-defaulting Underwriters shall not be obligated to purchase more than 110% of the number of Notes that it agreed to purchase on the Delivery Date pursuant to the terms of Section 2. If the foregoing maximums are exceeded, the remaining non-defaulting Underwriters, or those other underwriters satisfactory to the Representatives 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 Delivery Date. If the remaining Underwriters or other underwriters satisfactory to the Representatives do not elect to purchase the Notes that the defaulting Underwriter or Underwriters agreed but failed to purchase on the Delivery Date, this Agreement shall terminate

without liability on the part of any non-defaulting Underwriters or the TEPPCO Parties, except that the TEPPCO Parties will continue to be liable for the payment of expenses to the extent set forth in Sections 6 and 12. As used in this Agreement, the term "Underwriter" includes, for all purposes of this Agreement unless the context requires otherwise, any party not listed in Schedule I hereto that, pursuant to this Section 10, purchases Notes that a defaulting Underwriter agreed but failed to purchase.

(b) Nothing contained herein shall relieve a defaulting Underwriter of any liability it may have to the TEPPCO Parties for damages caused by its default. If other Underwriters are obligated or agree to purchase the Notes of a defaulting or withdrawing Underwriter, either the Representatives or the TEPPCO Parties may postpone the Delivery Date for up to seven full business days in order to effect any changes that in the opinion of counsel for the TEPPCO Parties or counsel for the Underwriters may be necessary in the Registration Statement, the Prospectus or in any other document or arrangement.

11. Termination. The obligations of the Underwriters and the QIU (in its capacity as such) hereunder may be terminated by the Representatives by notice given to and received by the Partnership 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 Underwriters shall decline to purchase the Notes for any reason permitted under this Agreement.

12. Reimbursement of Underwriters' Expenses. If the sale of the Notes provided for herein is not consummated because any condition to the obligations of the Underwriters set forth in Section 7 hereof is not satisfied (other than Section 7(o)) or because of any refusal, inability or failure on the part of any TEPPCO Party to perform any agreement herein or comply with any provision hereof other than by reason of a default by the Underwriters, the TEPPCO Parties will reimburse the Underwriters, severally through the Representatives, and the QIU (in its capacity as such) on demand for all reasonable out-of-pocket expenses (including reasonable fees and disbursements of counsel) that shall have been incurred by the Underwriters and the QIU (in its capacity as such) in connection with the proposed purchase and sale of the Notes. Notwithstanding the foregoing, (i) if this Agreement is terminated pursuant to Section 10 hereof by reason of the default of one or more of the Underwriters, the TEPPCO Parties shall not be obligated to reimburse any defaulting Underwriter on account of such Underwriter's expenses, and (ii) if this Agreement is terminated pursuant to Section 11 hereof, the TEPPCO Parties shall not be obligated to reimburse the Underwriters in respect of those expenses.

13. Research Analyst Independence. Each of the TEPPCO Parties acknowledges that the Underwriters' 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 Underwriters' research analysts may hold views and make statements or investment recommendations and/or publish research reports with respect to each of the TEPPCO Parties and/or the offering that differ from the views of their respective investment banking divisions. Each of the TEPPCO Parties hereby waives and releases, to the fullest extent permitted by law, any claims that the TEPPCO Parties may have against the Underwriters 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 Underwriters' investment banking divisions. Each of the TEPPCO Parties acknowledges that each of the Underwriters 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 that may be the subject of the transactions contemplated by this Agreement.

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

(a) if to the Underwriters or the QIU (in its capacity as such), shall be delivered or sent by mail or facsimile transmission to Wachovia Capital Markets, LLC, 301 South College Street, Charlotte, North Carolina 28288-0602 Attention: Debt Capital Markets (Fax: 704-383-9165); to J.P. Morgan Securities Inc., 270 Park Avenue, New York, NY 10017, with a copy to the General Counsel's office at the same address; and a copy to Cadwalader, Wickersham & Taft LLP, One World Financial Center, New York, New York 10281, Attention: Louis J. Bevilacqua, Esq. (Fax: 212-504-6666);

(b) if to the TEPPCO Parties, shall be delivered or sent by mail or facsimile transmission to TEPPCO Partners L.P., 1100 Louisiana Street, Suite 1600, Houston, Texas 77002, Attention: Chief Legal Officer (Fax: 713-803-2905), with a copy to Bracewell & Giuliani LLP, 711 Louisiana Street, Suite 2300, Houston, Texas 77002-2770, Attention: Michael S. Telle, Esq. (Fax: 713-221-2113);

provided, however, that any notice to any Underwriter pursuant to Section 8(c) shall be delivered or sent by mail, telex or facsimile transmission to such Underwriters at its address set forth in its acceptance telex to the Underwriters, which address will be supplied to any other party hereto by the Underwriters upon request. Any such statements, requests, notices or agreements shall take effect at the time of receipt thereof.

The TEPPCO Parties shall be entitled to rely upon any request, notice, consent or agreement given or made by the Representatives on behalf of the Underwriters.

15. Persons Entitled to Benefit of Agreement. This Agreement shall inure to the benefit of and be binding upon the Underwriters, the QIU (in its capacity as such), the TEPPCO Parties and their respective successors. This Agreement and the terms and provisions hereof are for the sole benefit of only those persons, except as provided in Section 8 with respect to affiliates, officers, directors, employees, representatives, agents and controlling persons of the Partnership, the Partnership and the Underwriters. 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. Survival. The respective indemnities, representations, warranties and agreements, as applicable, of the TEPPCO Parties, the Underwriters and the QIU (in its capacity as such) contained in this Agreement or made by or on behalf on them, respectively, pursuant to this Agreement or any certificate delivered pursuant hereto, shall survive the delivery of and

payment for the Notes 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 of them or any person controlling any of them. The Underwriters and the QIU (in its capacity as such) acknowledge and agree that the obligations of the TEPPCO Parties hereunder are non-recourse to the General Partner.

17. 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) "affiliate" and "subsidiary" have their respective meanings set forth in Rule 405 of the Rules and Regulations.

18. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

19. Jurisdiction; Venue. The parties hereby consent to (i) nonexclusive jurisdiction in the courts of the State of New York located in the City and County of New York or in the United States District Court for the Southern District of New York, (ii) nonexclusive personal service with respect thereto, and (iii) personal jurisdiction, service and venue in any court in which any claim arising out of or in any way relating to this Agreement is brought by any third party against the Underwriters, the QIU (in its capacity as such) or any indemnified party. Each of the parties (on its behalf and, to the extent permitted by applicable law, on behalf of its limited partners and affiliates) waives all right to trial by jury in any action, proceeding or counterclaim (whether based upon contract, tort or otherwise) in any way arising out of or relating to this Agreement. The parties agree that a final judgment in any such action, proceeding or counterclaim brought in any such court shall be conclusive and binding upon the parties and may be enforced in any other courts to the jurisdiction of which the parties is or may be subject, by suit upon such judgment.

20. 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.

21. Amendments. No amendment or waiver of any provision of this Agreement, nor any consent or approval to any departure therefrom, shall in any event be effective unless the same shall be in writing and signed by the parties hereto.

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.

[Signature Pages to Follow]

If the foregoing correctly sets forth the agreement among the TEPPCO Parties, the Underwriters and the QIU, please indicate your acceptance in the space provided for that purpose below.

Very truly yours,

TEPPCO PARTNERS, L.P.

By: Texas Eastern Products Pipeline Company, LLC, its general partner

By: /s/ William G. Manias
William G. Manias
Vice President and Chief Financial Officer

TE PRODUCTS PIPELINE COMPANY, LIMITED PARTNERSHIP

By: TEPPCO GP, Inc., its general partner

By: /s/ William G. Manias
William G. Manias
Vice President and Chief Financial Officer

TCTM, L.P.

By: TEPPCO GP, Inc., its general partner

By: /s/ William G. Manias
William G. Manias
Vice President and Chief Financial Officer

TEPPCO MIDSTREAM COMPANIES, L.P.

By: TEPPCO GP, Inc., its general partner

By: /s/ William G. Manias
William G. Manias
Vice President and Chief Financial Officer

VAL VERDE GAS GATHERING COMPANY, L.P.

By: TEPPCO NGL Pipelines, LLC, its general partner

By: /s/ William G. Manias
William G. Manias
Vice President and Chief Financial Officer

TEXAS EASTERN PRODUCTS PIPELINE COMPANY, LLC

By: /s/ William G. Manias
William G. Manias
Vice President and Chief Financial Officer

TEPPCO GP, INC.

By: /s/ William G. Manias
William G. Manias
Vice President and Chief Financial Officer

TEPPCO NGL PIPELINES, LLC

By: /s/ William G. Manias
William G. Manias
Vice President and Chief Financial Officer

For themselves and as Representatives
of the several Underwriters named
in Schedule I hereto.

WACHOVIA CAPITAL MARKETS, LLC

By: /s/ Steven J. Taylor
Name: Steven J. Taylor
Title: Managing Director

J.P. MORGAN SECURITIES INC.

By: /s/ Heather X. Towner
Name: Heather X. Towner
Title: Vice President

BNY CAPITAL MARKETS, INC.
as Qualified Independent Underwriter

By: /s/ Kimberly A. Boulmetis
Name: Kimberly A. Boulmetis
Title: Managing Director

Schedule I

Underwriters	Principal Amount of Notes to be Purchased
Wachovia Capital Markets, LLC	$ 75,000,000
J.P. Morgan Securities Inc.	$ 75,000,000
SunTrust Capital Markets, Inc.	$ 60,000,000
BNP Paribas Securities Corp.	$ 27,000,000
Greenwich Capital Markets, Inc.	$ 27,000,000
BNY Capital Markets, Inc.	$ 12,000,000
KeyBanc Capital Markets Inc.	$ 12,000,000
Wells Fargo Securities, LLC	$ 12,000,000
TOTAL	**$300,000,000**

Schedule II

Issuer Free Writing Prospectuses Included in Disclosure Package

None, other than the pricing term sheet attached as Exhibit A.

Schedule III

Subsidiaries of the Partnership

Subsidiary	Jurisdiction of Formation	Ownership Interest Percentage
TEPPCO GP, Inc.	Delaware	100%
TE Products Pipeline Company, Limited Partnership	Delaware	100%
TEPPCO Terminals Company, L.P.	Delaware	100%
TEPPCO Terminaling and Marketing Company, LLC	Delaware	100%
TEPPCO Colorado, LLC	Delaware	100%
TEPPCO Midstream Companies, L.P.	Delaware	100%
TEPPCO NGL Pipelines, LLC	Delaware	100%
Chaparral Pipeline Company, L.P.	Delaware	100%
Quanah Pipeline Company, L.P.	Delaware	100%
Panola Pipeline Company, L.P.	Delaware	100%
Dean Pipeline Company, L.P.	Delaware	100%
Wilcox Pipeline Company, L.P.	Delaware	100%
Val Verde Gas Gathering Company, L.P.	Delaware	100%
TCTM, L.P.	Delaware	100%
TEPPCO Crude GP, LLC	Delaware	100%
TEPPCO Crude Pipeline, L.P.	Delaware	100%
TEPPCO Seaway, L.P.	Delaware	100%
TEPPCO Crude Oil, L.P.	Delaware	100%
Lubrication Services, L.P.	Delaware	100%

Schedule IV

Issuer Free Writing Prospectuses
other than those to which the Underwriters provided their consent

None.

EXHIBIT A
PRICING TERM SHEET

EXHIBIT B

FORM OF BRACEWELL & GIULIANI LLP'S OPINION

1. Each of the General Partner, the Partnership, the Subsidiary Partnerships and the Subsidiary General Partners is validly existing in good standing as a limited liability company, limited partnership or corporation, as applicable, under the laws of the State of Delaware with all necessary limited liability company, limited partnership or corporate, as the case may be, power and authority to own or lease its properties and conduct its businesses and, in the case of the General Partner, to act as the general partner of the Partnership and, in the case of TEPPCO NGL Pipelines and TEPPCO GP, to act as the general partner of Val Verde and the other Subsidiary Partnerships, respectively, in each case in all material respects as described in the Registration Statement and the Prospectus. Each of the General Partner, the Partnership, the Subsidiary Partnerships and the Subsidiary General Partners is duly registered or qualified as a foreign limited liability company, limited partnership or corporation, as the case may be, for the transaction of business and is in good standing under the laws of the State of Texas.

2. There are no preemptive rights under U.S. federal law or under the Delaware LP Act to subscribe for or purchase the Notes. There are no preemptive or other rights to subscribe for or to purchase the Notes included in the Partnership's limited partnership agreement. To such counsel's knowledge, neither the filing of the Registration Statement nor the offering or sale of the Notes as contemplated by the Underwriting Agreement gives rise to any rights for the registration of any securities of the Partnership or any of its subsidiaries, other than as have been waived, effectively complied with or satisfied.

3. To such counsel's knowledge and other than as set forth in the Prospectus, there are no legal or governmental proceedings pending to which the Partnership or any of its subsidiaries is a party or of which any property of the Partnership or any of its subsidiaries is the subject that, individually or in the aggregate, could reasonably be expected by such counsel to have a material adverse effect on the financial condition or results of operations of the Partnership and its subsidiaries, taken as a whole; and, to such counsel's knowledge, no such proceedings are threatened.

4. The Partnership and the Subsidiary Partnerships have all requisite partnership power and authority to issue, sell and deliver the Securities in accordance with and upon the terms and conditions set forth in the Agreement, the Partnership Agreement, the Subsidiary Partnership Agreements, the Indenture, the Registration Statement and Prospectus.

5. The Notes have been duly authorized and executed by the Partnership and, when authenticated by the Trustee and issued and delivered in the manner provided in the Indenture against payment of the consideration therefor, will constitute valid and legally binding obligations of the Partnership, enforceable against the Partnership in accordance with their terms, and will be entitled to the benefits provided by the Indenture.

6. The Base Indenture and the Supplemental Indenture have been duly authorized, executed and delivered by each of the Partnership and the Subsidiary Partnerships

and the Indenture has been duly qualified under the Trust Indenture Act and, assuming the due authorization, execution and delivery of the Base Indenture and the Supplemental Indenture by the Trustee, constitutes a valid and binding agreement of each of the Partnership and the Subsidiary Partnerships, enforceable against each of the Partnership and the Subsidiary Partnerships in accordance with its terms.

7. The Guarantee has been duly authorized, executed and delivered by the Subsidiary Partnerships and when the Notes (including the notations of the Guarantee thereon) are executed and authenticated in accordance with the Indenture against payment of the consideration therefor in accordance with the terms of this Agreement, the Guarantee endorsed by the notations on the Notes will be entitled to the benefits of the Indenture and will constitute legal, valid, binding and enforceable obligations of the Subsidiary Partnerships.

8. The Underwriting Agreement has been duly authorized, executed and delivered by each of the TEPPCO Parties.

9. The authorization, execution and delivery of the Notes, the Base Indenture, the Supplemental Indenture, and the Underwriting Agreement by the TEPPCO Parties do not, and the issuance of the Notes by the Partnership in accordance with the Indenture and their sale to the Underwriters in accordance with the Underwriting Agreement and the performance by the TEPPCO Parties of their respective obligations under the Notes, the Indenture, the Guarantee and the Underwriting Agreement will not, (i) violate the certificate of limited partnership or agreement of limited partnership, certificate of formation or limited liability company agreement, certificate or articles of incorporation or bylaws, as applicable, of the General Partner, the Partnership, the Subsidiary Partnerships or the Subsidiary General Partners, each as amended to the date hereof; or (ii) violate any applicable provisions of existing U.S. federal law, the laws of the State of Texas or the State of New York, the Delaware LP Act, the Delaware LLC Act or the DGCL (except, in the case of this clause (ii), where such violations would not, individually or in the aggregate, (a) have a material adverse effect on the financial condition, business or results of operations of the Partnership Entities, taken as a whole, or (b) materially impair the ability of the TEPPCO Parties to perform their respective obligations under the Underwriting Agreement).

10. No consent, approval, authorization or order of, or filing with, any U.S. federal or Texas governmental authority or agency having jurisdiction over the TEPPCO Parties or, to our knowledge, any U.S. federal or Texas court is required to be obtained or made and has not been obtained or made by the TEPPCO Parties for (i) the issue and sale by the Partnership to the Underwriters of the Notes and (ii) the execution, delivery and performance by the TEPPCO Parties of the Underwriting Agreement, except as may be required under state securities or “blue sky” laws in connection with the purchase and distribution of the Securities by the Underwriters, as to which such counsel need not express any opinion.

11. The Partnership and the Subsidiary Partnerships are not and, after giving effect to the issue and sale of the Notes to the Underwriters and the application of the proceeds from the sale of the Notes as described under the caption “Use of Proceeds” in the Prospectus, will not be, an “investment company” within the meaning of the Investment Company Act.

12. The statements made in the Prospectus under the caption “Description of Debt Securities” and “Description of the Notes” insofar as they purport to constitute summaries of the terms of the Notes, the Indenture, and the Guarantee, constitute accurate summaries of such terms in all material respects.

13. The statements made in the Prospectus under the caption “Certain United States Federal Income Tax Considerations,” insofar as they purport to constitute summaries of matters of U.S. federal tax law and regulations, constitute accurate summaries of the matters described therein in all material respects.

14. The Registration Statement became effective under the Securities Act on November 3, 2003, and the Prospectus was filed with the Commission pursuant to Rule 424(b)(5) under the Securities Act on November 3, 2003. To such counsel’s knowledge, no stop order suspending the effectiveness of the Registration Statement has been issued under the Securities Act and no proceeding for such purpose has been instituted or threatened by the Commission.

15. The Registration Statement, as of the date it became effective under the Securities Act, the Preliminary Prospectus, as of its date, and the Prospectus, as of its date, appeared on their face to be appropriately responsive, in all material respects, to the requirements of the Securities Act and the Rules and Regulations, except that in each case such counsel need express no opinion with respect to the financial statements and the notes and schedules thereto or other financial, accounting or statistical data contained or incorporated or deemed incorporated by reference in or omitted from the Registration Statement, the Preliminary Prospectus or the Prospectus.

Such counsel may state that the enforceability of the obligations of the TEPPCO Parties under the Notes, the Indenture and the Guarantee are subject to the effect of any applicable bankruptcy (including, without limitation, fraudulent conveyance and preference), insolvency, reorganization, rehabilitation, moratorium or similar laws and decisions relating to or affecting the enforcement of creditors’ rights generally and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, and the possible unavailability of specific performance or injunctive relief. Such principles are of general application, and in applying such principles a court, among other things, might decline to order the TEPPCO Parties to perform covenants. Such counsel need not express any opinion as to the validity, binding effect or enforceability of any provisions of the Notes, the Indenture or the Guarantee that requires or relates to the payment of liquidated damages or additional interest at a rate or in an amount that a court would determine in the circumstances under applicable law to be commercially unreasonable or a penalty or a forfeiture. Further, such counsel need not express any opinion with respect to the enforceability of provisions in the Notes, the Indenture or the Guarantee with respect to waiver, delay, extension or omission of notice of enforcement of rights or remedies or waivers of defenses or waivers of benefits of stay, extension, moratorium, redemption, statutes of limitations or other nonwaivable benefits provided by operation of law. In addition, the enforceability of any exculpation, indemnification or contribution provisions contained in the Indenture or the Guarantee may be limited by applicable law or public policy.

Because the primary purpose of such counsel's engagement was not to establish or confirm factual matters or financial or accounting matters and because of the wholly or partially non-legal character of many of the statements contained in the Registration Statement, the Prospectus and the Pricing Disclosure Package, such counsel need not pass upon and does not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement, the Prospectus or the Pricing Disclosure Package (except to the extent expressly set forth in paragraphs 12 and 13 above), and such counsel need not independently verify the accuracy, completeness or fairness of such statements (except as aforesaid). Without limiting the foregoing, such counsel need not assume any responsibility for, and has not independently verified and has not been asked to comment on the accuracy, completeness or fairness of the financial statements, schedules and other financial or accounting data included in the Registration Statement, the Prospectus or the Pricing Disclosure Package or the exhibits to the Registration Statement or the documents incorporated by reference therein, and such counsel has not examined the accounting, financial or other records from which such financial statements, schedules and other financial or accounting data and information were derived. Such counsel may state that they are not experts with respect to any portion of the Registration Statement, the Prospectus or the Pricing Disclosure Package, including, without limitation, such financial statements and supporting schedules and related data and other financial or accounting data included therein. Such counsel may state that they did not participate in the preparation of the documents incorporated by reference into the Registration Statement. However, such counsel shall state that they have participated in conferences with officers and other representatives of the Partnership Entities, the independent registered public accounting firm for the Partnership, the Underwriters' representatives and the Underwriters' counsel at which the contents of the Registration Statement, the Prospectus and the Pricing Disclosure Package and related matters were discussed. Based upon such participation and review, and relying as to materiality in part upon the factual statements of officers and other representatives of the Partnership Entities and upon the Underwriter's representatives, such counsel shall advise the Underwriters that no facts have come to such counsel's attention that have caused such counsel to believe that (i) the Registration Statement (including the documents incorporated by reference therein, but excluding the financial statements, schedules and related data and other financial or accounting data, as to which such counsel has not been asked to comment), at the time such Registration Statement became effective, contained an untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein not misleading, (ii) the Prospectus (including the documents incorporated by reference therein, but excluding the financial statements, schedules and related data and other financial or accounting data, as to which such counsel has not been asked to comment), as of the date of the Prospectus and as of the time of delivery of such counsel's letter, contained an untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading or (iii) the Pricing Disclosure Package, considered together (including the documents incorporated by reference therein, but excluding the financial statements, schedules and related data and other financial or accounting data, as to which such counsel has not been asked to comment), 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 the light of the circumstances under which they were made, not misleading, except that the public offering price of

and interest rate of the Notes and disclosures directly relating thereto that are included on the cover page of the Prospectus are not included in the most recent Preliminary Prospectus.

In rendering such opinions, such counsel may (A) rely in respect of matters of fact exclusively upon certificates of officers and employees for the Partnership Entities 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 based on and limited to the Delaware LP Act, the Delaware LLC Act, the DGCL and the laws of the State of Texas, the applicable laws of the United States of America and, with respect to the opinion set forth in paragraph 13 above, United States federal income tax law, and, with respect to the opinions set forth in paragraphs 4, 5, 6 and 9, the relevant contract law of the State of New York, (D) state that they express no opinion with respect to the state securities or blue sky laws of any jurisdiction or with respect to the anti-fraud provisions of the federal securities laws, (E) with respect to the opinion expressed in paragraph 1 above as to the due qualification or registration under the laws of the State of Texas as a foreign limited partnership, limited liability company or corporation, as the case may be, of the General Partner, the Partnership, the Subsidiary Partnerships and the Subsidiary General Partners, state that such opinions are based solely on certificates of foreign qualification or registration for each such entity provided by the Secretary of State of the State of Texas, and (F) state that such counsel expresses no opinion with respect to (i) any permits to own or operate any real or personal property or (ii) state or local taxes or tax statutes to which any of the limited partners of the Partnership or any of the Partnership Entities may be subject.

EXHIBIT C

FORM OF GENERAL COUNSEL'S OPINION

1. Each of the Partnership Entities (other than the TEPPCO Parties) has been duly formed or incorporated, as the case may be, and is validly existing and in good standing under the laws of its respective jurisdiction of formation with all necessary corporate, limited liability company or limited partnership, as the case may be, power and authority to own or lease its properties and conduct its business, in each case in all material respects as described in the Registration Statement and the Prospectus. Each of the Partnership Entities is duly registered or qualified as a foreign corporation, limited partnership or limited liability company, as the case may be, for the transaction of business under the laws of each jurisdiction in which its ownership or lease of property or the conduct of its businesses requires such qualification or registration, except where the failure to so qualify or register would not, individually or in the aggregate, have a Material Adverse Effect.

2. All of the outstanding shares of capital stock, partnership interests or membership interests, as the case may be, of each of the Partnership Entities have been duly and validly authorized and issued, are fully paid and non-assessable. Except as described in the Prospectus, the Partnership and/or the Subsidiary Partnerships, as the case may be, directly or indirectly, owns the shares of capital stock, partnership interests or membership interests, as applicable, in each of the Partnership Entities as set forth on Schedule III, free and clear of any lien, charge, encumbrance, security interest, restriction upon voting or any other claim.

3. Each of the TEPPCO Parties has all requisite right, power and authority to execute and deliver the Underwriting Agreement and to perform its respective obligations thereunder. The Partnership has all requisite partnership power and authority to issue, sell and deliver the Notes in accordance with and upon the terms and conditions set forth in the Indenture, the Partnership Agreement, the Registration Statement and the Prospectus. The Subsidiary Partnerships have all requisite partnership power and authority to issue and deliver the Guarantee in accordance with and upon the terms and conditions set forth in the Indenture, the Subsidiary Partnership Agreements, the Registration Statement and the Prospectus. All action required to be taken by the TEPPCO Parties or any of their security holders, partners or members for (i) the due and proper authorization, execution and delivery of the Underwriting Agreement, (ii) the authorization, issuance, sale and delivery of the Securities and (iii) the consummation of the transactions contemplated hereby, has been duly and validly taken.

4. None of (i) the offering, issuance and sale by the Partnership of the Notes, (ii) the issuance by the Subsidiary Partnerships of the Guarantee, (iii) the execution, delivery and performance of the Underwriting Agreement by the TEPPCO Parties or the consummation of the transactions contemplated thereby or (iv) the execution, delivery and performance of the Base Indenture or the Supplemental Indenture by the Partnership and the Subsidiary Partnerships or the consummation of the transactions contemplated thereby (A) conflicts or will conflict with or constitutes or will constitute a violation of the certificate of limited partnership or agreement of limited partnership, certificate of formation or limited liability company agreement, certificate or articles of incorporation or bylaws or other organizational documents of any of the Partnership

Entities (other than the TEPPCO Parties), (B) conflicts or will conflict with or constitutes or will constitute a breach or violation of, or a default (or an event that, 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 known to such counsel to which any of the Partnership Entities is a party or by which any of them or any of their respective properties may be bound, (C) will result, to the knowledge of such counsel, in any violation of any judgment, order, decree, injunction, rule or regulation of any court, arbitrator or governmental agency or body having jurisdiction over any of the Partnership Entities or any of their assets or properties, or (D) results or will result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of any of the Partnership Entities, which conflicts, 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 on the financial condition, business or results of operations of the Partnership Entities, taken as a whole, or could materially impair the ability of any of the TEPPCO Parties to perform its obligations under the Underwriting Agreement.

5. To the knowledge of such counsel, (a) there is no legal or governmental proceeding pending or threatened to which any of the Partnership Entities is a party or to which any of their respective properties is subject that is required to be disclosed in the Registration Statement or the Prospectus and is not so disclosed and (b) there are no agreements, contracts or other documents to which any of the Partnership Entities is a party that are required to be described in the Registration Statement or the Prospectus or to be filed as exhibits to the Registration Statement that are not described or filed as required.

In addition, such counsel shall state that he has participated in conferences with officers and other representatives of the Partnership Entities, the independent registered public accounting firm for the General Partner and the Partnership, your counsel and your representatives, at which the contents of the Registration Statement, the Pricing Disclosure Package and the Prospectus and related matters were discussed, and, although such counsel has not independently verified, is not passing upon and does not assume any responsibility for the accuracy, completeness or fairness of, the statements contained or incorporated by reference in, the Registration Statement, the Pricing Disclosure Package and the Prospectus (except as and to the extent set forth in certain opinions above), on the basis of the foregoing (relying to a limited extent with respect to factual matters upon statements by officers and other representatives of the Partnership Entities and their subsidiaries), no facts have come to such counsel's attention that have led him to believe that (i) the Registration Statement, as of the latest Effective Date, contained an untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) the Pricing Disclosure Package, as of the Applicable Time, contained an untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that the public offering price of and interest rate of the Notes and disclosures directly relating thereto that are included on the cover page of the Prospectus are not included in the most recent Preliminary Prospectus, or (iii) the Prospectus, as of its date and as of the Delivery Date, contained or contains an untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; it being understood that such counsel expresses no statement or belief in this letter with respect to (i) the financial statements and related schedules, including the notes and

schedules thereto and the auditor's report thereon, any other financial, accounting or statistical data, included or incorporated or deemed incorporated by reference in, or excluded from, the Registration Statement or the Prospectus or the Pricing Disclosure Package, and (ii) representations and warranties and other statements of fact included in the exhibits to the Registration Statement or to the Incorporated Documents.

In rendering such opinion, such counsel may (A) rely on certificates of officers and representatives of the Partnership Entities and upon information obtained from public officials, (B) assume that all documents submitted to him as originals are authentic, that all copies submitted to him conform to the originals thereof, and that the signatures on all documents examined by him are genuine, (C) state that his opinion is limited to federal laws, the Delaware LP Act, the Delaware LLC Act, the DGCL and the laws of the State of Texas, and (D) state that such counsel expresses no opinion with respect to: (i) any permits to own or operate any real or personal property, (ii) the title of any of the Partnership Entities to any of their respective real or personal property, other than with regard to the opinions set forth above regarding the ownership of capital stock, partnership interests and membership interests, or with respect to the accuracy or descriptions of real or personal property or (iii) state or local taxes or tax statutes to which any of the limited partners of the Partnership or any of the Partnership Entities may be subject.

EXHIBIT 4.2

TEPPCO PARTNERS, L.P.,

as Issuer

TE PRODUCTS PIPELINE COMPANY, LIMITED PARTNERSHIP,
TCTM, L.P.,
TEPPCO MIDSTREAM COMPANIES, L.P.
AND VAL VERDE GAS GATHERING COMPANY, L.P.,
as Subsidiary Guarantors

and

THE BANK OF NEW YORK TRUST COMPANY, N.A.,
as Trustee

FIRST SUPPLEMENTAL INDENTURE

Dated as of May 18, 2007

to

Indenture dated as of May 14, 2007

7.000% FIXED /FLOATING RATE JUNIOR SUBORDINATED NOTES DUE 2067

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(continued)

THIS FIRST SUPPLEMENTAL INDENTURE, dated as of May 18, 2007 (this "First Supplemental Indenture"), is among TEPPCO Partners, L.P., a Delaware limited partnership (the "Partnership"), TE Products Pipeline Company, Limited Partnership, a Delaware limited partnership ("TE Products"), TCTM, L.P., a Delaware limited partnership ("TCTM"), TEPPCO Midstream Companies, L.P., a Delaware limited partnership ("TEPPCO Midstream"), Val Verde Gas Gathering Company, L.P., a Delaware limited partnership ("Val Verde" and together with TE Products, TCTM and TEPPCO Midstream, the "Subsidiary Guarantors"), and The Bank of New York Trust Company, N.A., as trustee (the "Trustee").

W I T N E S S E T H:

WHEREAS, the Partnership and the Subsidiary Guarantors have executed and delivered to the Trustee an Indenture, dated as of May 14, 2007 (as amended hereby, and as the same may be further amended from time to time, the "Base Indenture"), providing for the issuance by the Partnership from time to time of one or more series of the Partnership's Debt Securities (as defined therein), unlimited as to principal amount, and the guarantee by each Subsidiary Guarantor of such Debt Securities;

WHEREAS, the Partnership has duly authorized and desires to cause to be issued pursuant to the Base Indenture and this First Supplemental Indenture a new series of Debt Securities designated the "7.000% Fixed/Floating Rate Junior Subordinated Notes due 2067" (the "Notes"), all of such Notes to be guaranteed by the Subsidiary Guarantors as provided in Article XIV of the Base Indenture (as hereinafter defined) and Article VII of this First Supplemental Indenture;

WHEREAS, the Partnership desires to cause the issuance of the Notes pursuant to Sections 2.01 and 2.03 of the Base Indenture, which sections permit the execution of indentures supplemental thereto to establish the form and terms of Debt Securities of any series;

WHEREAS, pursuant to Section 9.01 of the Base Indenture, the Partnership and the Subsidiary Guarantors have requested that the Trustee join in the execution of this First Supplemental Indenture to establish the form and terms of the Notes; and

WHEREAS, all things necessary have been done to make the Notes, when executed by the Partnership and authenticated and delivered hereunder and under the Base Indenture and duly issued by the Partnership, and the guarantee thereof by each of the Subsidiary Guarantors when the Notation of Guarantee affixed to the Notes has been executed by each of the Subsidiary Guarantors, the valid obligations of the Partnership and each Subsidiary Guarantor, respectively, and to make this First Supplemental Indenture a valid agreement of the Partnership and each of the Subsidiary Guarantors, enforceable against them in accordance with its terms;

NOW, THEREFORE, the Partnership, each of the Subsidiary Guarantors and the Trustee hereby agree that the following provisions shall amend and supplement the Base Indenture:

ARTICLE I

DEFINITIONS

Section 1.1 Definition of Terms. Unless the context otherwise requires:

(a) a term defined in the Base Indenture has the same meaning when used in this First Supplemental Indenture; provided, however, that, where a term is defined both in this First Supplemental Indenture and in the Base Indenture, the meaning given to such term in this First Supplemental Indenture shall control for purposes of this First Supplemental Indenture and, in respect of the Notes, but not any other series of Debt Securities, the Base Indenture;

(b) a term defined anywhere in this First Supplemental Indenture has the same meaning throughout this First Supplemental Indenture and, in respect of the Notes, but not any other series of Debt Securities, the Base Indenture;

(c) any term used herein which is defined in the TIA, either directly or by reference therein, has the meanings assigned to it therein; and

(d) the following terms have the following respective meanings:

"Bankruptcy Event" means, with respect to any Person, that (a) such Person, pursuant to or within the meaning of any Bankruptcy Law, (i) commences a voluntary case; (ii) consents to the entry of an order for relief against it in an involuntary case; (iii) consents to the appointment of a Custodian of it or for all or substantially all of its property; or (iv) makes a general assignment for the benefit of its creditors; or (b) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (i) is for relief against such Person as debtor in an involuntary case; (ii) appoints a Custodian of such Person or a Custodian for all or substantially all of the property of such Person; or (iii) orders the liquidation of such Person, and, in the case of clauses (b)(i) through (b)(iii), the order or decree remains unstayed and in effect for 60 days.

"Base Indenture" has the meaning set forth in the recitals of this First Supplemental Indenture.

"Book-Entry Notes" has the meaning set forth in Section 2.3.

"Calculation Agent" means The Bank of New York Trust Company, N.A. (and its successors) or any other firm hereafter appointed by the Partnership to act as calculation agent in respect of the Notes.

"Comparable Treasury Issue" means the United States Treasury security selected by the Independent Investment Banker as having a maturity comparable to the Remaining Life of the Notes that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the Remaining Life of the Notes; provided, however, that if no maturity is within three months (before or after) of the end of the Remaining Life, yields for the two published maturities most closely corresponding to such United States Treasury security will be determined and the

Treasury Yield will be interpolated or extrapolated from those yields on a straight-line basis rounding to the nearest month.

"Comparable Treasury Price" means, with respect to any Redemption Date, (a) the average, after excluding the highest and lowest such Reference Treasury Dealer Quotations, of up to five Reference Treasury Dealer Quotations for such Redemption Date, or (b) if the Independent Investment Banker obtains fewer than five such Reference Treasury Dealer Quotations, the average of all such Reference Treasury Dealer Quotations received.

"Current Interest" means, on or prior to an Interest Payment Date, interest accrued on the principal amount of the Notes at the Fixed Rate or the Floating Rate, as the case may be, since the immediately preceding Interest Payment Date. For the avoidance of doubt, Current Interest shall not include Deferred Interest.

"Deferred Interest" means (a) interest the payment of which has been deferred pursuant to Section 4.1 plus (b) all interest accrued thereon since the due date thereof in accordance with Section 2.6(a) and 2.6(d).

"Depositary" means DTC or, if DTC shall have ceased performing such function, any other Person selected by the Partnership, so long as such Person is registered as a clearing agency under the Exchange Act or other applicable statutes or regulations.

"DTC" means The Depository Trust Company, New York, New York, or any successor thereto.

"First Supplemental Indenture" has the meaning set forth in the preamble hereto.

"Fixed Rate" means 7.000% per annum.

"Fixed Rate Period" means the period commencing on May 18, 2007 to, but not including, June 1, 2017.

"Floating Rate" means, with respect to a Quarterly Interest Period, the Three-Month LIBOR Rate for such Quarterly Interest Period plus 2.7775%.

"Floating Rate Period" means the period commencing on June 1, 2017 to, but not including, June 1, 2067.

"Fraudulent Transfer Laws" has the meaning given in Section 7.4.

"Guarantee" has the meaning given in Section 7.1.

"Indenture" means the Base Indenture, as amended and supplemented by this First Supplemental Indenture, including the form and terms of the Notes as set forth herein, as the same shall be amended from time to time.

"Independent Investment Banker" means any of J.P. Morgan Securities Inc. or Wachovia Capital Markets, LLC (and their respective successors), or if no such firm is willing and able to

select the applicable Comparable Treasury Issue or perform the other functions of the Independent Investment Banker provided herein, an independent investment banking institution of national standing appointed by the Trustee and reasonably acceptable to the Partnership.

"Interest" means, collectively, Current Interest and Deferred Interest.

"Interest Payment Date" means a Quarterly Interest Payment Date or a Semi-Annual Interest Payment Date, as the case may be.

"Interest Period" means a Quarterly Interest Period or a Semi-Annual Interest Period, as the case may be.

"LIBOR Interest Determination Date" has the meaning set forth in the definition of "Three-Month LIBOR Rate."

"LIBOR Rate Reset Date" has the meaning set forth in the definition of "Three-Month LIBOR Rate."

"London Banking Day" means any Business Day on which dealings in deposits in U.S. dollars are transacted in the London interbank market.

"Notes" has the meaning set forth in the recitals of this First Supplemental Indenture.

"Make-Whole Redemption Price" means, with respect to a Redemption Date, an amount equal to (a) all accrued and unpaid Interest to but not including such Redemption Date, plus (b) the greater of (i) 100% of the principal amount of the Notes being redeemed and (ii) as determined by an Independent Investment Banker, the sum of the present values of remaining scheduled payments of principal and interest on the Notes (exclusive of interest accrued to the Redemption Date) being redeemed during the Remaining Life, discounted to such Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Yield plus 0.50%. The Make-Whole Redemption Price, calculated as provided herein, shall be calculated and certified to the Trustee and the Partnership by an Independent Investment Banker.

"Optional Deferral" has the meaning set forth in Section 4.1(a).

"Optional Deferral Period" means the period of time commencing on an Interest Payment Date with respect to which the Partnership has optionally deferred payment of Interest pursuant to Section 4.1(a) and ending upon the earlier of (a) the Interest Payment Date on which all Deferred Interest and Current Interest to, but not including, such Interest Payment Date shall have been paid and (b) the first Interest Payment Date on which the Partnership shall have deferred payment of some or all of the Interest due on a number of consecutive Interest Payment Dates with respect to consecutive Interest Periods which, taken together as a single period, would equal or exceed ten (10) consecutive years.

"Optional Redemption Price" means, with respect to a Redemption Date, 100% of the principal amount of the Notes being redeemed plus all unpaid Interest thereon to but not including such Redemption Date.

"Partnership" means the Person named as the "Partnership" in the preamble of this First Supplemental Indenture until a successor Person shall have become such pursuant to the applicable provisions of the Indenture, and thereafter "Partnership" shall mean such successor Person.

"Primary Treasury Dealer" has the meaning set forth in the definition of "Reference Treasury Dealer."

"Quarterly Interest Payment Date" means each March 1, June 1, September 1, and December 1 during the Floating Rate Period, commencing September 1, 2017; provided, however, that if any such day is not Business Day, then the Quarterly Interest Payment Date shall be the immediately succeeding Business Day (except if such next succeeding Business Day falls in the next succeeding calendar month, then such payment shall be made on the immediately preceding Business Day).

"Quarterly Interest Period" means each period commencing on a Quarterly Interest Payment Date and continuing to but not including the next succeeding Quarterly Interest Payment Date (except that the first Quarterly Interest Period will commence on June 1, 2017).

"Redemption Price" means (a) in the case of redemption of the Notes pursuant to Section 3.1(a), the Make-Whole Redemption Price, (b) in the case of redemption of the Notes pursuant to Section 3.1(b), the Special Event Make-Whole Redemption Price, and (c) in the case of redemption of the Notes pursuant to Section 3.1(c), the Optional Redemption Price.

"Reference Banks" has the meaning set forth in the definition of "Three-Month LIBOR Rate."

"Reference Treasury Dealer" means (a) either J.P. Morgan Securities Inc. or Wachovia Capital Markets, LLC (and their respective successors) and (b) one other primary U.S. government securities dealer in New York City (each, a "Primary Treasury Dealer") selected by an Independent Investment Banker; provided, however, that if either of the foregoing is not a Primary Treasury Dealer at the time the Make-Whole Redemption Price is being calculated hereunder, the Partnership will substitute therefor another Primary Treasury Dealer.

"Reference Treasury Dealer Quotation" means, with respect to each Reference Treasury Dealer and any Redemption Date for the Notes, an average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer at or about 5:00 p.m., New York City time, on the third Business Day preceding such Redemption Date.

"Remaining Life" means the period of time from the date on which the Notes are redeemed to June 1, 2017.

"Reuters Page LIBOR01" means the display so designated on the Reuters 3000 Xtra (or such other page as may replace such page on such service, or such other service as may be nominated for the purpose of displaying rates or prices comparable to the London Interbank Offered Rate for U.S. dollar deposits).

"Semi-Annual Interest Period" means each period commencing on a Semi-Annual Interest Payment Date and continuing to but not including the next succeeding Semi-Annual Interest Payment Date (except that the first Semi-Annual Interest Period will begin on May 18, 2007).

"Semi-Annual Interest Payment Date" means each June 1 and December 1 commencing December 1, 2007 (or, in the case of any additional Notes issued pursuant to clause (ii) of Section 2.1, the date set forth in the Partnership Order providing for the issuance of any such additional Notes) through June 1, 2017; provided, however, that if any such day is not Business Day, then the Semi-Annual Interest Payment Date shall be the next succeeding Business Day.

"Senior Indebtedness" means, with respect to any Person, the principal of, any interest and premium, if any, on and any other payments in respect of any of the following, whether currently outstanding or hereafter created or incurred: (a) (i) indebtedness of such Person for borrowed money; (ii) indebtedness of such Person evidenced by securities, bonds, notes and debentures, including any of the same that are subordinated, issued under credit agreements, indentures or other similar instruments, other than this First Supplemental Indenture, and other similar instruments, other than, in the case of the Partnership, the Notes; (iii) obligations of such Person arising from or with respect to guarantees and direct credit substitutes, other than, in the case of the Subsidiary Guarantors, the Subsidiary Guarantors' obligations under the Guarantee; (iv) obligations of such Person arising from or with respect to hedges and derivative products (including, but not limited to, interest rate, commodity, and foreign exchange contracts); (v) capital lease obligations of such Person; (vi) all of the obligations of such Person arising from or with respect to any letter of credit, banker's acceptance, security purchase facility, cash management arrangements or similar credit transactions; (vii) operating leases of such Person (but only to the extent the terms of such leases expressly provide that the same constitute "Senior Indebtedness"); and (viii) guarantees by such Person of any indebtedness or obligations of others of the types described in clauses (i) through (vii) other than, in the case of the Subsidiary Guarantors, the Guarantee and (b) any modifications, refundings, deferrals, renewals, or extensions of any of the foregoing or any other evidence of indebtedness issued in exchange therefor; provided, however, that Senior Indebtedness shall not include the obligations of such Person in respect of: (w) trade accounts payable of such Person; (x) any indebtedness incurred by such Person for the purchase of goods or materials or for services obtained in the ordinary course of business to the extent that the same is incurred from, and owed to, the vendor of such goods or materials or the provider of such services; (y) any indebtedness or other obligation of such Person which, by the terms of the instrument creating or evidencing it, is expressly made equal in rank and payment with or subordinated to the Notes or the Guarantee, as the case may be; and (z) indebtedness owed by such Person to its Subsidiaries.

"Special Event" means (a) the receipt by the Partnership of an opinion of counsel experienced in such matters to the effect that, as a result of any (i) amendment to, clarification of or change (including any prospective change) in the laws or regulations of the United States or any political subdivision or taxing authority of or in the United States that is effective on or after the date of issuance of the Notes, (ii) proposed change in those laws or regulations that is announced on or after the date of issuance of the Notes, (iii) official administrative decision or judicial decision or administrative action or other official pronouncement (including a private letter ruling, technical advice memorandum or other similar pronouncement) by any court,

government agency or regulatory authority interpreting or applying those laws or regulations that is announced on or after the date of issuance of the Notes, or (iv) threatened challenge asserted in connection with an audit of the Partnership or any of the Partnership's subsidiaries, or a threatened challenge asserted in writing against any taxpayer that has raised capital through the issuance of securities that are substantially similar to the Notes (including any trust preferred or similar securities) that occurs on or after the date of issuance of the Notes, there is more than an insubstantial risk that interest payable on the Notes is not, or within 90 days of the date of such opinion will not be, deductible, in whole or in part, by the Partnership or its partners, as applicable, for U.S. federal income tax purposes or (b) a change by any nationally recognized statistical rating organization within the meaning of Section 3(a)(62) of the Exchange Act that publishes a rating for the Partnership (a "rating agency") to its equity credit criteria for securities such as the Notes, as such criteria is in effect on the date of this First Supplemental Indenture (the "current criteria"), which change results in (i) any shortening of the length of time for which such current criteria are scheduled to be in effect with respect to the Notes, or (ii) a lower equity credit being given to the Notes as of the date of such change than the equity credit that would have been assigned to the Notes as of the date of such change by such rating agency pursuant to its current criteria.

"Special Event Make-Whole Redemption Price" means, with respect to a Redemption Date, an amount equal to (a) all accrued and unpaid Interest to but not including such Redemption Date, plus (b) the greater of (i) 100% of the principal amount of the Notes being redeemed and (ii) as determined by an Independent Investment Banker, the sum of the present values of remaining scheduled payments of principal and interest on the Notes (exclusive of interest accrued to the Redemption Date) being redeemed during the Remaining Life, discounted to such Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Yield plus 0.50%. The Special Event Make-Whole Redemption Price, calculated as provided herein, shall be calculated and certified to the Trustee and the Partnership by an Independent Investment Banker.

"Subsidiary Guarantors" means each of the Persons named as the "Subsidiary Guarantors" in the preamble of this First Supplemental Indenture until a successor Person or Persons shall have become such pursuant to the applicable provisions of the Indenture, and thereafter "Subsidiary Guarantors" shall mean such successor Person or Persons, and any other Subsidiary of the Partnership who may execute a supplement to the Indenture for the purpose of providing a Guarantee of the Notes.

"Three-Month LIBOR Rate" means, for each Quarterly Interest Period during the Floating Rate Period, the rate (expressed as a percentage per year) for deposits in U.S. dollars for a three-month period that appears on Reuters Page LIBOR01 as of 11:00 a.m. (London time) on the second London Banking Day (the "LIBOR Interest Determination Date") immediately preceding the first day of such Quarterly Interest Period (the "LIBOR Rate Reset Date"). If such rate does not appear on such page for the purpose of displaying offered rates of leading banks for London interbank deposits in U.S. dollars, the Three-Month LIBOR Rate will be determined on the basis of the rates, at approximately 11:00 a.m., London time, on the LIBOR Interest Determination Date, at which U.S. dollar deposits with a maturity of three months in an amount determined by the Calculation Agent as representative of a single transaction in the relevant market and at the relevant time are offered by four major banks in the London interbank market

selected and certified to the Calculation Agent by the Partnership ("Reference Banks") to prime banks in the London interbank market for the interest period commencing on the LIBOR Rate Reset Date. The Partnership will request the principal London office of each of the Reference Banks to provide a quotation of its rate. If at least two quotations are provided as requested, the Three-Month LIBOR Rate will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the Three-Month LIBOR Rate will be the interest rate per annum equal to the average of the rates per annum quoted by three major banks in New York City selected and certified to the Calculation Agent by the Partnership, at or about 11:00 a.m., New York City time, on the LIBOR Interest Determination Date, for loans in U.S. dollars to leading European banks in amounts that are representative of a single transaction in the relevant market and at the relevant time with a maturity corresponding to the interest period and commencing on the LIBOR Rate Reset Date. If fewer than three New York City banks selected and certified to the Calculation Agent by the Partnership are quoting rates, the Three-Month LIBOR Rate for the applicable interest period will be the same as for the immediately preceding Quarterly Interest Period or, in the case of the Quarterly Interest Period beginning on June 1, 2017, the interest rate on the Notes will be the same as for the most recent quarterly period for which the Three-Month LIBOR Rate can be determined.

"Treasury Yield" means, with respect to any Redemption Date, the rate per annum equal to the semi-annual equivalent yield to maturity (computed as of the third Business Day immediately preceding such Redemption Date) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the applicable Comparable Treasury Price for such Redemption Date.

"Trustee" means the Person named as the "Trustee" in the preamble of this First Supplemental Indenture until a successor Person shall have become such pursuant to the applicable provisions of the Indenture, and thereafter "Trustee" shall mean such successor Person.

Section 1.2 Rules of Construction. In addition to the Rules of Construction under Section 1.04 of the Base Indenture, the following provisions also shall be applied wherever appropriate herein:

(a) any references herein to a particular Section, Article or Exhibit means a Section or Article of, or an Exhibit to, this First Supplemental Indenture unless otherwise expressly stated herein; and

(b) the Exhibits attached hereto are incorporated herein by reference and shall be considered part of this First Supplemental Indenture.

ARTICLE II

GENERAL TERMS AND CONDITIONS OF THE NOTES

Section 2.1 Designation and Principal Amount. There is hereby authorized a series of Debt Securities under the Indenture designated the "7.000% Fixed/Floating Rate Junior Subordinated Notes Due 2067." The Trustee shall authenticate and deliver (i) the Notes for

original issue on the date hereof in the aggregate principal amount of $300,000,000 and (ii) additional Notes for original issue from time to time after the date hereof in such principal amounts as may be specified in a Partnership Order for the authentication and delivery thereof pursuant to Sections 2.04 and 2.05 of the Base Indenture. Any additional Notes shall have the same Stated Maturity and other terms as the original issue of Notes and shall be consolidated with and be part of the original issue of Notes. The Notes shall be issued in denominations of $1,000 in principal amount and integral multiples thereof.

Section 2.2 Maturity. The principal amount of the Notes shall be payable on the maturity date of the Notes, which is June 1, 2067.

Section 2.3 Form. The Notes and the Trustee's certificate of authentication thereon shall be substantially in the form of Exhibit A.

The Notes shall be issued only in registered form and, when issued, shall be registered in the Debt Security Register of the Partnership. The Notes shall be originally issued in the form of one or more Global Securities (the "Book-Entry Notes"). Each of the Book-Entry Notes shall represent such of the Outstanding Notes as shall be specified therein and shall provide that it shall represent the aggregate amount of Outstanding Notes from time to time endorsed thereon and that the aggregate amount of Outstanding Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges and redemptions. Any endorsement of Book-Entry Notes to reflect the amount, or any increase or decrease in the amount, of Outstanding Notes represented thereby shall be made by the Trustee in accordance with written instructions or such other written form of instructions as is customary for the Depositary, from the Depositary or its nominee on behalf of any Person having a beneficial interest in such Book-Entry Notes. The Partnership initially appoints DTC to act as Depositary with respect to the Book-Entry Notes.

Section 2.4 Registrar and Paying Agent. The Partnership initially appoints the Trustee as Registrar and paying agent with respect to the Notes. The office or agency in the City and State of New York where the Notes may be presented for registration of transfer or exchange and the Place of Payment for the Notes shall initially be The Bank of New York Trust Company, N. A., 101 Barclay Street – 7 East, New York, New York 10286.

Section 2.5 Transfer and Exchange. The transfer and exchange of Book-Entry Notes or beneficial interests therein shall be effected through the Depositary, in accordance with Section 2.15 of the Base Indenture and the rules and procedures of the Depositary therefor.

Section 2.6 Interest Rates; Payment of Principal and Interest.

(a) Rates.

(i) Interest During the Fixed Rate Period. During the Fixed Rate Period, (A) the outstanding principal amount of the Notes and (B) to the extent permitted by applicable law, any Deferred Interest or overdue interest thereon, will bear interest at a per annum rate equal to the Fixed Rate until the commencement of the Floating Rate Period or, if earlier, until the principal thereof and all Interest thereon is paid,

compounded semi-annually and payable (subject to the provisions of Article IV) semi-annually, in arrears on each Semi-Annual Interest Payment Date.

(ii) Interest During the Floating Rate Period. During the Floating Rate Period, (A) the outstanding principal amount of the Notes and (B) to the extent permitted by applicable law, any Deferred Interest or overdue interest thereon will bear interest during each Quarterly Interest Period at a per annum rate equal to the applicable Floating Rate for such period, until the principal thereof and all Interest thereon is paid, compounded quarterly and payable (subject to the provisions of Article IV) quarterly in arrears on each Quarterly Interest Payment Date. The Calculation Agent will calculate the Floating Rate with respect to each Floating Rate Period and the amount of Interest payable on each Quarterly Interest Payment Date as promptly as practicable according to the appropriate method described herein. Promptly upon such determination, the Calculation Agent will notify the Partnership and the Trustee of the Floating Rate for the Floating Rate Period and the amount of Interest payable to each Holder on each Quarterly Interest Payment Date. The Floating Rate determined by the Calculation Agent, absent manifest error, will be binding and conclusive upon the beneficial owners and Holders of the Notes, the Partnership and the Trustee.

(b) Payment of Interest to Record Holders of the Notes. Payments of principal of, premium, if any, and Interest due on the Notes representing Book-Entry Notes on any Interest Payment Date, upon redemption or at maturity will be made available to the Trustee by 11:00 a.m., New York City time, on the applicable maturity date, Redemption Date or Interest Payment Date, unless such date falls on a day which is not a Business Day, in which case such payments will be made available to the Trustee by 11:00 a.m., New York City time, on the next succeeding Business Day; provided, however, that, during the Floating Rate Period, if such next succeeding Business Day falls in the next succeeding calendar month, then such payments will be made available to the Trustee by 11:00 a.m., New York City time, on the immediately preceding Business Day. As soon as possible thereafter, the Trustee will make such payments to the Depositary. Other than in connection with the maturity or redemption of the Notes or in connection with payment of Defaulted Interest, Interest on the Notes may be paid only on an Interest Payment Date. Payments of principal of, premium, if any, and Interest due on Notes other than Book-Entry Notes on any Interest Payment Date, upon redemption or at maturity will be made in accordance with Article II of the Base Indenture. The regular record date for Interest payable on the Notes on any Interest Payment Date during the Fixed Rate Period shall be the May 15 or November 15, as the case may be, immediately preceding such Interest Payment Date and during the Floating Rate Period shall be the February 15, May 15, August 15 or November 15, as the case may be, immediately preceding such Interest Payment Date.

(c) The amount of Interest payable on any Interest Payment Date during the Fixed Rate Period will be computed on the basis of a 360-day year consisting of twelve 30-day months. The amount of Interest payable on any Interest Payment Date during the Floating Rate Period will be computed on the basis of a 360-day year and the actual number of days elapsed.

(d) To the extent permitted by applicable law, Interest not paid when due hereunder, including, without limitation, all Deferred Interest and overdue Interest, shall in accordance with Section 2.6(a), until paid, compound (i) semi-annually at the Fixed Rate on each

Semi-Annual Interest Payment Date during the Fixed Rate Period and (ii) quarterly at the applicable Floating Rate on each Quarterly Interest Payment Date during the Floating Rate Period.

(e) If the Partnership shall make a partial payment of Interest on any Interest Payment Date, such payment shall, with respect to the Notes, be applied, first, to Deferred Interest until all such Deferred Interest has been paid and, second, to any Current Interest.

(f) To the extent that the provisions of this Section 2.6 are inconsistent with the provisions of Article II of the Base Indenture, the provisions of this Section 2.6 shall control.

ARTICLE III

REDEMPTION OF THE NOTES

Section 3.1 Optional Redemption. Subject to the provisions of Article III of the Base Indenture, the Partnership shall have the option to redeem the Notes for cash:

(a) in whole or in part, at any time and from time to time prior to June 1, 2017, at the Make-Whole Redemption Price;

(b) after the occurrence of a Special Event, in whole but not in part, at any time prior to June 1, 2017, at the Special Event Make-Whole Redemption Price; and

(c) in whole or in part, at any time and from time to time on or after June 1, 2017, at the Optional Redemption Price.

Section 3.2 Certain Redemption Procedures. Notes called for optional redemption shall become due on the Redemption Date. Notices of optional redemption will be mailed at least 30 days but not more than 60 days before the Redemption Date to each Holder of the Notes to be redeemed at its registered address. The notice of optional redemption for the Notes will state, among other things, the amount of Notes to be redeemed, the Redemption Date, the method of calculating such Redemption Price, and the place(s) that payment will be made upon presentation and surrender of Notes to be redeemed. Unless the Partnership defaults in payment of the Redemption Price or the paying agent is prohibited from making such payment pursuant to the terms of Article XII of the Base Indenture, interest will cease to accrue on the Redemption Date with respect to any Notes that have been called for optional redemption. If less than all the Notes are redeemed at any time, the Trustee will select the Notes to be redeemed on a pro rata basis or by any other method the Trustee deems fair and appropriate. The Partnership may not redeem the Notes in part if the principal amount of the Notes has been accelerated and such acceleration has not been rescinded unless all accrued and unpaid Interest (including Deferred Interest) has been paid in full on all outstanding Notes for all Interest Periods terminating on or before the Redemption Date.

The Notes may be redeemed in part only in principal amounts that are integral multiples of $1,000.

Section 3.3 No Sinking Fund. The Notes will not be entitled to the benefit of any sinking fund.

ARTICLE IV

DEFERRAL OF INTEREST

Section 4.1 Optional Deferral of Interest.

(a) The Partnership shall have the right, at any time and from time to time during the term of the Notes, to elect to defer payment of all or any portion of any Current Interest and/or Deferred Interest otherwise due on the Notes on any Interest Payment Date ("Optional Deferral"); provided, however, that the Partnership may not (i) elect to defer payment of any Interest otherwise due on any Interest Payment Date if, as a result of such deferral, the Partnership shall have deferred payment of some or all of the Interest due on a number of consecutive Interest Payment Dates with respect to a number of consecutive Interest Periods which, when taken together as a single period, would equal or exceed ten (10) consecutive years, or (ii) elect to defer payment of any Interest due on the maturity date of the Notes, or, with respect to any Notes being redeemed, on the Redemption Date for such Notes. No Interest on the Notes shall be due and payable on any Interest Payment Date during an Optional Deferral Period; however, Interest shall accrue on the Notes during such period in accordance with Sections 2.6(a) and 2.6(d).

(b) Following the termination of an Optional Deferral Period and the payment of all Deferred Interest accrued during such Optional Deferral Period, the Partnership may again elect pursuant to Section 4.1(a) to make an Optional Deferral of Interest.

(c) On the Interest Payment Date on which the Partnership desires to terminate an Optional Deferral Period, or at the end of an Optional Deferral Period pursuant to clause (b) of the definition of "Optional Deferral Period," the Partnership shall pay all Deferred Interest and Current Interest due on such Interest Payment Date. Such Interest shall be payable to the Holders of the Notes in whose names the Notes are registered in the Debt Security Register for the Notes on the record date with respect to such Interest Payment Date.

Section 4.2 Notice of Deferrals.

(a) The Partnership shall give written notice to the Trustee of any election of Optional Deferral pursuant to Section 4.1 not fewer than ten (10) nor more than sixty (60) Business Days prior to the applicable Interest Payment Date for which Interest on the Notes will be deferred, other than an Optional Deferral in the circumstances described in Section 4.2(b). The Trustee shall forward such written notice promptly to each Holder of the Notes.

(b) In the case of an election of Optional Deferral pursuant to Section 4.1 when the Partnership or the Subsidiary Guarantors would be prohibited pursuant to Section 12.03 of the Base Indenture from paying Interest on the Notes, the Partnership shall give written notice to the Trustee of such election of Optional Deferral not later than the time monies in respect of the Interest payment on the applicable Interest Payment Date must be made available to the

Trustee pursuant to Section 2.6(b) hereof. The Trustee shall forward such written notice promptly to each Holder of the Notes.

ARTICLE V

CERTAIN COVENANTS

Section 5.1 Restricted Payments.

(a) Subject to Section 5.1(b), during any Optional Deferral Period, (i) the Partnership will not declare or make any distributions with respect to, or redeem, purchase, or make a liquidation payment with respect to, any of the Partnership's equity securities, and (ii) the Partnership and the Subsidiary Guarantors will not, and will cause their respective Subsidiaries not to (A) make any payment of interest, principal, or premium, if any, on or repay, purchase, or redeem any debt securities of the Partnership or the Subsidiary Guarantors (including securities similar to Notes) that contractually rank equally with or junior to the Notes or the Guarantee, as applicable, or (B) make any payment under a guarantee of debt securities (including under a guarantee of debt securities that are similar to the Notes) that contractually ranks equally with or junior to the Notes or the Guarantee, as applicable.

(b) Notwithstanding the provisions of Section 5.1(a), the Partnership, the Subsidiary Guarantors and any of their respective Subsidiaries may take any of the following actions at any time, including during an Optional Deferral Period: (i) make any purchase, redemption or other acquisition of any of the Partnership's equity securities in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors, or agents, or a securities purchase or dividend or distribution reinvestment plan, or the satisfaction of the Partnership's obligations pursuant to any contract or security outstanding on the date that the Optional Deferral Period commences requiring the purchase, redemption or acquisition of any of the Partnership's equity securities; (ii) make any payment, repayment, redemption, purchase, acquisition or declaration of a distribution as a result of a reclassification of the Partnership's equity securities or the exchange or conversion of all or a portion of one class or series of the Partnership's equity securities for another class or series of any of the Partnership's equity securities; (iii) purchase fractional interests in the Partnership's equity securities pursuant to the conversion or exchange provisions of such securities or the security being converted or exchanged, in connection with the settlement of stock purchase contracts or in connection with any split, reclassification or similar transaction; (iv) make a distribution paid or made in the Partnership's equity securities (or rights to acquire its equity securities), or a repurchase, redemption or acquisition of the Partnership's equity securities in connection with the issuance or exchange of the Partnership's equity securities (or of securities convertible into or exchangeable for the Partnership's equity securities) and distributions in connection with the settlement of securities purchase contracts outstanding on the date that the Optional Deferral Period commences; (v) make any redemption, exchange or repurchase of, or with respect to, any rights outstanding under a rights plan or the declaration or payment thereunder of a distribution of or with respect to rights in the future; (vi) make any payments under (A) the Notes and under securities similar to the Notes (including trust preferred securities) that

are (or, in the case of a trust preferred security, the underlying debt obligation is) *pari passu* with the Notes and (B) the Guarantee and similar guarantees associated with any instruments that are (or, in the case of a trust preferred security, the underlying debt obligation is) *pari passu* with the Notes, in each case, so long as any such payments are made on a pro rata basis with the Notes and the Guarantee, respectively; or (vii) make any regularly scheduled dividend or distribution payments declared prior to the date that the Optional Deferral Period commences.

(c) For the avoidance of doubt, nothing contained herein shall prevent the Partnership or the Subsidiary Guarantors from issuing any other securities, whether senior to, *pari passu* with or subordinated to the Notes, including securities having covenants and provisions the same as or similar to those applicable to the Notes, or any guarantees with respect thereto.

ARTICLE VI

SUBORDINATION

Section 6.1 Agreement to Subordinate. The Notes shall be subordinated to all Senior Indebtedness (as defined in this First Supplemental Indenture) of the Partnership on the terms and subject to the conditions set forth in Article XII of the Base Indenture, and each Holder of Notes issued hereunder by such Holder's acceptance thereof acknowledges and agrees that all Notes shall be issued subject to the provisions of this Article VI and such Article XII and that each Holder of Notes, whether upon original issuance or upon transfer or assignment thereof, accepts and agrees to be bound by such provisions. The Notes shall be "Subordinated Debt Securities" as such term is used in the Indenture, and, for purposes of the Notes only, and not for purposes of any other Debt Securities, all references in the Indenture to Senior Indebtedness of the Partnership shall mean Senior Indebtedness of the Partnership as defined in this First Supplemental Indenture.

Section 6.2 Amendment and Restatement of Section 12.02 of the Base Indenture. For purposes of the Notes only, and not for purposes of any other Debt Securities, Section 12.02 of the Base Indenture is hereby amended and restated in its entirety to read as follows:

Section 12.02 Liquidation, Dissolution, Bankruptcy. Upon any payment or distribution of the assets of the Partnership to creditors upon a total or partial liquidation or a total or partial dissolution of the Partnership or in a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to the Partnership or its property:

(a) holders of Senior Indebtedness of the Partnership shall be entitled to receive payment in full in cash of such Senior Indebtedness (including interest (if any), accruing on or after the commencement of a proceeding in bankruptcy, whether or not allowed as a claim against the Partnership in such bankruptcy proceeding) before Holders of Subordinated Debt Securities of the Partnership shall be entitled to receive any payment of principal of, or premium, if any, or interest on, the Subordinated Debt Securities; and

(b) until the Senior Indebtedness of the Partnership is paid in full, any such distribution to which Holders of Subordinated Debt Securities

would be entitled but for this Article XII shall be made to holders of Senior Indebtedness of the Partnership as their interests may appear, except that such Holders may receive securities representing equity interests of the Partnership and any debt securities of the Partnership that are subordinated to Senior Indebtedness of the Partnership to at least the same extent as the Subordinated Debt Securities of the Partnership.

Upon any payment or distribution of the assets of any Guarantor to creditors upon a total or partial liquidation or a total or partial dissolution of such Guarantor or in a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to such Guarantor or its property:

(a) holders of Senior Indebtedness of such Guarantor shall be entitled to receive payment in full in cash of such Senior Indebtedness (including interest (if any), accruing on or after the commencement of a proceeding in bankruptcy, whether or not allowed as a claim against such Guarantor in such bankruptcy proceeding) before Holders of Subordinated Debt Securities shall be entitled to receive, under such Guarantor's Guarantee of such Subordinated Debt Securities, any payment of principal of, or premium, if any, or interest on, the Subordinated Debt Securities; and

(b) until the Senior Indebtedness of such Guarantor is paid in full, any such distribution to which Holders of Subordinated Debt Securities would be entitled under such Guarantor's Guarantee but for this Article XII shall be made to holders of Senior Indebtedness of such Guarantor as their interests may appear, except that such Holders may receive securities representing equity interests of such Guarantor and any debt securities of such Guarantor that are subordinated to Senior Indebtedness of such Guarantor to at least the same extent as the Guarantee of the Subordinated Debt Securities of such Guarantor.

Section 6.3 Amendment and Restatement of Section 12.03 of the Base Indenture. For purposes of the Notes only, and not for purposes of any other Debt Securities, Section 12.03 of the Base Indenture is hereby amended and restated in its entirety to read as follows:

Section 12.03 Default on Senior Indebtedness. The Partnership may not pay the principal of, or premium, if any, or interest on, the Subordinated Debt Securities or make any deposit pursuant to Article XI and may not repurchase, redeem or otherwise retire (except, in the case of Subordinated Debt Securities that provide for a mandatory sinking fund pursuant to Section 3.04, by the delivery of Subordinated Debt Securities by the Partnership to the Trustee pursuant to the second paragraph of Section 3.04) any Subordinated Debt Securities (collectively, "pay the Subordinated Debt Securities") if (a) any principal, premium or interest in respect of Senior Indebtedness of the Partnership is not paid when due, including any applicable grace period (including at maturity) or (b) any other default on Senior Indebtedness of the Partnership occurs and the maturity of such Senior Indebtedness is accelerated in accordance with its terms unless, in either case, the default has been cured or waived and any

such acceleration has been rescinded or such Senior Indebtedness has been paid in full in cash; provided, however, that the Partnership may pay the Subordinated Debt Securities without regard to the foregoing if the Partnership and the Trustee receive written notice approving such payment from the Representative of each issue of Designated Senior Indebtedness of the Partnership. During the continuance of any default (other than a default described in clause (a) or (b) of the preceding sentence) with respect to any Designated Senior Indebtedness of the Partnership pursuant to which the maturity thereof may be accelerated immediately without further notice (except such notice as may be required to effect such acceleration) or the expiration of any applicable grace periods, the Partnership may not pay the Subordinated Debt Securities for a period (a "Payment Blockage Period") commencing upon the receipt by the Partnership and the Trustee of written notice of such default from the Representative of any Designated Senior Indebtedness of the Partnership specifying an election to effect a Payment Blockage Period (a "Blockage Notice") and ending 179 days thereafter (or earlier if such Payment Blockage Period is terminated by written notice to the Trustee and the Partnership from the Person or Persons who gave such Blockage Notice, by repayment in full in cash of such Designated Senior Indebtedness or because the default giving rise to such Blockage Notice is no longer continuing). Notwithstanding the provisions described in the immediately preceding sentence (but subject to the provisions contained in the first sentence of this Section 12.03), unless the holders of such Designated Senior Indebtedness or the Representative of such holders shall have accelerated the maturity of such Designated Senior Indebtedness, the Partnership may resume payments on the Subordinated Debt Securities after such Payment Blockage Period. Not more than one Blockage Notice may be given in any consecutive 360-day period, irrespective of the number of defaults with respect to any number of issues of Designated Senior Indebtedness during such period, unless otherwise specified pursuant to Section 2.03 for the Subordinated Debt Securities of a series; provided, however, that in no event may the total number of days during which any Payment Blockage Period or Periods is in effect exceed 179 days in the aggregate during any 360 consecutive day period. For purposes of this Section 12.03, no default or event of default which existed or was continuing on the date of the commencement of any Payment Blockage Period with respect to the Designated Senior Indebtedness of the Partnership initiating such Payment Blockage Period shall be, or be made, the basis of the commencement of a subsequent Payment Blockage Period by the Representative of such Designated Senior Indebtedness, whether or not within a period of 360 consecutive days, unless such default or event of default shall have been cured or waived for a period of not less than 90 consecutive days.

No Guarantor may make a payment or distribution in respect of its Guarantee of any Subordinated Debt Securities ("make a Guarantee payment on Subordinated Debt Securities") if (a) any principal, premium or interest in respect of Senior Indebtedness of such Guarantor is not paid when due, including any applicable grace period (including at maturity) or (b) any other default on Senior Indebtedness of such Guarantor occurs and the maturity of such Senior Indebtedness is accelerated in accordance with its terms unless, in either case, the

default has been cured or waived and any such acceleration has been rescinded or such Senior Indebtedness has been paid in full in cash; provided, however, that such Guarantor may make a Guarantee payment on the Subordinated Debt Securities without regard to the foregoing if such Guarantor and the Trustee receive written notice approving such payment from the Representative of each issue of Designated Senior Indebtedness of such Guarantor. During the continuance of any default (other than a default described in clause (a) or (b) of the preceding sentence) with respect to any Designated Senior Indebtedness of such Guarantor pursuant to which the maturity thereof may be accelerated immediately without further notice (except such notice as may be required to effect such acceleration) or the expiration of any applicable grace periods, such Guarantor may not make a Guarantee payment on Subordinated Debt Securities for a period (a "Payment Blockage Period") commencing upon the receipt by such Guarantor and the Trustee of written notice of such default from the Representative of any Designated Senior Indebtedness specifying an election to effect a Payment Blockage Period (a "Blockage Notice") and ending 179 days thereafter (or earlier if such Payment Blockage Period is terminated by written notice to the Trustee and such Guarantor from the Person or Persons who gave such Blockage Notice, by repayment in full in cash of such Designated Senior Indebtedness or because the default giving rise to such Blockage Notice is no longer continuing). Notwithstanding the provisions described in the immediately preceding sentence (but subject to the provisions contained in the first sentence of this paragraph of this Section 12.03), unless the holders of such Designated Senior Indebtedness or the Representative of such holders shall have accelerated the maturity of such Designated Senior Indebtedness, such Guarantor may resume payments under its Guarantee of any Subordinated Debt Securities after such Payment Blockage Period. Not more than one Blockage Notice may be given in any consecutive 360-day period, irrespective of the number of defaults with respect to any number of issues of Designated Senior Indebtedness during such period, unless otherwise specified pursuant to Section 2.03 for the Subordinated Debt Securities of a series; provided, however, that in no event may the total number of days during which any Payment Blockage Period or Periods is in effect exceed 179 days in the aggregate during any 360 consecutive day period. For purposes of this Section 12.03, no default or event of default which existed or was continuing on the date of the commencement of any Payment Blockage Period with respect to the Designated Senior Indebtedness of such Guarantor initiating such Payment Blockage Period shall be, or be made, the basis of the commencement of a subsequent Payment Blockage Period by the Representative of such Designated Senior Indebtedness, whether or not within a period of 360 consecutive days, unless such default or event of default shall have been cured or waived for a period of not less than 90 consecutive days.

ARTICLE VII

GUARANTEE OF THE NOTES

Section 7.1 Guarantee of the Notes. In accordance with Article XIV of the Base Indenture, the Notes, subject to Section 7.2, shall be fully, unconditionally and absolutely, jointly and severally guaranteed by each of the Subsidiary Guarantors (the "Guarantee") and are hereby designated as entitled to the benefits of the Guarantee of each of the Subsidiary Guarantors.

Section 7.2 Subordination of Guarantee. The obligations of the Subsidiary Guarantors under the Guarantee shall be subordinated to all Senior Indebtedness (as defined in this First Supplemental Indenture) of the Subsidiary Guarantors on the terms and subject to the conditions set forth in Article XII of the Base Indenture, and each Holder of the Notes issued hereunder by such Holder's acceptance thereof, acknowledges and agrees that the Guarantee shall be issued subject to the provisions of this Section 7.2 and such Article XII and that each Holder of Notes, whether upon original issuance or upon transfer or assignment thereof, accepts and agrees to be bound by such provisions. The Guarantee of the Subsidiary Guarantors is a Guarantee of Subordinated Debt Securities, and, for purposes of the Notes only, and not for purposes of any other Debt Securities, all references in the Indenture to Senior Indebtedness of the Subsidiary Guarantors shall mean Senior Indebtedness, as defined in this First Supplemental Indenture, of the Subsidiary Guarantors.

Section 7.3 Amendment to Article IV of Base Indenture. For purposes of the Notes only, and not for purposes of any other Debt Securities, Article IV of the Base Indenture is hereby amended by inserting the following new Section 4.12:

"Section 4.12. Additional Subsidiary Guarantors. If at any time after the original issuance of the Notes, including following any release of a Subsidiary Guarantor from its Guarantee under this Indenture, any Subsidiary of the Partnership (including any future Subsidiary of the Partnership) guarantees any Funded Debt (as defined below) of the Partnership, then the Partnership shall cause such Subsidiary to execute and deliver an Indenture supplemental hereto pursuant to Section 9.01(h) simultaneously therewith in order to become a Subsidiary Guarantor and to effect its Guarantee of the Subordinated Debt Securities. In order to further evidence its Guarantee, such Subsidiary shall execute and deliver to the Trustee a notation relating to such Guarantee in accordance with Section 14.02. For purposes of this Section 4.12, the term "Funded Debt" means all Debt maturing one year or more from the date of the incurrence, creation, assumption or guarantee thereof, all Debt directly or indirectly renewable or extendible, at the option of the debtor, by its terms or by the terms of the instrument or agreement relating thereto, to a date one year or more from the date of the incurrence, creation, assumption or guarantee thereof, and all Debt under a revolving credit or similar agreement obligating the lender or lenders to extend credit over a period of one year or more."

Section 7.4 No Fraudulent Conveyance. Each Subsidiary Guarantor, and by its acceptance of Notes, each Holder, hereby confirms that it is the intention of all such parties that

the Guarantee of such Subsidiary Guarantor not constitute a fraudulent conveyance for purposes of any U.S. federal (including Section 548 of the United States Bankruptcy Act) or other law applicable to the Guarantee (collectively, "Fraudulent Transfer Laws"). To effectuate the foregoing intention, the Trustee, the Holders and the Subsidiary Guarantors hereby irrevocably agree that the obligations of such Subsidiary Guarantor will, after giving effect to such maximum amount and all other contingent, fixed or other liabilities of such Subsidiary Guarantor that are relevant under such laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Subsidiary Guarantor in respect of the obligations of such other Subsidiary Guarantor hereunder, result in the obligations of such Subsidiary Guarantor under its Guarantee not constituting a fraudulent transfer or conveyance for purposes of any applicable Fraudulent Transfer Laws.

ARTICLE VIII

APPLICABILITY OF DEFEASANCE AND COVENANT DEFEASANCE

Section 8.1 Applicability of Defeasance and Covenant Defeasance. The Notes will be subject to satisfaction, defeasance and discharge pursuant to Article XI of the Base Indenture in accordance with the provisions of such Article; provided that for purposes of the Notes only, and not for purposes of any other Debt Securities, (i) references in Section 11.02(b) of the Base Indenture to Sections 6.01(d), (g) and (h) of the Base Indenture shall be deemed to be references only to Section 6.01(d) of the Base Indenture, and that references in Section 11.02(b) of the Base Indenture to Sections 6.01(e) and (f) of the Base Indenture shall not apply.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES OF THE TRUSTEE AND HOLDERS OF NOTES

Section 9.1 Amendment and Restatement of Section 6.01 of the Base Indenture. For purposes of the Notes only, and not for purposes of any other Debt Securities, Section 6.01 of the Base Indenture is hereby amended and restated in its entirety to read as follows:

Section 6.01 Events of Default. If any one or more of the following shall have occurred and be continuing with respect to the Notes (each of the following an "Event of Default"):

(a) failure to pay principal on the Notes when due;

(b) failure to pay Interest on the Notes when due and such default continues for thirty (30) days (it being understood that the deferral of Interest as permitted by Article IV of the First Supplemental Indenture is not a default in payment of Interest on the Notes);

(c) the occurrence of a Bankruptcy Event with respect to the Partnership; or

(d) the Guarantee of any Subsidiary Guarantor ceases to be in full force and effect or is declared null and void in a judicial proceeding;

then, and in each and every case that an Event of Default described in clause (a), (b), and (d) with respect to the Notes at the time Outstanding occurs and is continuing, unless the principal of, premium, if any, and Interest on all the Notes shall have already become due and payable, either the Trustee or the Holders of not less than 25% in aggregate principal amount of the Notes then Outstanding hereunder, by notice in writing to the Partnership (and to the Trustee if given by Holders), may, and the Trustee at the request of such Holders shall, declare the principal of, premium, if any, and Interest on all the Notes to be due and payable immediately, and upon any such declaration, the same shall become and shall be immediately due and payable, anything in the Notes, this Indenture or in the First Supplemental Indenture contained to the contrary notwithstanding. If an Event of Default described in clause (c) occurs, then and in each and every such case, unless the principal of, premium, if any, and Interest on all the Notes shall have become due and payable, the principal of, premium, if any, and Interest on all the Notes then Outstanding hereunder shall *ipso facto* become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders, anything in the Notes, this Indenture or in the First Supplemental Indenture contained to the contrary notwithstanding.

The Holders of a majority in aggregate principal amount of the Notes then Outstanding by written notice to the Trustee may rescind an acceleration and annul its consequences if the rescission would not conflict with any judgment or decree of a court of competent jurisdiction already rendered and if all existing Events of Default with respect to the Notes have been cured or waived except nonpayment of principal, premium, if any, or Interest that has become due solely because of acceleration. Upon any such rescission, the parties hereto shall be restored respectively to their several positions and rights hereunder, and all rights, remedies, and powers of the parties hereto shall continue as though no such proceeding had been taken.

ARTICLE X

MISCELLANEOUS

Section 10.1 Ratification of Base Indenture. The Base Indenture, as amended and supplemented by this First Supplemental Indenture, is in all respects ratified and confirmed, and this First Supplemental Indenture shall be deemed part of the Base Indenture in the manner and to the extent herein and therein provided; provided, however, that the provisions of this First Supplemental Indenture apply solely with respect to the Notes. The Indenture shall, solely in respect of the Notes, be deemed a "junior subordinated indenture."

Section 10.2 No Recourse to General Partner. No recourse under or upon any obligation, covenant, or agreement contained in this First Supplemental Indenture or the Base Indenture or for any claim based hereon or thereon or otherwise in respect hereof or thereof,

shall be had (a) against the General Partner or the general partner of any Subsidiary Guarantor or any other partner of, or any Person which owns an interest directly or indirectly in, the Partnership, the Subsidiary Guarantors or such general partners or (b) against any past, present, or future director, manager, officer, employee, agent, member or partner, as such, of the Partnership, the Subsidiary Guarantors, the General Partner or such general partners, under any rule of law, statute, or constitutional provision or otherwise, all such liability being expressly waived and released by the execution hereof by the Trustee and as part of the consideration for the issuance of the Notes.

Section 10.3 Separateness. Each Holder of Notes by its acceptance thereof acknowledges (a) that such Holder has acquired Notes in reliance upon the separateness of the Partnership, each Subsidiary Guarantor and the General Partner from one another and from any other Persons, including any Affiliate thereof, (b) that the Partnership, each Subsidiary Guarantor and the General Partner have assets and liabilities that are separate from those of one another and from those of other persons, including any Affiliate thereof, (c) that the Notes and other obligations owing under the Notes have not been guaranteed by any Person, other than the Subsidiary Guarantors and only to the extent explicitly set forth herein, and (d) that, except as other Persons may expressly assume or guarantee any of the Notes or obligations thereunder, the Holders of the Notes shall look solely to the Partnership and its property and assets for the payment of any amounts payable pursuant to the Notes and for satisfaction of any obligations owing to the Holders of the Notes.

Section 10.4 Trustee Not Responsible for Recitals. The recitals herein contained are made by the Partnership and not by the Trustee, and the Trustee assumes no responsibility for the correctness thereof. The Trustee makes no representation as to the validity or sufficiency of this First Supplemental Indenture.

Section 10.5 Governing Law. This First Supplemental Indenture, the Notes and the Guarantee shall be governed by and construed in accordance with the laws of the State of New York.

Section 10.6 Time is of the Essence. Time is of the essence in performance of the obligations under this First Supplemental Indenture.

Section 10.7 Separability. In case any one or more of the provisions contained in this First Supplemental Indenture or in the Notes shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this First Supplemental Indenture or of the Notes, but this First Supplemental Indenture and the Notes shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein or therein.

Section 10.8 Treatment of the Notes. By its acceptance of the Notes, each Holder and beneficial owner of the Notes agrees to treat the Notes as indebtedness for all United States federal, state and local tax purposes.

Section 10.9 Counterparts. This First Supplemental Indenture may be executed in any number of counterparts each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

Section 10.10 Withholding. Notwithstanding any other provision of the Indenture or this First Supplemental Indenture to the contrary, each Holder and beneficial owner of the Notes hereby authorizes the Partnership, if required by the Internal Revenue Code of 1986, as amended, or by any other applicable legal requirement, to withhold any required amount from the amounts payable by the Partnership hereunder to any Holder and/or beneficial owner of the Notes for payment to the appropriate taxing authority. Any amount so withheld from such Person will be treated as a payment by the Partnership to such Person, except as otherwise provided below. Each such Person agrees to file timely any agreement that is required by any taxing authority in order to avoid any withholding obligation that would otherwise be imposed on the Partnership. If the amount required to be withheld with respect to such Person exceeds the amount payable to such Person, such excess will be treated as a demand loan to such Person, payable within ten (10) days after such time that the Partnership makes payment to the appropriate taxing authority and demand is made on such Person to pay same.

[Signature Page Follows.]

IN WITNESS WHEREOF, the parties hereto have caused this First Supplemental Indenture to be duly executed and as of the day and year first above written.

TEPPCO PARTNERS, L.P.

By: Texas Eastern Products Pipeline Company, LLC
Its: General Partner

By: /s/ William G. Manias
William G. Manias
Vice President and Chief Financial Officer

TE PRODUCTS PIPELINE COMPANY, LIMITED PARTNERSHIP

By: TEPPCO GP, Inc.
Its: General Partner

By: /s/ William G. Manias
William G. Manias
Vice President and Chief Financial Officer

TCTM, L.P.

By: TEPPCO GP, Inc.
Its: General Partner

By: /s/ William G. Manias
William G. Manias
Vice President and Chief Financial Officer

TEPPCO MIDSTREAM COMPANIES, L.P.

By: TEPPCO GP, Inc.
Its: General Partner

By: /s/ William G. Manias
William G. Manias
Vice President and Chief Financial Officer

VAL VERDE GAS GATHERING COMPANY, L.P.

By: TEPPCO NGL Pipelines, LLC
Its: General Partner

By: /s/ William G. Manias
William G. Manias
Vice President and Chief Financial Officer

THE BANK OF NEW YORK TRUST COMPANY, N.A.,
as Trustee

By: /s/ Alma Marcella Burgess
Alma Marcella Burgess
Assistant Vice President

EXHIBIT A

FORM OF NOTES

(FORM OF FACE OF NOTES)

[UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("DTC") (55 WATER STREET, NEW YORK, NEW YORK 10041) TO THE PARTNERSHIP 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 MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS MAY BE 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 SECURITY 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 SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO HEREIN.]*

No.

Principal Amount
$_____ [,which amount may be increased or decreased by the Schedule of Increases and Decreases in Global Security attached hereto.] *

TEPPCO PARTNERS, L.P.

7.000% FIXED/FLOATING RATE JUNIOR SUBORDINATED NOTES DUE 2067

CUSIP_____

TEPPCO PARTNERS, L.P., a Delaware limited partnership (the "Partnership," which term includes any successor under the Indenture hereinafter referred to), for value received, hereby promises to pay to [Cede & Co.]* or its registered assigns, the principal sum of _____ U.S. dollars ($_____), [or such greater or lesser principal sum as is shown on the attached Schedule of Increases and Decreases in Global Security]* on June 1, 2067 in such coin and currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, and to pay interest as provided below.

* To be included in a Book-Entry Note.

From May 18, 2007 to, but not including, June 1, 2017 (or, if earlier, until the principal thereof is paid) (the "Fixed Rate Period"), the outstanding principal amount hereof and (to the extent that payment of such interest is enforceable under applicable law) any Deferred Interest or overdue installment of Interest hereon will bear interest at the per annum rate of 7.000% payable (subject to the provisions of the Indenture more fully described on the reverse hereof that permit the Partnership to elect to defer payments of Interest) semi-annually in arrears on June 1 and December 1, of each year, commencing on December 1, 2007, compounded semi-annually through the end of the Fixed Rate Period. From June 1, 2017 to, but not including, the maturity date hereof (or, if earlier, until the principal thereof is paid) (the "Floating Rate Period"), the outstanding principal amount hereof and (to the extent that payment of such interest is enforceable under applicable law) any Deferred Interest or overdue installment of Interest hereon will bear interest during each Quarterly Interest Period at the applicable Floating Rate for such Quarterly Interest Period calculated pursuant to the Indenture, payable (subject to the provisions of the Indenture more fully described on the reverse hereof that permit the Partnership to elect to defer payments of Interest) quarterly in arrears on each March 1, June 1, September 1, and December 1, commencing September 1, 2017, compounded quarterly at such prevailing Floating Rate through the end of the Floating Rate Period. Payments of Interest shall be made to the person in whose name the Notes are registered at the close of business on the record date for such Interest Payment Date, which during the Fixed Rate Period shall be the May 15 or November 15, as the case may be, immediately preceding each Interest Payment Date and during the Floating Rate Period shall be the February 15, May 15, August 15, or November 15, as the case may be, immediately preceding each Interest Payment Date (each, a "Regular Record Date").

Reference is made to the further provisions of the Notes set forth on the reverse hereof. Such further provisions shall for all purposes have the same effect as though fully set forth at this place.

The statements in the legends set forth in the Notes are an integral part of the terms of the Notes and by acceptance hereof the Holder of the Notes agrees to be subject to, and bound by, the terms and provisions set forth in each such legend.

The Notes are a series of Debt Securities designated as the 7.000% Fixed/Floating Rate Junior Subordinated Notes due 2067 of the Partnership and are issued under and governed by the Indenture dated as of May 14, 2007 (as the same shall be amended from time to time, the "Base Indenture"), duly executed and delivered by the Partnership, as issuer, and TE Products Pipeline Company, Limited Partnership, a Delaware limited partnership ("TE Products"), TCTM, L.P., a Delaware limited partnership ("TCTM"), TEPPCO Midstream Companies, L.P., a Delaware limited partnership ("TEPPCO Midstream"), and Val Verde Gas Gathering Company, L.P., a Delaware limited partnership ("Val Verde" and together with TE Products, TCTM and TEPPCO Midstream, the "Subsidiary Guarantors"), as subsidiary guarantors, to The Bank of New York Trust Company, N.A., as trustee (the "Trustee"), as supplemented by the First Supplemental Indenture dated as of May 18, 2007, duly executed by the Partnership, the Subsidiary Guarantors and the Trustee (the "First Supplemental Indenture," and together with the Base Indenture, as the same shall be amended or supplemented from time to time, the "Indenture"). The terms of the Indenture are incorporated herein by reference. Any term defined in the Indenture has the same meaning when used herein.

If and to the extent any provision of the Indenture limits, qualifies, or conflicts with any other provision of the Indenture that is required to be included in the Indenture or is deemed applicable to the Indenture by virtue of the provisions of the Trust Indenture Act of 1939, as amended (the "TIA"), such required provision shall control.

The Partnership hereby irrevocably undertakes to the Holder hereof to exchange the Notes in accordance with the terms of the Indenture without charge.

The Notes shall not be valid or become obligatory for any purpose until the Trustee's Certificate of Authentication hereon shall have been manually signed by the Trustee under the Indenture.

IN WITNESS WHEREOF, the Partnership has caused this instrument to be duly executed by its sole General Partner.

Dated: _____, 200_

TEPPCO PARTNERS, L.P.

By: Texas Eastern Products Pipeline Company, LLC

Its: General Partner

By: _____

Name: _____

Title: _____

TRUSTEE'S CERTIFICATE OF AUTHENTICATION:

This is one of the Debt Securities of the series designated herein referred to in the within-mentioned Indenture.

THE BANK OF NEW YORK TRUST COMPANY, N.A.,
as Trustee

By: _____
Authorized Signatory

[REVERSE OF SECURITY]

TEPPCO PARTNERS, L.P.

7.000% FIXED/FLOATING RATE JUNIOR SUBORDINATED NOTES DUE 2067

The Notes are one of a duly authorized issue of Debt Securities of the Partnership issued under and pursuant to the Indenture, to which Indenture reference is hereby made for a description of the rights, limitations of rights, obligations, duties, and immunities thereunder of the Trustee, the Partnership, the Subsidiary Guarantors and the Holders of the Debt Securities. The Debt Securities may be issued in one or more series, which different series may be issued in various aggregate principal amounts, may mature at different times, may bear interest (if any) at different rates, may be subject to different sinking, purchase or analogous funds (if any) and may otherwise vary as provided in the Indenture. The Notes are of a series designated as the 7.000% Fixed/Floating Rate Junior Subordinated Notes due 2067 of the Partnership (the "Notes").

1. *Interest.*

During the Fixed Rate Period, the outstanding principal amount hereof and (to the extent that payment of such interest is enforceable under applicable law) any Deferred Interest or overdue installment of Interest hereon will bear interest at the per annum rate of 7.000% payable (subject to the provisions of the Indenture relating to Interest deferrals more fully described below) semi-annually in arrears on June 1 and December 1 of each year commencing on December 1, 2007, compounded semi-annually through the end of the Fixed Rate Period. During the Floating Rate Period, the outstanding principal amount hereof and (to the extent that payment of such interest is enforceable under applicable law) any Deferred Interest or overdue installment of Interest hereon will bear interest during each Quarterly Interest Period at the applicable Floating Rate for such Quarterly Interest Period calculated pursuant to the Indenture, payable (subject to the provisions of the Indenture relating to Interest deferrals more fully described below) quarterly in arrears on each March 1, June 1, September 1 and December 1, commencing September 1, 2017, compounded quarterly at such prevailing Floating Rate through the end of the Floating Rate Period.

During the Fixed Rate Period, the amount of Interest payable on any Interest Payment Date will be computed on the basis of a 360-day year of twelve 30-day months. During the Floating Rate Period, the amount of any Interest payable on any Interest Payment Date will be computed on the basis of a 360-day year and the actual number of days elapsed. In the event that any date on which Interest is payable on this Note is not a Business Day, then a payment of the Interest payable on such date will ,subject to certain exceptions described in the First Supplemental Indenture, be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay), with the same force and effect as if made on the date the payment was originally payable.

2. *Optional Deferral of Interest.*

Subject to the terms of the Indenture, the Partnership shall have the right, at any time and from time to time during the term of the Notes, to elect to defer payment of all or any portion of

any Current Interest and/or Deferred Interest otherwise due on the Notes on any Interest Payment Date. No Interest on the Notes shall be due and payable on any Interest Payment Date during an Optional Deferral Period; however, Interest shall accrue on the Notes during such period in accordance with the First Supplemental Indenture.

3. *Method of Payment.*

The Partnership shall pay interest on the Notes (except Defaulted Interest) to the persons who are the registered Holders at the close of business on the Regular Record Date immediately preceding the Interest Payment Date. The Partnership shall pay principal, premium, if any, and interest in such coin or currency of the United States of America as at the time of payment shall be legal tender for payment of public and private debts. Payments in respect of a Global Security (including principal, premium, if any, and interest) will be made by wire transfer of immediately available funds to the accounts specified by the Depositary. Payments in respect of Notes in definitive form (including principal, premium, if any, and interest) will be made at the office or agency of the Partnership maintained for such purpose within The City of New York, which initially will be The Bank of New York Trust Company, N. A., 101 Barclay Street – 7 East, New York, New York 10286, or, at the option of the Partnership, payment of interest may be made by check mailed to the Holders on the relevant record date at their addresses set forth in the Debt Security Register of Holders or at the option of the Holder, payment of interest on Notes in definitive form will be made by wire transfer of immediately available funds to any account maintained in the United States, provided such Holder has requested such method of payment and provided timely wire transfer instructions to the paying agent. The Holder must surrender these Notes to a paying agent to collect payment of principal.

4. *Paying Agent and Registrar.*

Initially, The Bank of New York Trust Company, N.A. will act as paying agent and Registrar. The Partnership may change any paying agent or Registrar at any time upon notice to the Trustee and the Holders. The Partnership may act as paying agent.

5. *Indenture.*

The Notes are one of a duly authorized issue of Debt Securities of the Partnership issued and to be issued in one or more series under the Indenture.

The terms of the Notes include those stated in the Indenture, those made part of the Indenture by reference to the TIA, as in effect on the date of the Base Indenture, and those terms stated in the First Supplemental Indenture. The Notes are subject to all such terms, and Holders of Securities are referred to the Indenture, the First Supplemental Indenture and the TIA for a statement of them. The Notes are junior subordinated obligations of the Partnership and are not secured by any of the assets of the Partnership.

6. *Denominations; Transfer; Exchange.*

The Notes are to be issued in registered form, without coupons, in denominations of $1,000 and integral multiples of $1,000 in excess thereof. A Holder may register the transfer of, or exchange, Notes in accordance with the Indenture. The Registrar may require a Holder,

among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Indenture.

7. *Person Deemed Owners.*

The registered Holder of Notes may be treated as the owner of it for all purposes.

8. *Amendment; Supplement; Waiver.*

Subject to certain exceptions, the Indenture may be amended or supplemented, and any existing Event of Default or compliance with any provision may be waived, with the consent of the Holders of a majority in principal amount of the Outstanding Notes. Without consent of any Holder of Notes, the parties thereto may amend or supplement the Indenture to, among other things, cure any ambiguity or omission, to correct any defect or inconsistency, or to make any other change that does not adversely affect the rights of any Holder of Notes. Any such consent or waiver by the Holder of these Notes (unless revoked as provided in the Indenture) shall be conclusive and binding upon such Holder and upon all future Holders and owners of these Notes and any Notes which may be issued in exchange or substitution herefor, irrespective of whether or not any notation thereof is made upon these Notes or such other Notes.

9. *Defaults and Remedies.*

Certain events of bankruptcy or insolvency are Events of Default that will result in the principal amount of the Notes, together with premium, if any, and Interest thereon, becoming due and payable immediately upon the occurrence of such Events of Default. If any other Event of Default with respect to the Notes occurs and is continuing, then in every such case the Trustee or the Holders of not less than 25% in aggregate principal amount of the Notes then Outstanding may declare the principal amount of all the Notes, together with premium, if any, and Interest thereon, to be due and payable immediately in the manner and with the effect provided in the Indenture. Notwithstanding the preceding sentence, at any time after such a declaration of acceleration has been made, the Holders of a majority in principal amount of the Outstanding Notes, by written notice to the Trustee, may rescind such declaration and annul its consequences if the rescission would not conflict with any judgment or decree of a court of competent jurisdiction already rendered and if all Events of Default with respect to the Notes, other than the nonpayment of the principal, premium, if any, or Interest which has become due solely by such declaration acceleration, shall have been cured or shall have been waived. No such rescission shall affect any subsequent default or shall impair any right consequent thereon. Holders of Notes may not enforce the Indenture or the Notes except as provided in the Indenture. The Trustee may require indemnity or security satisfactory to it before it enforces the Indenture or the Notes. Subject to certain limitations, Holders of a majority in aggregate principal amount of the Notes then Outstanding may direct the Trustee in its exercise of any trust or power.

10. *Trustee Dealings with Company.*

The Trustee under the Indenture, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for the Partnership or its Affiliates or any subsidiary of the Partnership's Affiliates, and may otherwise deal with the Partnership or its Affiliates as if it were not the Trustee.

11. *Authentication.*

These Notes shall not be valid until the Trustee signs the certificate of authentication on the other side of these Notes.

12. *Abbreviations and Defined Terms.*

Customary abbreviations may be used in the name of a Holder of Notes or an assignee, such as: TEN COM (tenant 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).

13. *CUSIP Numbers.*

Pursuant to a recommendation promulgated by the Committee on Uniform Note Identification Procedures, the Partnership has caused CUSIP numbers to be printed on the Notes as a convenience to the Holders of the Notes. No representation is made as to the accuracy of such number as printed on the Notes and reliance may be placed only on the other identification numbers printed hereon.

14. *Absolute Obligation.*

No reference herein to the Indenture and no provision of the Notes or the Indenture shall alter or impair the obligation of the Partnership, which is absolute and unconditional, to pay the principal of, premium, if any, and interest on these Notes in the manner, at the respective times, at the rate and in the coin or currency herein prescribed.

15. *No Recourse.*

The General Partner and the general partner of each of the Subsidiary Guarantors and their respective directors, officers, employees, and members, as such, shall have no liability for any obligations of any Subsidiary Guarantor or the Partnership under the Notes, the Indenture, or any Guarantee or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting the Notes waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

16. *Ranking.*

The Notes rank junior and subordinate in rank and priority of payment to all of the Partnership’s Senior Indebtedness as more fully provided in Article XII of the Base Indenture and Article VI of the First Supplemental Indenture.

17. *Optional Redemption.*

The Notes are subject to redemption prior to maturity at the redemption price and in the manner provided in the Base Indenture and the First Supplemental Indenture.

18. *Governing Law.*

The Notes shall be governed by and construed in accordance with the laws of the State of New York.

19. *Guarantee.*

Subject to Article XIV of the Base Indenture and Articles VI and VII of the First Supplemental Indenture, the Notes are fully and unconditionally guaranteed on an unsecured basis by the Subsidiary Guarantors. Each Subsidiary Guarantor's obligations under the Guarantee rank junior and subordinate in rank and priority of payment to all of such Subsidiary Guarantor's Senior Indebtedness.

20. *Reliance.*

The Holder, by accepting these Notes, acknowledges (a) that such Holder has acquired Notes in reliance upon the separateness of the Partnership, each Subsidiary Guarantor and the General Partner from one another and from any other Persons, including any Affiliate thereof, (b) that the Partnership, each Subsidiary Guarantor and the General Partner have assets and liabilities that are separate from those of one another and those of other persons, including any Affiliates thereof, (c) that the Notes and other obligations owing under the Notes have not been guaranteed by any Person, other than the Subsidiary Guarantors and only to the extent explicitly set forth herein, and (d) that, except as other Persons may expressly assume or guarantee any of the Notes or obligations thereunder, the Holders shall look solely to the Partnership and its property and assets for the payment of any amounts payable pursuant to the Notes and for satisfaction of any obligations owing to the Holders.

NOTATION OF GUARANTEE

Subject to Article XII of the Base Indenture and Articles VI and VII of the First Supplemental Indenture, each Subsidiary Guarantor (which term includes any successor Person under the Indenture), has fully, unconditionally and absolutely, jointly and severally guaranteed, to the extent set forth in the Indenture and subject to the provisions in the Indenture, the due and punctual payment of the principal of, and premium, if any, and interest on the Notes and all other amounts due and payable (subject to the right of the Partnership to defer Interest payments on the terms and conditions set forth in Section 4.1 of the First Supplemental Indenture) under the Indenture by the Partnership. Each Subsidiary Guarantor's obligations under such guarantee rank junior and subordinate in rank and priority of payment to all of such Subsidiary Guarantor's Senior Indebtedness and constitute a guarantee of Subordinated Debt Securities for all purposes under the Indenture.

The obligations of each Subsidiary Guarantor to the Holders of Notes and to the Trustee pursuant to its Guarantee and the Indenture are expressly set forth in Article XIV of the Base Indenture, and are subject to the provisions of Article XII of the Base Indenture and Section 7.2 of the First Supplemental Indenture, and reference is hereby made to such documents for the precise terms of the Guarantee.

TE PRODUCTS PIPELINE COMPANY, LIMITED PARTNERSHIP

By: TEPPCO GP, Inc.
Its: General Partner

By: _____
Name: _____
Title: _____

TCTM, L.P.

By: TEPPCO GP, Inc.
Its: General Partner

By: _____
Name: _____
Title: _____

TEPPCO MIDSTREAM COMPANIES, L.P.

By: TEPPCO GP, Inc.
Its: General Partner

By: _____
Name: _____
Title: _____

VAL VERDE GAS GATHERING COMPANY, L.P.

By: TEPPCO NGL Pipelines, LLC
Its: General Partner

By: _____
Name: _____
Title: _____

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

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

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

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE

_____

_____

Please print or type name and address including postal zip code of assignee

_____

_____

the within Security and all rights thereunder, hereby irrevocably constituting and appointing

_____

to transfer said Security on the books of the Partnership, with full power of substitution in the premises.

Dated _____

_____
Registered Holder

SCHEDULE OF INCREASES OR DECREASES IN GLOBAL SECURITIES*

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

Date of Exchange	Amount of Decrease in Principal Amount of this Global Security	Amount of Increase in Principal Amount of this Global Security	Principal Amount of this Global Security following such decrease (or increase)	Signature of authorized officer of Trustee or Depositary

* To be included in a Book-Entry Note.

EXHIBIT 5.1

New York
Connecticut
Texas
Washington, DC
Kazakhstan
London

Bracewell & Giuliani LLP
711 Louisiana Street
Suite 2300
Houston, Texas
77002-2770

713.223.2300 Office
713.221.1212 Fax

bgllp.com

May 18, 2007

TEPPCO Partners, L.P.
TE Products Pipeline Company, L.P.
TCTM, L.P.
TEPPCO Midstream Companies, L.P.
Val Verde Gas Gathering Company, L.P.
1100 Louisiana Street, Suite 1600
Houston, Texas 77002

Ladies and Gentlemen:

We have acted as special counsel to TEPPCO Partners, L.P., a Delaware limited partnership (the "Partnership"), TE Products Pipeline Company, Limited Partnership, a Delaware limited partnership ("TE Products Pipeline"), TCTM, L.P., a Delaware limited partnership ("TCTM"), TEPPCO Midstream Companies, L.P., a Delaware limited partnership ("TEPPCO Midstream"), and Val Verde Gas Gathering Company, L.P., a Delaware limited partnership ("Val Verde" and, together with TE Products Pipeline, TCTM and TEPPCO Midstream, the "Subsidiary Partnerships"), in connection with the offer and sale by the Partnership of its 7.000% Fixed/Floating Rate Junior Subordinated Notes due 2067 (the "Notes"), and the issuance by the Subsidiary Partnerships of their guarantee of the Notes (the "Guarantee" and, together with the Notes, the "Securities"), pursuant to the registration statement on Form S-3 (Registration No. 333-110207) filed on November 3, 2003 by the Partnership, the Subsidiary Partnerships and Jonah Gas Gathering Company with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act") (the "Registration Statement"). A prospectus supplement dated May 15, 2007, which together with the prospectus filed with the Registration Statement shall constitute the "Prospectus," has been filed pursuant to Rule 424(b) promulgated under the Securities Act. The Notes are to be issued under an Indenture, dated as of May 14, 2007 (the "Base Indenture"), among the Partnership, as issuer, the Subsidiary Partnerships, as subsidiary guarantors, and The Bank of New York Trust Company, N.A., as trustee (the "Trustee"), as supplemented by the First Supplemental Indenture dated May 18, 2007 among the Partnership, as issuer, the Subsidiary Partnerships, as subsidiary guarantors, and the Trustee (the "Supplemental Indenture" and, together with the Base Indenture, the "Indenture"). At your request, this opinion is being furnished to you for filing as an exhibit to a Current Report on Form 8-K.

In connection with rendering this opinion, we have examined originals or copies of (1) the Registration Statement, (2) the Prospectus, (3) the Indenture, (4) the Secretary's Certificates delivered at the closing of the issuance of the Notes by the general partner of the Partnership

and the Subsidiary Partnerships, including the exhibits thereto, and (6) such other documents and records as we have deemed necessary and relevant for purposes hereof. In addition, we have relied upon certificates of officers of the general partners of the Partnership and the Subsidiary Partnerships and of public officials as to certain matters of fact relating to this opinion and have made such investigations of law as we have deemed necessary and relevant as a basis hereof. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents, certificates and records submitted to us as originals, the conformity to original documents, certificates and records of all documents, certificates and records submitted to us as copies, and the truthfulness of all statements of fact contained therein.

In connection with this opinion, we have assumed that the Securities will be issued and sold in compliance with applicable federal and state securities laws and in the manner described in the Prospectus.

Based on the foregoing, and subject to the limitations, assumptions and qualifications set forth herein, and having due regard for such legal considerations as we deem relevant, we are of the opinion that when the Securities have been duly executed, authenticated, issued and delivered in accordance with the provisions of the Indenture, the Securities will be legally issued and will constitute valid and binding obligations of the Partnership and the Subsidiary Partnerships, enforceable against the Partnership and the Subsidiary Partnerships in accordance with their terms.

We express no opinion concerning (a) the validity or enforceability of any provisions contained in the Indenture that purport to waive or not give effect to rights to notices, defenses, subrogation or other rights or benefits that cannot be effectively waived under applicable law, (b) the enforceability of indemnification provisions to the extent they purport to relate to liabilities resulting from or based on negligence or any violation of federal or state securities laws or (c) the effect of (i) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws relating to or affecting creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

The foregoing opinions are based on and are limited to the contract laws of the State of New York, the laws of the State of Texas, the relevant law of the United States of America and the partnership, limited liability company and corporate laws of the State of Delaware, and we render no opinion with respect to any other laws or the laws of any other jurisdiction.

We hereby consent to the filing of this opinion with the Securities and Exchange Commission as an exhibit to a Current Report on Form 8-K and to the use of our name in the

Prospectus. By giving such consent, we do not admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

Very truly yours,

/s/ Bracewell & Giuliani LLP

Bracewell & Giuliani LLP

EXHIBIT 8.1

New York
Connecticut
Texas
Washington, DC
Kazakhstan
London

Bracewell & Giuliani LLP
711 Louisiana Street
Suite 2300
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bgllp.com

May 18, 2007

TEPPCO Partners, L.P.
TE Products Pipeline Company, L.P.
TCTM, L.P.
TEPPCO Midstream Companies, L.P.
Val Verde Gas Gathering Company, L.P.
1100 Louisiana Street, Suite 1600
Houston, Texas 77002

Re: Registration Statement on Form S-3

Ladies and Gentlemen:

We have acted as special United States federal income tax counsel to TEPPCO Partners, L.P., a Delaware limited partnership (the "Partnership"), TE Products Pipeline Company, Limited Partnership, a Delaware limited partnership ("TE Products Pipeline"), TCTM, L.P., a Delaware limited partnership ("TCTM"), TEPPCO Midstream Companies, L.P., a Delaware limited partnership ("TEPPCO Midstream"), and Val Verde Gas Gathering Company, L.P., a Delaware limited partnership ("Val Verde" and, together with TE Products Pipeline, TCTM and TEPPCO Midstream, the "Subsidiary Partnerships"), in connection with the public offering by the Partnership of $300,000,000 aggregate principal amount of its 7.000% Fixed/Floating Rate Junior Subordinated Notes due 2067 (the "Notes"), guaranteed as to payment of principal, premium, if any, and interest by the Subsidiary Partnerships.

This opinion is being furnished to you in accordance with the requirements of Item 601(b)(8) of Regulation S-K under the Securities Act of 1933, as amended.

In connection with our opinion, we have examined and relied on originals or copies, certified or otherwise identified to our satisfaction, of (1) the registration statement on Form S-3 (Registration No. 333-110207) filed on November 3, 2003 by the Partnership, the Subsidiary Partnerships and Jonah Gas Gathering Company with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act") (the "Registration Statement"), (2) the prospectus supplement dated May 15, 2007, which together with the prospectus filed with the Registration Statement shall constitute the "Prospectus," filed pursuant to Rule 424(b) promulgated under the Securities Act, (3) the Indenture, dated as of May 14, 2007, as supplemented by the First Supplemental Indenture dated as of May 18, 2007, among the Partnership, as issuer, the Subsidiary Partnerships, as subsidiary guarantors, and The Bank of New York Trust Company, N.A., as

trustee (the "Indenture"), and such other documents, certificates and records as we have deemed necessary or appropriate as a basis for the opinion set forth herein. We have also relied upon statements and representations made to us by representatives of the general partners of the Partnership and each of the Subsidiary Partnerships and have assumed that such statements and the facts set forth in such representations are true, correct and complete without regard to any qualification as to knowledge or belief. For purposes of this opinion, we have assumed the validity and the initial and continuing accuracy of the documents, certificates, records, statements and representations referred to above. We have also assumed that the transactions related to the offering of the Notes will be consummated in the manner contemplated by the Prospectus.

In our examination, we have assumed the legal capacity of all natural persons, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified, conformed, photostatic, electronic or facsimile copies, and the authenticity of the originals of such latter documents. In making our examination of documents executed, or to be executed, by the parties indicated therein, we have assumed that each party has, or will have, the power, corporate or other, to enter into and perform all obligations thereunder, and we have also assumed the due authorization by all requisite action, corporate or other, and execution and delivery by each party indicated in the documents and that such documents constitute or will constitute, valid and binding obligations of each party.

In rendering our opinion, we have considered the applicable provisions of the Internal Revenue Code of 1986, as amended, Treasury Department regulations promulgated thereunder, pertinent judicial authorities, interpretive rulings of the Internal Revenue Service and such other authorities as we have considered relevant. It should be noted that statutes, regulations, judicial decisions and administrative interpretations are subject to change or differing interpretations, possibly with retroactive effect. There can be no assurance, moreover, that our opinion, or the conclusions set forth in the Prospectus with respect to the United States federal income tax treatment of the Notes will be accepted by the Internal Revenue Service or, if challenged, by a court of law. A change in the authorities or the accuracy or completeness of any of the information, documents, certificates, records, statements, representations or assumptions on which our opinion is based could affect our conclusions.

Based upon the foregoing and in reliance thereon, and subject to the qualifications, exceptions, assumptions and limitations contained herein or in the Prospectus, we are of the opinion that, under current United States federal income tax law, although the discussion set forth in the Prospectus under the heading "CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES" does not purport to discuss all possible United States federal income tax consequences of the purchase, ownership and disposition of the Notes, such discussion constitutes, in all material respects, a fair and accurate summary of the Untied States federal income tax consequences described therein.

Except as set forth above, we express no opinion to any party as to any tax consequences, whether federal, state, local or foreign, of the Notes or of any transaction related thereto. This opinion is expressed as of the date hereof, and we are under no obligation to supplement or revise our opinion to reflect any legal developments or factual matters arising subsequent to the date hereof or the impact of any information, document, certificate, record, statement, representation or assumption relied upon herein that becomes incorrect or untrue. We hereby consent to the use of our name under the heading “Legal Matters” in the Prospectus and the filing of this opinion with the Commission as Exhibit 8.1 to a Current Report on Form 8-K. In giving this consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the Commission promulgated thereunder.

Very truly yours,

/s/ Bracewell & Giuliani LLP

Bracewell & Giuliani LLP

EXHIBIT 99.1

Replacement Capital Covenant, dated as of May 18, 2007 (this "Replacement Capital Covenant"), by and among TE Products Pipeline Company, Limited Partnership, a Delaware limited partnership, TCTM, L.P., a Delaware limited partnership, TEPPCO Midstream Companies, L.P., a Delaware Limited Partnership, Val Verde Gas Gathering Company, L.P., a Delaware limited partnership (each of the preceding limited partnerships, together with their successors and assigns, a "Guarantor", and collectively the "Guarantors") and TEPPCO Partners, L.P., a Delaware limited partnership (together with its successors and assigns, the "Partnership" and, together with the Guarantors and the respective Subsidiaries of the Partnership and the Guarantors, the "Partnership Group"), in favor of and for the benefit of each Covered Debtholder (as defined below).

Recitals

A. On the date hereof, the Partnership is issuing $300,000,000 aggregate principal amount of its 7.000% Fixed/Floating Rate Junior Subordinated Notes due 2067 (the "Subordinated Notes"), which Subordinated Notes were issued pursuant to, and fully and unconditionally guaranteed by the Guarantors in accordance with, the Subordinated Indenture, dated as of May 14, 2007, as supplemented by the First Supplemental Indenture dated as of May 18, 2007 (together, the "Subordinated Indenture"), among the Partnership, the Guarantors, and The Bank of New York Trust Company, N.A, as trustee.

B. This Replacement Capital Covenant is the "Replacement Capital Covenant" referred to in the Prospectus Supplement, dated May 15, 2007, relating to the Subordinated Notes, which supplements the Partnership's Prospectus, dated November 3, 2003.

C. The Partnership and each of the Guarantors, in entering into and disclosing the content of this Replacement Capital Covenant in the manner provided below, are doing so with the intent that the covenants provided for in this Replacement Capital Covenant be enforceable by each Covered Debtholder and that the Partnership and the each of Guarantors be estopped from breaching the covenants in this Replacement Capital Covenant, in each case to the fullest extent permitted by applicable law.

D. The Partnership and each of the Guarantors acknowledges that reliance by each Covered Debtholder upon the covenants in this Replacement Capital Covenant is reasonable and foreseeable by the Partnership and the Guarantors and that the breach by the Partnership or any of the Guarantors of such covenants could result in injury or damages to a Covered Debtholder.

NOW, THEREFORE, the Partnership and each of the Guarantors hereby covenant and agree as follows in favor of and for the benefit of each Covered Debtholder.

SECTION 1. Definitions. Capitalized terms used in this Replacement Capital Covenant (including the Recitals) have the meanings set forth in Schedule I hereto.

SECTION 2. Limitations on Redemption, Repurchase, Defeasance or Purchase of Subordinated Notes. The Partnership and each of the Guarantors, respectively, hereby promise and covenant to and for the benefit of each Covered Debtholder that the Partnership shall not redeem or repurchase, or defease or discharge through the deposit of money and/or U.S. Government Obligations as contemplated by Article XI of the Subordinated Indenture (herein referred to as "defeasance"), any portion of the principal amount of the Subordinated Notes, and the Partnership and the Guarantors shall not purchase and shall cause their respective Subsidiaries not to purchase, all or any part of the Subordinated Notes, in each case, on or before the Termination Date, except to the extent that the principal amount repaid or defeased or the applicable repurchase, redemption or purchase price does not exceed the sum of the following amounts:

(i) the Applicable Percentage of (a) the aggregate amount of the net cash proceeds any member of the Partnership Group has received from the sale of Common Units and Subordinated Units and Rights to acquire Units; and (b) the Market Value of any of the Common Units or Subordinated Units that have been issued in connection with the conversion into or exchange for Common Units or Subordinated Units of any convertible or exchangeable securities, other than, in the case of clause (b), where the security into or for which such Common Units or Subordinated Units are convertible or exchangeable has received equity credit from any NRSRO; plus

(ii) the aggregate amount of net cash proceeds a member of the Partnership Group has received from the sale of Replacement Capital Securities (other than the securities set forth in clause (i) above);

in each case, to Persons other than a member of the Partnership Group within the applicable Measurement Period (it being understood that any such net cash proceeds or Market Value shall be applied only once to the redemption, repurchase, defeasance or purchase of Subordinated Notes, that the earliest net cash proceeds or Market Value in any Measurement Period shall be deemed applied first to any such redemption, repurchase, defeasance or purchase, and that any net cash proceeds or Market Value not so applied shall continue to be available in any other Measurement Period within which it falls); provided that the limitations in this Section 2 shall not restrict the redemption, repurchase, defeasance or purchase of any Subordinated Notes that have been previously repurchased, defeased or purchased in accordance with this Replacement Capital Covenant.

SECTION 3. Covered Debt.

(a) The Partnership and each of the Guarantors represent and warrant that the Initial Covered Debt is Eligible Debt.

(b) On or during the 30-day period immediately preceding any Redesignation Date with respect to the Covered Debt then in effect, the Partnership shall identify the series of Eligible Debt that will become the Covered Debt on and after such Redesignation Date in accordance with the following procedures:

(i) the Partnership shall identify each series of then outstanding long-term indebtedness for money borrowed that is Eligible Debt of the Partnership or, if the Partnership does not have any Eligible Debt outstanding, of a Guarantor, provided that, notwithstanding anything to the contrary herein, any such Eligible Debt of a Guarantor shall be guaranteed by the Partnership in order to qualify as Covered Debt;

(ii) if only one series of such then outstanding long-term indebtedness for money borrowed is Eligible Debt, such series shall become the Covered Debt commencing on such Redesignation Date;

(iii) if the Partnership or any of the Guarantors, as applicable, have more than one outstanding series of long-term indebtedness for money borrowed that is Eligible Debt, then the Partnership shall identify the series that has the latest occurring final maturity date as of the date the Partnership is applying the procedures in this Section 3(b) and such series shall become the Covered Debt on such Redesignation Date;

(iv) the series of outstanding long-term indebtedness for money borrowed that is determined to be Covered Debt pursuant to clause (ii) or (iii) above shall be the Covered Debt for purposes of this Replacement Capital Covenant for the period commencing on such Redesignation Date and continuing to but not including the Redesignation Date as of which a new series of outstanding long-term indebtedness is next determined to be the Covered Debt pursuant to the procedures set forth in this Section 3(b); and

(v) in connection with such identification of a new series of Covered Debt, the Partnership and each of the Guarantors shall give the notice provided for in Section 3(c) within the time frame provided for in such section.

Notwithstanding any other provisions of this Replacement Capital Covenant, if a series of Eligible Senior Debt of the Partnership or any Guarantor has become the Covered Debt in accordance with this Section 3(b), on the date on which the issuer of such Covered Debt issues a new series of Eligible Subordinated Debt, then immediately upon such issuance such new series of Eligible Subordinated Debt shall become the Covered Debt and the applicable series of Eligible Senior Debt shall cease to be the Covered Debt.

(c) Notice. In order to give effect to the intent of the Partnership and the Guarantors described in Recital C, the Partnership and each of the Guarantors covenant that (i) simultaneously with the execution of this Replacement Capital Covenant or as soon as practicable after the date hereof (x) notice shall be given to the Holders of the Initial Covered Debt and the trustee under the indenture or other instrument establishing such debt, in the manner provided in the indenture or such instrument, of this Replacement Capital Covenant and the rights granted to such Holders hereunder and (y) the Partnership shall file a copy of this Replacement Capital Covenant with the Commission as an exhibit to a Current Report on Form 8-K under the Securities Exchange Act; (ii) so long as the Partnership is a reporting issuer under the Securities Exchange Act, the Partnership shall include in each annual report filed after the

date hereof with the Commission on Form 10-K under the Securities Exchange Act a description of the covenant set forth in Section 2 and identify the series of long-term indebtedness for money borrowed that is Covered Debt as of the date such Form 10-K is filed with the Commission; (iii) if a series of the long-term indebtedness for money borrowed of the Partnership or any of the Guarantors (1) becomes Covered Debt or (2) ceases to be Covered Debt, the Partnership and the Guarantors shall give notice of such occurrence within 30 days to the Holders of such long-term indebtedness for money borrowed in the manner provided for in the indenture or other instrument under which such long-term indebtedness for money borrowed was issued and the Partnership shall report such change in the Partnership's next quarterly report on Form 10-Q or annual report on Form 10-K, as applicable; (iv) if, and only if, the Partnership ceases to be a reporting company under the Securities Exchange Act, the Partnership shall (A) post on its website the information otherwise required to be included in Securities Exchange Act filings pursuant to clauses (ii) and (iii) of this Section 3(c) and (B) cause a notice of the existence of this Replacement Capital Covenant to be posted on the Bloomberg screen for the Covered Debt or any successor Bloomberg screen and each similar third-party vendor's screen the Partnership reasonably believes is appropriate (each an "Investor Screen") and use its commercially reasonable efforts to cause a hyperlink to a definitive copy of this Replacement Capital Covenant to be included on the Investor Screen for each series of Covered Debt, in each case to the extent permitted by Bloomberg or such similar third-party vendor, as the case may be; and (v) promptly upon request by any Holder of Covered Debt, such Holder will be provided with an executed copy of this Replacement Capital Covenant.

SECTION 4. Termination, Amendment and Waiver. (a) The obligations of the Partnership and of each of the Guarantors pursuant to this Replacement Capital Covenant shall remain in full force and effect until the earliest date (the "Termination Date") to occur of (i) 12:00 a.m. (New York, New York time) on June 1, 2037, or if earlier, the date on which the Subordinated Notes are otherwise paid, redeemed, defeased or purchased in full in accordance with this Replacement Capital Covenant, (ii) the date, if any, on which the Holders of a majority by principal amount of the then-effective series of Covered Debt consent or agree in writing to the termination of this Replacement Capital Covenant and the obligations of the Partnership and of each of the Guarantors hereunder, (iii) the date on which none of the Partnership or any of the Guarantors has any series of outstanding Eligible Senior Debt or Eligible Subordinated Debt (in each case without giving effect to the rating requirement in clause (b) of the definition of each such term) and (iv) the date on which the Subordinated Notes are accelerated as a result of an event of default under the Subordinated Indenture. From and after the Termination Date, the obligations of the Partnership and the Guarantors pursuant to this Replacement Capital Covenant shall be of no further force and effect.

(b) This Replacement Capital Covenant may be amended or supplemented from time to time by a written instrument signed by the Partnership and the Guarantors with the consent of the Holders of a majority by principal amount of the then-effective series of Covered Debt, provided that this Replacement Capital Covenant may be amended or supplemented from time to time by a written instrument signed only by the Partnership and the Guarantors (and without the consent of any Holders of the then-effective series of Covered Debt) if any of the following apply (it being understood that any such amendment or supplement may fall into one or more of the following):

(i) such amendment or supplement eliminates Common Units or Subordinated Units (or Rights to acquire Units) as Replacement Capital Securities, if either (A) the Partnership has been advised in writing by a nationally recognized independent accounting firm that or (B) an accounting standard or interpretive guidance of an existing accounting standard by an organization or regulator that has responsibility for establishing or interpreting accounting standards in the United States becomes effective such that, in each case, there is more than an insubstantial risk that the failure to do so would result in a reduction in the Partnership's earnings per Common Unit or Subordinated Unit as calculated for financial reporting purposes,

(ii) the effect of such amendment or supplement is solely to impose additional restrictions on the ability of a member of the Partnership Group to redeem, repurchase, defease or purchase the Subordinated Notes or to impose additional restrictions on, or to eliminate certain of, the types of securities qualifying as Replacement Capital Securities and the Partnership and each of the Guarantors has delivered to the Holders of the then-effective series of Covered Debt in the manner provided for in the indenture or other instrument with respect to such Covered Debt a written certificate to that effect executed on its behalf by an officer of its general partner,

(iii) such amendment or supplement extends the date specified in Section 4 (a)(i), the Stepdown Date or both, or

(iv) such amendment or supplement is not adverse to the rights of the Covered Debtholders hereunder and the Partnership and each Guarantor has delivered to the Holders of the then-effective series of Covered Debt in the manner provided for in the indenture or other instrument with respect to such Covered Debt a written certificate executed on its behalf by an officer of its general partner stating that the Partnership and the Guarantors have determined that such amendment or supplement is not adverse to the Covered Debtholders. For the avoidance of doubt, an amendment or supplement that adds new types of Replacement Capital Securities or modifies the requirements of the Replacement Capital Securities described herein would not be adverse to the rights of the Covered Debtholders if, following such amendment or supplement, this Replacement Capital Covenant would satisfy clause (ii)(b) of the definition of Qualifying Replacement Capital Covenant.

(c) For purposes of Sections 4(a) and 4(b), the Holders whose consent or agreement is required to terminate, amend or supplement this Replacement Capital Covenant or the obligations of the Partnership hereunder shall be the Holders of the then-effective Covered Debt as of a record date established by the Partnership that is not more than 60 days prior to the date on which the Partnership proposes that such termination, amendment or supplement becomes effective.

SECTION 5. Miscellaneous. (a) **This Replacement Capital Covenant shall be governed by and construed in accordance with the laws of the State of New York**.

(b) This Replacement Capital Covenant shall be binding upon the Partnership and each of the Guarantors and their respective successors and assigns and shall inure to the benefit of the Covered Debtholders as they exist from time-to-time (it being understood and agreed by the Partnership and each of the Guarantors that any Person who is a Covered Debtholder, if such Person initiates a claim or proceeding to enforce its rights under this Replacement Capital Covenant after the Partnership or any of the Guarantors has violated its covenants in Section 2 and before the series of long-term indebtedness for money borrowed held by such Person is no longer Covered Debt, such Person's rights under this Replacement Capital Covenant shall not terminate by reason of such series of long-term indebtedness for money borrowed no longer being Covered Debt until the termination of such claim or proceeding). Other than the Covered Debtholders as provided in the previous sentence, no other Person shall have any rights under this Replacement Capital Covenant or be deemed a third party beneficiary of or entitled to rely on this Replacement Capital Covenant. In particular, no holder of the Subordinated Notes is a third party beneficiary of this Replacement Capital Covenant, it being understood that the rights of the holders of the notes are set forth in the Subordinated Indenture.

(c) All demands, notices, requests and other communications to the Partnership or the Guarantors under this Replacement Capital Covenant shall be deemed to have been duly given and made if in writing and (i) if served by personal delivery upon the Partnership or the Guarantors, on the day so delivered (or, if such day is not a Business Day, the next succeeding Business Day), (ii) if delivered by registered post or certified mail, return receipt requested, or sent to the Partnership or the Guarantors by a national or international courier service, on the date of receipt by the Partnership or a Guarantor, as applicable (or, if such date of receipt is not a Business Day, the next succeeding Business Day), or (iii) if sent by telecopier, on the day telecopied, or if not a Business Day, the next succeeding Business Day, provided that the telecopy is promptly confirmed by telephone confirmation thereof, and in each case to the Partnership or the Guarantors at the address set forth below, or at such other address as the Partnership may thereafter notify to Covered Debtholders or post on its website as the address for notices under this Replacement Capital Covenant:

If to the Partnership, to:

TEPPCO Partners, L.P.
1100 Louisiana Street, Suite 1600
Houston, Texas 77002
Attention: Chief Financial Officer
Telecopy No.: 713-381-8225
Telephone: 713-381-3636

If to the Guarantors, to:

TE Products Pipeline Company, Limited Partnership
TCTM, L.P.
TEPPCO Midstream Companies, L.P.
Val Verde Gas Gathering Company, L.P.

c/o TEPPCO Partners, L.P.
1100 Louisiana Street, Suite 1600
Houston, Texas 77002
Attention: Chief Financial Officer
Telecopy No.: 713-381-8225
Telephone: 713-381-3636

IN WITNESS WHEREOF, the Partnership and each of the Guarantors have caused this Replacement Capital Covenant to be executed by a duly authorized officer, as of the day and year first above written.

TEPPCO PARTNERS, L.P.

By: Texas Eastern Products Pipeline Company, LLC
Its: General Partner

By: /s/ William G. Manias
William G. Manias
Vice President and Chief Financial Officer

TE PRODUCTS PIPELINE COMPANY, LIMITED PARTNERSHIP

By: TEPPCO GP, Inc.
Its: General Partner

By: /s/ William G. Manias
William G. Manias
Vice President and Chief Financial Officer

TCTM, L.P.

By: TEPPCO GP, Inc.
Its: General Partner

By: /s/ William G. Manias
William G. Manias
Vice President and Chief Financial Officer

TEPPCO MIDSTREAM COMPANIES, L.P.

By: TEPPCO GP, Inc.
Its: General Partner

By: /s/ William G. Manias
William G. Manias
Vice President and Chief Financial Officer

VAL VERDE GAS GATHERING COMPANY, L.P.

By: TEPPCO NGL Pipelines, LLC
Its: General Partner

By: /s/ William G. Manias
William G. Manias
Vice President and Chief Financial Officer

Definitions

"Alternative Payment Mechanism" means, with respect to any Qualifying Capital Securities, provisions in the related transaction documents that require the issuer thereof, in its discretion, to issue (or use commercially reasonable efforts to issue) one or more types of APM Qualifying Securities raising eligible proceeds at least equal to the deferred Distributions on such Qualifying Capital Securities and apply the proceeds to pay unpaid Distributions on such Qualifying Capital Securities, commencing on the earlier of (x) the first Distribution Date after commencement of a deferral period on which such issuer pays current Distributions on such Qualifying Capital Securities and (y) the fifth anniversary of the commencement of such deferral period, and that:

(a) define "eligible proceeds" to mean, for purposes of such Alternative Payment Mechanism, the net proceeds (after underwriters' or placement agents' fees, commissions or discounts and other expenses relating to the issuance or sale) that such issuer has received during the 180 days prior to the related Distribution Date from the issuance of APM Qualifying Securities to Persons other than a member of the Partnership Group, up to the Preferred Cap (as defined in (d) below) in the case of APM Qualifying Securities that are Qualifying Preferred Units;

(b) permit such issuer to pay current Distributions on any Distribution Date out of any source of funds but (x) require such issuer to pay deferred Distributions only out of eligible proceeds and (y) prohibit such issuer from paying deferred Distributions out of any source of funds other than eligible proceeds;

(c) if deferral of Distributions continues for more than one year, require such issuer not to redeem or repurchase any securities that rank *pari passu* with or junior to any APM Qualifying Securities that such issuer has issued to settle deferred Distributions in respect to that deferral period until at least one year after all deferred Distributions have been paid (a "Repurchase Restriction");

(d) limit the obligation of such issuer to issue (or use commercially reasonable efforts to issue) APM Qualifying Securities to:

(i) in the case of APM Qualifying Securities that are Common Units or Subordinated Units and Rights to acquire Units, either (i) during the first five years of any deferral period or (ii) with respect to deferred Distributions attributable to the first five years of any deferral period (provided that such limitation shall not apply after the ninth anniversary of the commencement of any deferral period), to a number of Common Units, Subordinated Units and Units purchasable upon the exercise of any Rights to acquire Units, which, in the aggregate, does not, in the aggregate, exceed 2% of the outstanding number of Common Units and Subordinated Units (the "Common Cap"); and

(ii) in the case of APM Qualifying Securities that are Qualifying Preferred Units, an amount from the issuance thereof pursuant to the related Alternative Payment Mechanism (including at any point in time from all prior

issuances thereof pursuant to such Alternative Payment Mechanism) equal to 25% of the liquidation or principal amount of the Qualifying Capital Securities that are the subject of the related Alternative Payment Mechanism (the "Preferred Cap");

(e) in the case of Qualifying Capital Securities other than Qualifying Preferred Units, include a Bankruptcy Claim Limitation Provision; and

(f) permit such issuer, at its option, to provide that if such issuer is involved in a merger, consolidation, amalgamation, binding unit exchange or conveyance, transfer or lease of assets substantially as an entirety to any other person or a similar transaction (a "business combination") where immediately after the consummation of the business combination more than 50% of the surviving or resulting entity's voting securities is owned by the equityholders of the other party to the business combination, then clauses (a), (b) and (c) above will not apply to any deferral period that is terminated on the next Distribution Date following the date of consummation of the business combination;

provided (and it being understood) that:

(a) the Alternative Payment Mechanism may at the discretion of such issuer include a unit cap limiting the issuance of APM Qualifying Securities consisting of Common Units, or Subordinated Units and Qualifying Warrants, in each case to a maximum issuance cap to be set at the discretion of such issuer; provided that such maximum issuance cap will be subject to such issuer's agreement to use commercially reasonable efforts to increase the maximum issuance cap when reached and (i) simultaneously satisfy their future fixed or contingent obligations under other securities and derivative instruments that provide for settlement or payment in Common Units or Subordinated Units or (ii) if such issuer cannot increase the maximum issuance cap as contemplated in the preceding clause, by requesting its Board to adopt a resolution for unitholder vote at the next occurring annual unitholders meeting to increase the number of units of such issuer's authorized Common Units or Subordinated Units for purposes of satisfying their obligations to pay deferred Distributions;

(b) such issuer shall not be obligated to issue (or use commercially reasonable efforts to issue) APM Qualifying Securities for so long as a Market Disruption Event has occurred and is continuing;

(c) if, due to a Market Disruption Event or otherwise, such issuer is able to raise and apply some, but not all, of the eligible proceeds necessary to pay all deferred Distributions on any Distribution Date, such issuer will apply any available eligible proceeds to pay accrued and unpaid Distributions on the applicable Distribution Date in chronological order subject to the Common Cap, the Preferred Cap, and any maximum issuance cap referred to above, as applicable; and

(d) if such issuer has outstanding more than one class or series of securities under which it is obligated to sell a type of APM Qualifying Securities and apply some part of the proceeds to the payment of deferred Distributions, then on any date and for

any period the amount of net proceeds received by such issuer from those sales and available for payment of deferred Distributions on such securities shall be applied to such securities on a *pro rata* basis up to the Common Cap, the Preferred Cap and any maximum issuance cap referred to above, as applicable, in proportion to the total amounts that are due on such securities.

"APM Qualifying Securities" means, with respect to an Alternative Payment Mechanism, any Debt Exchangeable for Preferred Equity or any Mandatory Trigger Provision, one or more of the following (as designated in the transaction documents for any Qualifying Capital Securities that include an Alternative Payment Mechanism or a Mandatory Trigger Provision or for any Debt Exchangeable for Preferred Equity):

(a) Common Units or Subordinated Units; or

(b) Qualifying Warrants; and

(c) Qualifying Preferred Units;

provided that if the APM Qualifying Securities for any Alternative Payment Mechanism, any Debt Exchangeable for Preferred Equity or any Mandatory Trigger Provision include both Common Units, Subordinated Units and Qualifying Warrants, such Alternative Payment Mechanism, Debt Exchangeable for Preferred Equity or Mandatory Trigger Provision may permit, but need not require, the issuer thereof to issue Qualifying Warrants.

"Applicable Percentage" means 200% with respect to any redemption, repurchase, purchase or defeasance of Subordinated Notes prior to the Termination Date.

"Bankruptcy Claim Limitation Provision" means, with respect to any Qualifying Capital Securities that have an Alternative Payment Mechanism or a Mandatory Trigger Provision, provisions that, upon any liquidation, dissolution, winding up or reorganization or in connection with any insolvency, receivership or proceeding under any bankruptcy law with respect to the issuer, limit the claim of the holders of such Qualifying Capital Securities to Distributions that accumulate during (a) any deferral period, in the case of Qualifying Capital Securities that have an Alternative Payment Mechanism or (b) any period in which the issuer fails to satisfy one or more financial tests set forth in the terms of such securities or related transaction agreements, in the case of Qualifying Capital Securities having a Mandatory Trigger Provision, to:

(i) in the case of Qualifying Capital Securities having an Alternative Payment Mechanism or Mandatory Trigger Provision with respect to which the APM Qualifying Securities do not include Qualifying Preferred Units, 25% of the stated or principal amount of such securities then outstanding; and

(ii) in the case of any other Qualifying Capital Securities, an amount not in excess of the sum of (x) the amount of accumulated and unpaid Distributions (including compounded amounts) that relate to the earliest two years of the portion of the deferral period for which Distributions have not been paid and (y) an amount equal to the excess, if any, of the Preferred Cap over the

aggregate amount of net proceeds from the sale of Qualifying Preferred Units that the issuer has applied to pay such Distributions pursuant to the Alternative Payment Mechanism or the Mandatory Trigger Provision, provided that the holders of such securities are deemed to agree that, to the extent the remaining claim exceeds the amount set forth in subclause (x), the amount they receive in respect of such excess shall not exceed the amount they would have received had the claim for such excess ranked *pari passu* with the interests of the holders, if any, of Qualifying Preferred Units.

"Board" means, with respect to a Person, the board of directors (or other comparable governing body) of the general partner of such Person or a duly constituted committee thereof. If such Person shall change its form of entity to other than a limited partnership, references to the Board shall mean the board of directors (or other comparable governing body) of such Person (as so changed).

"Business Day" means each day other than (a) a Saturday or Sunday or (b)(i) a day on which banking institutions in The City of New York are authorized or required by law or executive order to remain closed or, (ii) a day on or after June 1, 2017, that is not a London business day. A "London business day" is any day on which dealings in deposits in U.S. dollars are transacted in the London interbank market.

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

"Common Cap" has the meaning specified in the definition of Alternative Payment Mechanism.

"Common Units" means (i) common limited partnership interests of any member of the Partnership Group, including, without limitation, those interests described as common units in the Partnership's or a Guarantor's respective partnership agreement and interests sold pursuant to distribution reinvestment plans, unit purchase plans and employee benefit plans, and (ii) interests of any member of the Partnership Group possessing substantially similar characteristics, provided that such interests (A) are perpetual, with no prepayment obligation on the part of the issuer thereof, whether at the election of the holder or otherwise, and (B) other than any Subordinated Units, are (at the time of issuance and thereafter) the most junior and subordinated securities issuable by such issuer, with liquidation rights limited to a share of such issuer's assets, if any, remaining after satisfaction in full of all creditors and of all holders of any other equity securities of such issuer that rank senior to the Common Units.

"Covered Debt" means (a) at the date of this Replacement Capital Covenant and continuing to but not including the first Redesignation Date, the Initial Covered Debt and (b) thereafter, commencing with each Redesignation Date and continuing to but not including the next succeeding Redesignation Date, the Eligible Debt identified pursuant to Section 3(b) as the Covered Debt for such period.

"Covered Debtholder" means each Person (whether a Holder or a beneficial owner holding through a participant in a clearing agency) that buys, holds or sells long-term indebtedness for money borrowed of the Partnership during the period that such long-term

indebtedness for money borrowed is Covered Debt, for so long as such long-term indebtedness for money borrowed remains Covered Debt (except as otherwise provided in Section 5(b)), provided that a Person who has sold or otherwise disposed of all of its right, title and interest in Covered Debt shall cease to be a Covered Debtholder at the time of such sale or other disposition if, during the time that such Person owned such Covered Debt, the Partnership did not breach or repudiate its obligations hereunder. If the Partnership breached or repudiated its obligations hereunder while such Person was an owner of Covered Debt, such Person shall cease to be a Covered Debtholder on the later of (i) one year after such sale or other disposition or (ii) the termination of any legal proceeding brought by such Person before the date in clause (i) to enforce the obligations of the Partnership hereunder.

"Debt Exchangeable for Equity" means Debt Exchangeable for Common Equity or Debt Exchangeable for Preferred Equity.

"Debt Exchangeable for Common Equity" means a security or combination of securities (together in this definition, "such securities") that:

(a) gives the holder a beneficial interest in (i) a fractional interest in a unit purchase contract for a Common Unit or Subordinated Unit that will be settled in three years or less, with the number of Common Units or Subordinated Units purchasable pursuant to such unit purchase contract to be within a range established at the time of issuance of such securities, subject to customary anti-dilution adjustments and (ii) debt securities of any member of the Partnership Group that are not redeemable at the option of the issuer or the holder thereof prior to the settlement of the unit purchase contracts;

(b) provides that the investors directly or indirectly grant to the issuer of such securities a security interest in such debt securities and their proceeds (including any substitute collateral permitted under the transaction documents) to secure the investors' direct or indirect obligation to purchase Common Units or Subordinated Units pursuant to such unit purchase contracts;

(c) includes a remarketing feature pursuant to which such debt securities are remarketed to new investors commencing not later than 30 days prior to the settlement date of the purchase contract;

(d) provides for the proceeds raised in the remarketing to be used to purchase Common Units or Subordinated Units under the unit purchase contracts and, if there has not been a successful remarketing by the settlement date of the purchase contract, provides that the unit purchase contracts will be settled by the issuer of such securities exercising its remedies as a secured party with respect to its debt securities or other collateral directly or indirectly pledged by investors in the Debt Exchangeable for Common Equity.

"Debt Exchangeable for Preferred Equity" means a security or combination of securities (together in this definition, "such securities") that:

(a) gives the holder a beneficial interest in (i) subordinated debt securities of a member of the Partnership Group that include a provision requiring the issuer thereof to

issue (or use commercially reasonable efforts to issue) one or more types of APM Qualifying Securities raising proceeds at least equal to the deferred Distributions on such subordinated debt securities commencing not later than the second anniversary of the commencement of such deferral period and that are the most junior subordinated debt of such issuer (or rank *pari passu* with the most junior subordinated debt of such issuer) (in this definition, "subordinated debt") and (ii) a fractional interest in a unit purchase contract for a share of Qualifying Preferred Units of such issuer that ranks *pari passu* with or junior to all other preferred units of such issuer (in this definition, "preferred units");

(b) provides that the investors directly or indirectly grant to such issuer a security interest in such subordinated debt securities and their proceeds (including any substitute collateral permitted under the transaction documents) to secure the investors' direct or indirect obligation to purchase preferred units of such issuer pursuant to such unit purchase contracts;

(c) includes a remarketing feature pursuant to which the subordinated debt of such issuer is remarketed to new investors commencing not later than the first Distribution Date that is at least five years after the date of issuance of securities or earlier in the event of an early settlement event based on: (i) the dissolution of the issuer of such debt exchangeable for preferred equity or (ii) one or more financial tests set forth in the terms of the instrument governing such debt exchangeable for preferred equity;

(d) provides for the proceeds raised in the remarketing to be used to purchase preferred units of such issuer under the unit purchase contracts and, if there has not been a successful remarketing by the first Distribution Date that is six years after the date of issuance of such securities, provides that the unit purchase contracts will be settled by such issuer exercising its remedies as a secured party with respect to its subordinated debt securities or other collateral directly or indirectly pledged by investors in the Debt Exchangeable for Preferred Equity;

(e) is subject to a Qualifying Capital Replacement Covenant that will apply to such securities and preferred units, and will not include Debt Exchangeable for Equity as a Replacement Capital Security; and

(f) after the issuance of such preferred units, provides the holders of such securities with a beneficial interest in such preferred units.

"Distribution Date" means, as to any securities or combination of securities, the dates on which periodic Distributions on such securities are scheduled to be made.

"Distribution Period" means, as to any securities or combination of securities, each period from and including a Distribution Date for such securities to but not including the next succeeding Distribution Date for such securities.

"Distributions" means, as to a security or combination of securities, interest payments or other income distributions to the holders thereof that are not Subsidiaries of the issuer thereof.

"Eligible Debt" means, at any time, Eligible Subordinated Debt or, if no Eligible Subordinated Debt is then outstanding, Eligible Senior Debt.

"Eligible Senior Debt" means, at any time in respect of any issuer, each series of outstanding unsecured long-term indebtedness for money borrowed of such issuer that (a) upon a bankruptcy, liquidation, dissolution or winding up of the issuer, ranks most senior among the issuer's then outstanding classes of unsecured indebtedness for money borrowed, (b) is then assigned a rating by at least one NRSRO (provided that this clause (b) shall apply on a Redesignation Date only if on such date the issuer has outstanding senior long-term indebtedness for money borrowed that satisfies the requirements of clauses (a), (c) and (d) that is then assigned a rating by at least one NRSRO), (c) has an outstanding principal amount of not less than $100,000,000, and (d) was issued through or with the assistance of a commercial or investment banking firm or firms acting as underwriters, initial purchasers or placement or distribution agents. For purposes of this definition as applied to securities with a CUSIP number, each issuance of long-term indebtedness for money borrowed that has (or, if such indebtedness is held by a trust or other intermediate entity established directly or indirectly by the issuer, the securities of such intermediate entity that have) a separate CUSIP number shall be deemed to be a series of the issuer's long-term indebtedness for money borrowed that is separate from each other series of such indebtedness.

"Eligible Subordinated Debt" means, at any time in respect of any issuer, each series of the issuer's then-outstanding unsecured long-term indebtedness for money borrowed that (a) upon a bankruptcy, liquidation, dissolution or winding up of the issuer, ranks senior to the Subordinated Notes and subordinate to the issuer's then outstanding series of unsecured indebtedness for money borrowed that ranks most senior, (b) is then assigned a rating by at least one NRSRO (provided that this clause (b) shall apply on a Redesignation Date only if on such date the issuer has outstanding subordinated long-term indebtedness for money borrowed that satisfies the requirements in clauses (a), (c) and (d) that is then assigned a rating by at least one NRSRO), (c) has an outstanding principal amount of not less than $100,000,000, and (d) was issued through or with the assistance of a commercial or investment banking firm or firms acting as underwriters, initial purchasers or placement or distribution agents. For purposes of this definition as applied to securities with a CUSIP number, each issuance of long-term indebtedness for money borrowed that has (or, if such indebtedness is held by a trust or other intermediate entity established directly or indirectly by the issuer, the securities of such intermediate entity that have) a separate CUSIP number shall be deemed to be a series of the issuer's long-term indebtedness for money borrowed that is separate from each other series of such indebtedness.

"Holder" means, as to the Covered Debt then in effect, each record holder of such Covered Debt as reflected on the securities register maintained by or on behalf of the Partnership or the applicable Guarantor with respect to such Covered Debt and each beneficial owner of such Covered Debt holding such Covered Debt through a participant in a clearing agency.

"Initial Covered Debt" means the Partnership's 6.125% Senior Notes due 2013.

"Intent-Based Replacement Disclosure" means, as to any security or combination of securities, that the issuer has publicly stated its intention, either in the prospectus or other offering document under which such securities were initially offered for sale or in filings with

the Commission made by the issuer under the Securities Exchange Act prior to or contemporaneously with the issuance of such securities, that the issuer will redeem, purchase or defease such securities only with the proceeds (or an applicable percentage of proceeds) or Market Value of replacement capital securities that have terms and provisions at the time of redemption, purchase or defeasance that receive as much or more equity-like credit than the securities then being redeemed or purchased, raised within 180 days of the applicable redemption, purchase or defeasance date.

"Mandatory Trigger Provision" means, as to any Qualifying Capital Securities, provisions in the terms thereof or of the related transaction agreements that:

(a) require, or at its option in the case of non-cumulative perpetual preferred units permit, the issuer of such Qualifying Capital Securities to make payment of Distributions on such securities only pursuant to the issue and sale of APM Qualifying Securities, within two years of a failure of the issuer to satisfy one or more financial tests set forth in the terms of such Qualifying Capital Securities or related transaction agreements, in an amount such that the net proceeds of such sale are at least equal to the amount of unpaid Distributions on such Qualifying Capital Securities (including without limitation all deferred and accumulated amounts), and in either case require the application of the net proceeds of such sale to pay such unpaid Distributions, provided that (i) such Mandatory Trigger Provision shall limit the issuance and sale of Common Units, Subordinated Units and Qualifying Warrants the proceeds of which may be applied to pay such Distributions pursuant to such provision to the Common Cap, unless the Mandatory Trigger Provision requires such issuance and sale within one year of such failure, and (ii) the amount of Qualifying Preferred Units the net proceeds of which the issuer may apply to pay such Distributions pursuant to such provision may not exceed the Preferred Cap;

(b) other than in the case of non-cumulative preferred unit, if the provisions described in clause (a) do not require such issuance and sale within one year of such failure, prohibit the issuer and any of its Subsidiaries from repurchasing any securities that are *pari passu* with or junior to its respective APM Qualifying Securities, the proceeds of which were used to pay deferred Distributions since such failure before the date six months after the issuer applies the net proceeds of the sales described in clause (a) to pay such unpaid Distributions in full;

(c) other than in the case of non-cumulative perpetual preferred units, include a Bankruptcy Claim Limitation Provision; and

(d) prohibit the issuer of such securities from redeeming or purchasing any of its securities ranking upon the liquidation, dissolution or winding up of the issuer junior to or *pari passu* with any APM Qualifying Securities the proceeds of which were used to settle deferred interest during the relevant deferral period prior to the date six months after the issuer applies the net proceeds of the sales described in clause (a) above to pay such deferred Distributions in full;

provided (and it being understood) that:

(a) the issuer will not be obligated to issue (or use commercially reasonable efforts to issue) any such APM Qualifying Securities for so long as a Market Disruption Event has occurred and is continuing;

(b) if, due to a Market Disruption Event or otherwise, the issuer is able to raise and apply some, but not all, of the eligible proceeds necessary to pay all deferred Distributions on any Distribution Date, the issuer will apply any available eligible proceeds to pay accrued and unpaid Distributions on the applicable Distribution Date in chronological order subject to the Common Cap and Preferred Cap, as applicable; and

(c) if the issuer has outstanding more than one class or series of securities under which it is obligated to sell a type of any such APM Qualifying Securities and applies some part of the proceeds to the payment of deferred Distributions, then on any date and for any period the amount of net proceeds received by the issuer from those sales and available for payment of deferred Distributions on such securities shall be applied to such securities on a *pro rata* basis up to the Common Cap and the Preferred Cap, as applicable, in proportion to the total amounts that are due on such securities.

No remedy other than Permitted Remedies will arise by the terms of such securities or related transaction agreements in favor of the holders of such securities as a result of the issuer's failure to pay Distributions because of the Mandatory Trigger Provision until Distributions have been deferred for one or more Distribution Periods that total together at least ten years.

"Market Disruption Events" means the occurrence or existence of any of the following events or sets of circumstances:

(a) the issuer would be required to obtain the consent or approval of its unitholders or a regulatory body (including, without limitation, any securities exchange) or governmental authority to issue or sell APM Qualifying Securities and such consent or approval has not yet been obtained notwithstanding the issuer's commercially reasonable efforts to obtain such consent or approval, or a regulatory authority instructs the Partnership or such Guarantor not to sell or offer for sale APM Qualifying Securities at such time;

(b) trading in securities generally (or in the Partnership's Common Units or the preferred units of the Partnership or any of the Guarantors) on the New York Stock Exchange or any other national securities exchange or over-the-counter market on which the Common Units and/or the Partnership's or any of the Guarantors' preferred units are then listed or traded shall have been suspended or the settlement of such trading generally shall have been materially disrupted or minimum prices shall have been established on any such exchange or market by the Commission, by the relevant exchange or by any other regulatory body or governmental body having jurisdiction, and the establishment of such minimum prices materially disrupts or otherwise has a material adverse effect on trading in, or the issuance and sale of, Common Units and/or such preferred units;

(c) a banking moratorium shall have been declared by the federal or state authorities of the United States and such moratorium materially disrupts or otherwise has a material adverse effect on trading in, or the issuance and sale of, the APM Qualifying Securities;

(d) a material disruption shall have occurred in commercial banking or securities settlement or clearance services in the United States and such disruption materially disrupts or otherwise has a material adverse effect on trading in, or the issuance and sale of, the APM Qualifying Securities;

(e) the United States shall have become engaged in hostilities, there shall have been an escalation in hostilities involving the United States, there shall have been a declaration of a national emergency or war by the United States or there shall have occurred any other national or international calamity or crisis and such event materially disrupts or otherwise has a material adverse effect on trading in, or the issuance and sale of, the APM Qualifying Securities;

(f) there shall have occurred such a material adverse change in general domestic or international economic, political or financial conditions, including without limitation as a result of terrorist activities, and such change materially disrupts or otherwise has a material adverse effect on trading in, or the issuance and sale of, the APM Qualifying Securities;

(g) an event occurs and is continuing as a result of which the offering document for such offer and sale of APM Qualifying Securities would, in the reasonable judgment of the Partnership or any of the Guarantors, 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 either (a) the disclosure of that event at such time, in the reasonable judgment of the Partnership or such Guarantor, is not otherwise required by law and would have a material adverse effect on the business of the issuer or (b) the disclosure relates to a previously undisclosed proposed or pending material business transaction, the disclosure of which would impede the ability of the Partnership or such Guarantor to consummate such transaction, provided that no single suspension period contemplated by this paragraph (g) shall exceed 90 consecutive days and multiple suspension periods contemplated by this paragraph (g) shall not exceed an aggregate of 180 days in any 360-day period; or

(h) the issuer reasonably believes, for reasons other than those referred to in paragraph (g) above, that the offering document for such offer and sale of APM Qualifying Securities would not be in compliance with law or a rule or regulation of the Commission and the issuer is unable to comply with such law or rule or regulation or such compliance is unduly burdensome, provided that no single suspension period contemplated by this paragraph (h) shall exceed 90 consecutive days and multiple suspension periods contemplated by this paragraph (h) shall not exceed an aggregate of 180 days in any 360-day period.

The definition of "Market Disruption Event" as used in any Qualifying Capital Securities may include less than all of the paragraphs outlined above, as determined by the issuer at the time of issuance of such securities, and in the case of clauses (a), (b), (c) and (d), as applicable to a circumstance where the issuer would otherwise endeavor to issue preferred units, shall be limited to circumstances affecting markets where the preferred units of the Partnership or such Guarantor trades or where a listing for its trading is being sought.

"Market Value" means, on any date, the closing sale price per Common Unit (or if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask prices) on that date as reported in composite transactions by the New York Stock Exchange or, if the Common Units are not then listed on the New York Stock Exchange, as reported by the principal U.S. securities exchange on which the Common Units are traded or quoted; if the Common Units are not either listed or quoted on any U.S. securities exchange on the relevant date, the Market Value will be the average of the mid-point of the bid and ask prices for the Common Units on the relevant date submitted by at least three nationally recognized independent investment banking firms selected by the Partnership for this purpose or, in the event such bid and ask prices are not available and in the case of Subordinated Units and Rights to acquire Units, a value determined by a nationally recognized independent investment banking firm selected by the Partnership's Board (or a duly authorized committee thereof) for this purpose.

"Measurement Period" with respect to any redemption or any repurchase, purchase or defeasance means the period (i) beginning on the date that is 180 days prior to delivery of notice of such redemption or the date of such repurchase, purchase or defeasance, respectively, and (ii) ending on such notice date for redemption or the date of such repurchase, purchase or defeasance, respectively. Measurement Periods cannot run concurrently.

"Non-Cumulative" means, with respect to any securities, that the issuer thereof may elect not to make any number of periodic Distributions without any remedy arising under the terms of the securities or related agreements in favor of the holders, other than one or more Permitted Remedies. Securities that include an Alternative Payment Mechanism shall also be deemed to be Non-Cumulative for all purposes of this Replacement Capital Covenant.

"NRSRO" means any nationally recognized statistical rating organization within the meaning of Section 3(a)(62) of the Securities Exchange Act that has assigned a credit rating to the Subordinated Notes, as set forth in the Prospectus Supplement, dated May 15, 2007 relating to the Subordinated Notes.

"Optional Deferral Provision" means, as to any securities, a provision in the terms thereof or of the related transaction agreements to the effect that either:

(a) (i) the issuer of such securities may, in its sole discretion, defer in whole or in part payment of Distributions on such securities for one or more consecutive Distribution Periods of up to five years or, if a Market Disruption Event is continuing, ten years, without any remedy other than Permitted Remedies and (ii) such securities are subject to an Alternative Payment Mechanism (provided that such Alternative Payment Mechanism need not apply during the first five years of any deferral period and need not

include a Common Cap, Preferred Cap, Bankruptcy Claim Limitation Provision or Repurchase Restriction); or

(b) the issuer of such securities may, in its sole discretion, defer or skip in whole or in part payment of Distributions on such securities for one or more consecutive Distribution Periods up to at least ten years, without any remedy other than Permitted Remedies.

"Partnership" has the meaning specified in the introduction to this instrument.

"Partnership Group" has the meaning specified in the introduction to this instrument.

"Permitted Remedies" means, with respect to any securities, one or more of the following remedies:

(a) rights in favor of the holders of such securities permitting such holders to elect one or more directors of the issuer (including any such rights required by the listing requirements of any securities exchange on which such securities may be listed or traded), or

(b) complete or partial prohibitions on the issuer paying Distributions on or repurchasing Common Units, Subordinated Units or other securities that rank *pari passu* with or junior as to Distributions to such securities for so long as Distributions on such securities, including unpaid Distributions, remain unpaid.

"Person" means any individual, corporation, partnership, joint venture, trust, limited liability company, corporation or other entity, unincorporated organization or government or any agency or political subdivision thereof.

"Preferred Cap" has the meaning specified in the definition of Alternative Payment Mechanism.

"Qualifying Capital Securities" means securities (other than Common Units, Subordinated Units or Rights to acquire Units and securities convertible into or exchangeable for Common Units or Subordinated Units) that in the determination of the Board of the Partnership or any of the Guarantors, reasonably construing the definitions and other terms of the Replacement Capital Covenant, meet one of the following criteria:

(i) in connection with any redemption, defeasance or purchase of Subordinated Notes prior to the Stepdown Date:

(A) junior subordinated debt securities and guarantees issued by any member of the Partnership Group with respect to such securities if the junior subordinated debt securities and guarantees (1) contractually rank *pari passu* with or junior to the Subordinated Notes or the Guarantors' guarantees thereof upon the liquidation, dissolution or winding up of the Partnership or the Guarantors, respectively, (2) are

Non-Cumulative, (3) have no maturity or a maturity of at least 60 years and (4) are subject to a Qualifying Replacement Capital Covenant;

(B) securities issued by any member of the Partnership Group that (1) contractually rank *pari passu* with or junior to the Subordinated Notes or the Guarantors' guarantees thereof upon the liquidation, dissolution or winding up of the Partnership or the Guarantors, respectively, (2) have no maturity or a maturity of at least 60 years and (3)(a) are Non Cumulative and are subject to a Qualifying Replacement Capital Covenant or (b) have a Mandatory Trigger Provision and an Optional Deferral Provision and are subject to Intent-Based Replacement Disclosure;

(C) securities issued by any member of the Partnership Group that (1) contractually rank *pari passu* with or junior to the Subordinated Notes or the Guarantors' guarantees thereof upon the liquidation, dissolution or winding up of the Partnership or the Guarantors, respectively, (2) have no maturity or a maturity of at least 40 years, (3) are subject to a Qualifying Replacement Capital Covenant and (4) have a Mandatory Trigger Provision and an Optional Deferral Provision; or

(D) Non-Cumulative Qualifying Preferred Units; or

(ii) in connection with any redemption, defeasance or purchase of Subordinated Notes prior to the Stepdown Date:

(A) non-cumulative preferred units issued by any member of the Partnership Group that contractually ranks junior to the Subordinated Notes or the Guarantors' guarantees thereof upon a liquidation, dissolution or winding up of the Partnership or the Guarantors, respectively, and (1) (a) have no maturity or a final maturity of at least 60 years and (b) are subject to Intent-Based Replacement Disclosure; or (2) (a) have no maturity or a final maturity of at least 40 years and (x) are subject to a Qualifying Replacement Covenant or (y) are subject to Intent-Based Replacement Disclosure and have a Mandatory Trigger Provision; or (3) (a) have no maturity or a final maturity of at least 25 years, (b) are subject to a Qualifying Replacement Covenant and (c) have a Mandatory Trigger Provision;

(B) cumulative preferred units issued by any member of the Partnership Group that contractually rank junior to the Subordinated Notes or the Guarantors' guarantees thereof upon a liquidation, dissolution or winding up of the Partnership or any of the Guarantors, respectively, and (1) have no prepayment obligation on the part of the issuer thereof, whether at the election of the holders or otherwise, and (2) (a) have no maturity or a maturity of at least 60 years, (b) have an Optional Deferral

Provision and (c) are subject to a Qualifying Replacement Capital Covenant;

(C) securities issued by any member of the Partnership Group that (1) contractually rank *pari passu* with or junior to the Subordinated Notes or the Guarantors' guarantees thereof upon a liquidation, dissolution or winding up of the Partnership or any of the Guarantors, respectively, (2) have no maturity or a maturity of at least 60 years and an Optional Deferral Provision, and (3) either (a) are subject to a Qualifying Replacement Capital Covenant or (b) have a Mandatory Trigger Provision and are subject to Intent-Based Replacement Disclosure;

(D) securities issued by any member of the Partnership Group that (1) contractually rank *pari passu* with or junior to the Subordinated Notes or the Guarantors' guarantees thereof upon a liquidation, dissolution or winding up of the Partnership or any of the Guarantor, respectively, (2) are Non-Cumulative, (3) have no maturity or a maturity of at least 40 years and (4) either (a) are subject to a Qualifying Replacement Capital Covenant or (b) have a Mandatory Trigger Provision and an Optional Deferral Provision and are subject to Intent-Based Replacement Disclosure;

(E) securities issued by any member of the Partnership Group that (1) contractually rank junior to all of the senior and subordinated debt of the Partnership or any of the Guarantors other than the Subordinated Notes and securities ranking *pari passu* with the Subordinated Notes, (2) have an Optional Deferral Provision and a Mandatory Trigger Provision and (3) have no maturity or a maturity of at least 60 years and are subject to a Qualifying Replacement Capital Covenant; or

(F) other securities issued by any member of the Partnership Group that (1) contractually rank upon a liquidation, dissolution or winding-up of the Partnership or any of the Guarantor *pari passu* with or junior to the Subordinated Notes or the Guarantors' guarantees thereof, respectively, (2) have no maturity or a maturity of at least 25 years and (3) are subject to a Qualifying Replacement Capital Covenant and have a Mandatory Trigger Provision and an Optional Deferral Provision; or

(iii) in connection with any redemption, defeasance or purchase of the Subordinated Notes on or after the Stepdown Date:

(A) all securities described under clauses (i) and (ii) of this definition;

(B) cumulative preferred units issued by the Partnership or any of the Guarantors that (1) have no maturity or a maturity of at least 60 years and (2) are subject to Intent-Based Replacement Disclosure;

(C) securities issued by any member of the Partnership Group that (1) contractually rank *pari passu* with or junior to the Subordinated Notes or the Guarantors' guarantees thereof upon a liquidation, dissolution or winding up of the Partnership or the Guarantors, respectively, (2) either (a) have no maturity or a maturity of at least 60 years and Intent-Based Replacement Disclosure or (b) have no maturity or a maturity of at least 30 years and are subject to a Qualifying Replacement Capital Covenant and (3) have an Optional Deferral Provision;

(D) securities issued by any member of the Partnership Group that (1) contractually rank junior to all of the senior and subordinated debt of the Partnership or the Guarantors other than the Subordinated Notes and securities ranking *pari passu* with the Subordinated Notes or the Guarantors' guarantees thereof, respectively, (2) have a Mandatory Trigger Provision and an Optional Deferral Provision and (3) have no maturity or a maturity of at least 30 years and are subject to Intent-Based Replacement Disclosure; or

(E) cumulative preferred units issued by any member of the Partnership Group that contractually rank junior to the Subordinated Notes or the Guarantors' guarantees thereof upon a liquidation, dissolution or winding up of the Partnership or the Guarantors, respectively, and have a maturity of at least 40 years and are subject to a Qualifying Replacement Capital Covenant.

It is acknowledged that, as of the date hereof, securities issued by a master limited partnership containing an Alternative Payment Mechanism or a Mandatory Trigger Provision have not been approved as Qualifying Capital Securities by all of the NRSROs. As a result, such securities will not be issued or considered as Qualifying Capital Securities until there is prior written approval from all NSROs then maintaining a credit rating on such issuer.

"Qualifying Preferred Units" means non-cumulative perpetual preferred units issued by any member of the Partnership Group that (a) contractually rank *pari passu* with or junior to all other preferred units of the issuer thereof and contains no remedies as a consequence of non-payment of Distributions other than Permitted Remedies and (b) either (i) are subject to Intent-Based Replacement Disclosure and have a provision that prohibits the issuer from paying any Distributions thereon upon its failure to satisfy one or more financial tests set forth therein or (ii) are subject to a Qualifying Replacement Capital Covenant.

"Qualifying Replacement Capital Covenant" means (i) a replacement capital covenant substantially similar to this Replacement Capital Covenant or (ii) a replacement capital covenant, as identified by the Board of the Partnership or any of the Guarantors, acting in good faith and in its reasonable discretion and reasonably construing the definitions and other terms of this Replacement Capital Covenant, (a) entered into by an issuer that at the time it enters into such replacement capital covenant is a reporting company under the Securities Exchange Act and (b) that restricts the issuer from redeeming, defeasing or purchasing identified securities except to the extent of the applicable percentage of the net proceeds (or Market Value) of specified

replacement capital securities that have terms and provisions at the time of redemption, defeasance or purchase that receive as much or more equity-like credit than the securities then being redeemed, defeased or purchased, raised within the six month period prior to the applicable redemption, defeasance or purchase date.

"Qualifying Warrants" means net settled warrants to purchase Common Units or Subordinated Units that have an exercise price greater than the current Market Value of the issuer's Common Units or Subordinated Units as of their date of issuance, that do not entitle the issuer to redeem for cash and the holders of such warrants are not entitled to require the issuer to repurchase for cash in any circumstance.

"Redesignation Date" means, as to the Covered Debt in effect at any time, the earliest of (a) the date that is two years prior to the final maturity date of such Covered Debt, (b) such Covered Debt is to be redeemed or repurchased by a member of the Partnership Group either in whole or in part with the consequence that, after giving effect to such redemption or repurchase, the outstanding principal amount of such Covered Debt is less than $100,000,000, the applicable redemption or repurchase date and (c) if such Covered Debt is not Eligible Subordinated Debt, the date on which the Partnership or a Guarantor issues Eligible Subordinated Debt.

"Replacement Capital Covenant" has the meaning specified in the introduction to this instrument.

"Replacement Capital Securities" means

(a) Common Units, Subordinated Units and Rights to acquire Units;

(b) Debt Exchangeable for Equity; and

(c) Qualifying Capital Securities.

"Repurchase Restriction" has the meaning specified in the definition of Alternative Payment Mechanism.

"Rights to acquire Units" includes any right to acquire Common Units or Subordinated Units, including any option or right to acquire Common Units or Subordinated Units pursuant to a unit purchase plan or employee benefit plan.

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

"Securities" has the meaning specified in Recital B.

"Stepdown Date" means June 1, 2017.

"Subordinated Indenture" has the meaning specified in Recital A.

"Subordinated Notes" has the meaning specified in Recital A.

"Subordinated Units" means limited partnership interests of a member of the Partnership Group that rank *pari passu* with or junior to the Common Units of the issuer thereof, provided that such interests are perpetual, with no prepayment obligation on the part of the issuer thereof, whether at the election of the holder or otherwise.

"Subsidiary" means, at any time, any Person the units, shares of stock, or other ownership interests of which having ordinary voting power to elect a majority of the board of directors or other managers of such Person are at the time owned, or the management or policies of which are otherwise at the time controlled, directly or indirectly through one or more intermediaries (including other Subsidiaries) or both, by another Person.

"Supplemental Indenture" means the First Supplemental Indenture, dated as of May 18, 2007, to the Subordinated Indenture.

"Termination Date" has the meaning specified in Section 4(a).

"Units" means Common Units and/or Subordinated Units, as applicable.