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): September 4, 2008

Commission File No. 1-10403

TEPPCO Partners, L.P.	**Delaware**	**76-0291058**
(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:

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

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

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

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

Item 1.01. Entry into a Material Definitive Agreement;

Item 3.02 Unregistered Sales of Equity Securities

Underwriting Agreement

On September 4, 2008, TEPPCO Partners, L.P. (the "Partnership") entered into an Underwriting Agreement (the "Underwriting Agreement") with Lehman Brothers Inc., UBS Securities LLC and Wachovia Capital Markets, LLC, as representatives of the several underwriters named on Schedule I thereto, including Citigroup Global Markets Inc., J.P. Morgan Securities Inc. and Wells Fargo Securities, LLC (collectively, the "Underwriters") covering the issue and sale by the Partnership of 9,200,000 units representing limited partner interests in the Partnership (the "Units"), including 1,200,000 Units issuable upon exercise of the Underwriters' option to purchase additional Units. The offering of the Units has been registered under the Securities Act of 1933, as amended (the "Securities Act"), pursuant to a registration statement on Form S-3 (Registration No. 333-153314) of the Partnership (the "Registration Statement"), and the prospectus dated September 4, 2008 relating to the Units, filed with the Securities and Exchange Commission pursuant to Rule 424(b) of the Securities Act (the "Prospectus"). Certain legal opinions related to the Registration Statement are filed herewith as Exhibits 5.1 and 8.1.

On September 5, 2008, the Underwriters provided notice to the Partnership of the exercise of their option to purchase 1,200,000 additional Units pursuant to the Underwriting Agreement. Closing of the issuance and sale of the Units is scheduled for September 9, 2008.

The Underwriting Agreement provides that the obligations of the Underwriters to purchase the Units are subject to approval of legal matters by counsel and other customary conditions. The Underwriters are obligated to purchase all the Units if they purchase any of the Units. The Partnership has agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the Underwriters may be required to make because of any of those liabilities.

The Partnership intends to use the net proceeds from the sale of the Units to reduce borrowings outstanding under its revolving credit facility, which may be reborrowed to fund capital expenditures and other growth projects or used for general partnership purposes. Affiliates of each of Lehman Brothers Inc., UBS Securities LLC, Wachovia Capital Markets, LLC, Citigroup Global Markets Inc., J.P. Morgan Securities Inc. and Wells Fargo Securities, LLC are lenders under the Partnership's revolving credit facility and, accordingly, will receive approximately 37% of the net proceeds of the offering. The underwriters have performed investment banking and advisory services for the Partnership and its affiliates from time to time for which they have received customary fees and expenses. The underwriters may, from time to time, engage in transactions with and perform services for the Partnership and its affiliates in the ordinary course of their business.

Unit Purchase Agreement

On September 4, 2008, the Partnership entered into a Unit Purchase Agreement (the "Unit Purchase Agreement") with TEPPCO Unit L.P. (the "Employee Partnership") covering the issue and sale by the Partnership to the Employee Partnership of 241,380 units representing limited partner interests in the Partnership (the "Employee Partnership Units") at the same price at which the Units were offered to the public, for aggregate consideration of $7.0 million. The Partnership intends to use the proceeds from the sale of the Employee Partnership Units to reduce borrowings outstanding under its revolving credit facility. EPCO, Inc., an affiliate of the Partnership, serves as general partner of the Employee Partnership. The sale of the Employee Partnership Units is being effectuated in a transaction not involving a public offering and exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, as amended. Closing of the issuance and sale of the Employee Partnership Units, which is conditioned upon closing of the sale of Units to the Underwriters, is scheduled for September 9, 2008. The Unit Purchase Agreement contains other customary representations, covenants and conditions.

The summaries of the Underwriting Agreement and Unit Purchase Agreement in this report do not purport to be complete and are qualified by reference to such agreements, which are filed as exhibits hereto. These agreements contain representations, warranties and other provisions that were made or agreed to, among other things, to provide the parties thereto with specified rights and obligations and to allocate risk among them.

Accordingly, they should not be relied upon as constituting a description of the state of affairs of any of the parties thereto or their affiliates at the time it was entered into or otherwise.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On or about September 5, 2008, Jerry E. Thompson, William G. Manias, J. Michael Cockrell, John N. Goodpasture and Samuel N. Brown, the executive officers named in the Executive Compensation section of our most recent Annual Report on Form 10-K, were issued Class B limited partner interests in the Employee Partnership and admitted thereto as Class B limited partners without any capital contribution. The profits interest awards (i.e., the Class B limited partner interests) in the Employee Partnership entitle each holder to participate in the appreciation in value of the Partnership's units and to share in certain distributions of cash attributable to the Partnership units held by the Employee Partnership after payment of a preferred return to the limited partner holding capital interests in the Employee Partnership. The Class B limited partner interests are subject to forfeiture if the participating employee's employment with EPCO is terminated prior to vesting, with customary exceptions for death, disability and certain retirements. The risk of forfeiture will also lapse upon certain change in control events. The Partnership expects that a portion of the fair value of these equity-based awards will be allocated to it under the EPCO administrative services agreement as a non-cash expense. The Partnership is not responsible for reimbursing EPCO for any expenses of the Employee Partnership, including the value of any contributions of cash for the purchase of the Employee Partnership Units.

The following table provides information regarding the named executive officers' percentage ownership of the Class B limited partner interests in the Employee Partnership:

Mr. Thompson	28.57%
Mr. Manias	7.14%
Mr. Cockrell	14.29%
Mr. Goodpasture	14.29%
Mr. Brown	14.29%

Item 9.01 Financial Statements and Exhibits.

The exhibits set forth below are filed herewith, except for exhibit 99.1, which is furnished herewith.

(d) Exhibits.

Exhibit Number	Description
1.1	Underwriting Agreement, dated September 4, 2008, by and among TEPPCO Partners, L.P., and Lehman Brothers Inc., UBS Securities LLC and Wachovia Capital Markets, LLC, as representatives of the several underwriters named on Schedule I thereto.
5.1	Opinion of Baker Botts L.L.P.
8.1	Opinion of Baker Botts L.L.P. relating to tax matters
10.1	Unit Purchase Agreement dated September 4, 2008 by and between TEPPCO Unit L.P. and TEPPCO Partners, L.P.
10.2	Partnership Agreement of TEPPCO Unit L.P., dated September 4, 2008
23.1	Consents of Baker Botts L.L.P. (included in Exhibits 5.1 and 8.1)

Exhibit Number	Description
99.1	Press release of TEPPCO Partners, L.P. dated September 4, 2008.

SIGNATURE

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.
(Registrant)

By: Texas Eastern Products Pipeline Company, LLC
General Partner

Date: September 8, 2008

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

EXHIBIT INDEX

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Exhibit 1.1

EXECUTION VERSION

TEPPCO PARTNERS, L.P.

8,000,000 Units
Representing Limited Partner Interests

UNDERWRITING AGREEMENT

September 4, 2008

Lehman Brothers Inc.
UBS Securities LLC
Wachovia Capital Markets, LLC
As Representatives of the several
Underwriters named in Schedule I attached hereto,

c/o Lehman Brothers Inc.
745 Seventh Avenue
New York, New York 10019

c/o UBS Securities LLC
299 Park Avenue
New York, New York 10173

c/o Wachovia Capital Markets, LLC
Seagram's Building
375 Park Ave., 4th Floor
New York, New York 10152

Ladies and Gentlemen:

TEPPCO Partners, L.P., a Delaware limited partnership (the "Partnership"), proposes to issue and sell to the underwriters listed on Schedule I hereto (collectively, the "Underwriters") 8,000,000 units (the "Firm Units"), each representing a limited partner interest in the Partnership (the "TEPPCO Units"), as set forth on Schedule I hereto. In addition, the Partnership proposes to grant to the Underwriters an option to purchase up to an additional 1,200,000 TEPPCO Units, on the terms and for the purposes set forth in Section 2 (the "Option Units"). The Firm Units and the Option Units, if purchased, are hereinafter collectively called the "Units." Capitalized terms used but not defined herein shall have the same meanings given them in the Partnership Agreement (as defined herein). Concurrently with the consummation of the issuance and sale of the Units to the Underwriters, the Partnership shall also consummate the direct issuance and sale of 241,380 TEPPCO Units to TEPPCO Unit, L.P. (the "Employee Partnership") pursuant to a Unit Purchase Agreement dated the date hereof (the "Unit Purchase Agreement").

Each of (i) the Partnership, (ii) Texas Eastern Products Pipeline Company, LLC, a Delaware limited liability company and general partner of the Partnership (the "General Partner"), (iii) TEPPCO GP, Inc., a Delaware corporation ("TEPPCO GP"), (iv) TE Products

Pipeline Company, LLC, a Texas limited liability company ("TE Products Pipeline"), (v) TCTM, L.P., a Delaware limited partnership ("TCTM"), (vi) TEPPCO Midstream Companies, LLC, a Texas limited liability company ("TEPPCO Midstream") and (vii) TEPPCO Marine Services, LLC, a Delaware limited liability company ("TEPPCO Marine"), are referred to collectively as the "TEPPCO Entities."

1. *Representations, Warranties and Agreements of the Partnership*. The Partnership represents and warrants to, and agrees with, the Underwriters that:

(a) A registration statement on Form S-3 (File No. 333-153314) relating to the Units (i) has been prepared by the Partnership pursuant to the requirements of the Securities Act of 1933, as amended (the "Securities Act"), and the rules and regulations (the "Rules and Regulations") of the Securities and Exchange Commission (the "Commission") thereunder; (ii) has been filed with the Commission under the Securities Act; and (iii) is effective under the Securities Act. Copies of such registration statement and any amendment thereto have been made available by the Partnership to you as the representatives (the "Representatives") of the Underwriters. As used in this Agreement:

(i) "Applicable Time" means 8:45 A.M. (New York City time) on September 4, 2008, which the Underwriters have informed the Partnership is a time prior to the time of the first sale of the Units;

(ii) "Base Prospectus" means the base prospectus included in the Registration Statement at the Applicable Time;

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

(iv) "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 or used or referred to by the Partnership in connection with the offering of the Units;

(v) "Preliminary Prospectus" means any preliminary prospectus relating to the Units included in such registration statement or filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations, including the Base Prospectus and any preliminary prospectus supplement thereto relating to the Units;

(vi) "Pricing Disclosure Package" means, as of the Applicable Time, the most recent Preliminary Prospectus, together with (A) each Issuer Free Writing Prospectus filed as such by the Partnership on or before the Applicable Time, and (B) the number of Units and the number of TEPPCO Units to be issued pursuant to the Unit Purchase Agreement, the public offering price for the Units and the First Delivery Date (as defined in Section 4), which are set forth on Schedule II hereto and will be included on the cover page of the Prospectus;

(vii) "Prospectus" means the final prospectus relating to the Units, including the Base Prospectus and any prospectus supplement thereto relating to the Units, as filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations; and

(viii) "Registration Statement" means, collectively, the various parts of the registration statement referred to in this Section 1(a), each as amended as of the Effective Date for such part, including any Preliminary Prospectus or the Prospectus and all exhibits to such registration statement.

Any reference to any 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 Preliminary Prospectus or the Prospectus, 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 original 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 form of the Registration Statement.

(b) *Well-Known Seasoned Issuer and Not an Ineligible Issuer*. At the time of each filing of the Registration Statement and any amendment thereto, the Partnership was 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.

(c) *Form of Documents*. The Registration Statement conformed and will conform in all material respects on each Effective Date and on the applicable 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. The most recent 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.

(d) *Registration Statement*. The Registration Statement did not, as of each 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 the Partnership through the Representatives by or on behalf of any Underwriter specifically for inclusion therein, which information is specified in Section 8(b).

(e) *Prospectus*. The Prospectus will not, as of its date and on the applicable 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 the Partnership through the Representatives by or on behalf of any Underwriter specifically for inclusion therein, which information is specified in Section 8(b).

(f) *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.

(g) *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 the Partnership through the Representatives by or on behalf of any Underwriters specifically for inclusion therein, which information is specified in Section 8(b).

(h) *Issuer Free Writing Prospectus and Pricing Disclosure Package*. Each Issuer Free Writing Prospectus (including, without limitation, any road show that is a free writing prospectus under Rule 433 of the Rules and Regulations), 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; *provided* that no representation or warranty is made as to information contained in or omitted from any Issuer Free Writing Prospectus in reliance upon and in conformity with written information furnished to the Partnership through the Representatives by or on behalf of any Underwriters specifically for inclusion therein, which information is specified in Section 8(b).

(i) *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 has complied with any filing requirements applicable to such Issuer Free Writing Prospectus pursuant to the Rules and Regulations. The Partnership has not made any offer relating to the Units that would constitute

an Issuer Free Writing Prospectus without the prior written consent of the Representatives, except as set forth on Schedule III hereto. The Partnership has 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 (it being understood that, as of the date hereof, the Partnership has not retained any Issuer Free Writing Prospectus for the three year period required thereby). Each Issuer Free Writing Prospectus does not and will not include any information that conflicts with the information contained in the Registration Statement or the Pricing Disclosure Package (excluding such Issuer Free Writing Prospectus) as of the Applicable Time, including any document incorporated therein and any prospectus supplement deemed to be a part thereof that has not been superseded or modified. The foregoing sentence does not apply to statements in or omissions from any Issuer Free Writing Prospectus based upon and in conformity with written information furnished to the Partnership by the Underwriters through the Representatives specifically for inclusion therein, which information consists solely of the information specified in Section 8(b).

(j) *Formation and Qualification of the Partnership Entities*. Each of the TEPPCO Entities and the other subsidiaries of the Partnership listed on Schedule IV hereto (each, a "Partnership Entity" and collectively, the "Partnership Entities," and the subsidiaries of the Partnership listed on Schedule IV hereto, the "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 and TEPPCO GP, to act as general partner or sole managing member, as applicable, of the Partnership, TE Products Pipeline, TCTM and TEPPCO Midstream, respectively, in each case in all material respects as described in the Registration Statement, the Pricing Disclosure Package 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.

(k) *Ownership of General Partner*. Enterprise GP Holdings L.P., a Delaware limited partnership ("EPE"), 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 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.

(l) *Ownership of General Partner Interest in the Partnership*. The General Partner is the sole general partner of the Partnership with a 1.999999% 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.

(m) *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.

(n) *Ownership of TE Products Pipeline, TCTM, TEPPCO Midstream and TEPPCO Marine*. (i) TEPPCO GP is (x) the sole general partner of TCTM (with a 0.001% general partner interest in TCTM) and (y) the sole managing member of TE Products Pipeline and TEPPCO Midstream (with a 0.001% membership interest in each of TE Products Pipeline and TEPPCO Midstream); each such general partner or membership interest has been duly authorized and validly issued in accordance with the agreement of limited partnership or limited liability company agreement, as applicable, of each of TE Products Pipeline, TCTM and TEPPCO Midstream, in each case as amended and/or restated on or prior to the date hereof (collectively, the "TE Products Pipeline, TCTM and TEPPCO Midstream Agreements"; and TEPPCO GP owns each such general partner or membership interest free and clear of all liens, encumbrances, security interests, equities, charges or claims; and (ii) the Partnership is (x) the sole limited partner of TCTM; (y) the sole non-managing member of TE Products Pipeline and TEPPCO Midstream; and (z) the sole member of TEPPCO Marine; each such limited partner or membership interest has been duly authorized and validly issued in accordance with the TE Products Pipeline, TCTM and TEPPCO Midstream Agreements or limited liability company agreement of TEPPCO Marine (the "TEPPCO Marine Agreement"), as applicable and is fully paid (to the extent required under the applicable TE Products Pipeline, TCTM, TEPPCO Midstream and TEPPCO Marine Agreements) 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"), Section 101.206 of the Texas Business Organizations Code and as otherwise described in the Prospectus); and the Partnership owns such limited partner and membership interests free and clear of all liens, encumbrances, security interests, equities, charges or claims.

(o) *Capitalization*. As of the date hereof and immediately prior to the issuance of Units pursuant to this Agreement and the TEPPCO Units as contemplated by the Unit Purchase Agreement, the issued and outstanding limited partner interests of the Partnership consist of 95,083,721 TEPPCO Units. All of such outstanding TEPPCO Units and the limited partner interests represented thereby have been duly authorized and validly issued in accordance with the Partnership Agreement and are fully paid (to the extent required under the Partnership Agreement) and non-assessable (except as such non-assessability may be affected by Section 17-607 of the Delaware LP Act and as otherwise disclosed in the Prospectus).

(p) *Valid Issuance of the Units*. At the First Delivery Date or the Second Delivery Date, as the case may be, (i) the Firm Units or the Option Units, as the case may be, and (ii) the TEPPCO Units issuable or issued pursuant to the Unit Purchase Agreement, and the limited partner interests represented thereby, will be duly authorized by the Partnership and, when issued and delivered to the Underwriters and the Employee Partnership against payment therefor in accordance with the terms hereof and the Unit Purchase Agreement, will be validly issued, fully paid (to the extent required under the Partnership Agreement) and non-assessable (except as such non-assessability may be affected by Sections 17-303 and 17-607 of the Delaware LP Act and as otherwise disclosed in the Prospectus).

(q) *No Preemptive Rights, Registration Rights, or Options*. Except as identified in the most recent Preliminary Prospectus and the Prospectus, and except for any such rights which have been effectively complied with or waived, there are no preemptive rights or other rights to subscribe for or to purchase, nor any restriction upon the voting or transfer of, any equity securities of the Partnership Entities, in each case pursuant to the organizational documents or any agreement or instrument to which any Partnership Entity is a party or by which any of them may be bound. Neither the filing of the Registration Statement nor the offering or sale of the Units as contemplated by this Agreement and the TEPPCO Units as contemplated by the Unit Purchase Agreement gives rise to any rights for or relating to the registration of any TEPPCO Units or other securities of the Partnership Entities, which have not been effectively complied with or waived. Except for options granted pursuant to employee benefits plans, qualified unit option plans or other employee compensation plans and rights to purchase TEPPCO Units under the Partnership's distribution reinvestment plan (the "DRIP"), there are no outstanding options or warrants to purchase any partnership or membership interests or capital stock in any Partnership Entity.

(r) *Authority*. The Partnership has all requisite power and authority to execute and deliver this Agreement and the Unit Purchase Agreement and to perform its respective obligations hereunder, and the General Partner has all requisite power and authority to execute and deliver this Agreement and the Unit Purchase Agreement on behalf of the Partnership. The Partnership has all requisite power and authority to issue, sell and deliver the Units and the TEPPCO Units pursuant to the Unit Purchase Agreement in accordance with and upon the terms and conditions set forth in this Agreement and the Unit Purchase Agreement, the Partnership Agreement, the Registration Statement, the Pricing Disclosure Package and Prospectus. All action required to be taken by the General Partner or the Partnership or any of their security holders, partners or members for (i) the due and proper authorization, execution and delivery of this Agreement and the Unit Purchase Agreement, (ii) the authorization, issuance, sale and delivery of the Units pursuant to this Agreement and the TEPPCO Units pursuant to the Unit Purchase Agreement and (iii) the consummation of the transactions contemplated hereby and pursuant to the Unit Purchase Agreement has been duly and validly taken.

(s) *Ownership of Subsidiaries*. All of the outstanding shares of capital stock, partnership interests or membership interests, as the case may be, of each of the 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 (i) Section 17-607 of the Delaware LP Act, in the case of partnership interests in a Delaware limited partnership, (ii) Section 18-607 of the Delaware LLC Act, in the case of membership interests in a Delaware limited liability company,

(iii) Section 101.206 of the Texas Business Organizations Code, in the case of membership interests in a Texas limited liability company, and (iv) except as otherwise disclosed in the Pricing Disclosure Package and the Prospectus). Except as described in the Pricing Disclosure Package and the Prospectus, the Partnership, directly or indirectly, owns the shares of capital stock, partnership interests or membership interests in each of the Subsidiaries as set forth on Schedule IV 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. The Partnership does not have any subsidiaries other than as set forth on Schedule IV hereto that would be deemed to be a "significant subsidiary" as such term is defined in Rule 405 of the Securities Act.

(t) *Authorization, Execution and Delivery of Agreement and Unit Purchase Agreement*. This Agreement and the Unit Purchase Agreement have been duly authorized and validly executed and delivered by the Partnership and the General Partner on behalf of the Partnership.

(u) *Authorization, Execution and Enforceability of Agreements*. (i) The Partnership Agreement has been duly authorized, executed and delivered by the General Partner and is a valid and legally binding agreement of the General Partner, enforceable against the General Partner in accordance with its terms; (ii) the TE Products Pipeline, TCTM and TEPPCO Midstream Agreements have been duly authorized, executed and delivered by TEPPCO GP and the Partnership and are valid and legally binding agreements of TEPPCO GP and the Partnership, enforceable against TEPPCO GP and the Partnership in accordance with their terms; and (iii) the TEPPCO Marine Agreement has been duly authorized, executed and delivered by the Partnership and is a valid and legally binding agreement of the Partnership, enforceable against the Partnership in accordance with its terms; *provided* that, with respect to each such agreement listed in this paragraph, 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).

(v) *No Conflicts or Violations*. None of the (i) offering, issuance and sale by the Partnership of the Units pursuant to this Agreement or the TEPPCO Units pursuant to the Unit Purchase Agreement, (ii) the execution, delivery and performance of this Agreement or the Unit Purchase Agreement by the Partnership or the General Partner on behalf of the Partnership, or (iii) consummation of the transactions contemplated hereby or by the Unit Purchase Agreement (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 or assets 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 respective 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.

(w) *No Consents*. No permit, consent, approval, authorization, order, registration, filing or qualification ("consent") of or with any court, governmental agency or body having jurisdiction over the Partnership Entities or any of their respective properties is required in connection with (i) the offering, issuance and sale by the Partnership of the Units pursuant to this Agreement or the TEPPCO Units pursuant to the Unit Purchase Agreement, (ii) the execution, delivery and performance of this Agreement or the Unit Purchase Agreement by the Partnership or (iii) the consummation by the Partnership of the transactions contemplated by this Agreement and the Unit Purchase Agreement, except for (A) such consents required under the Securities Act, the Exchange Act, and state securities or Blue Sky laws in connection with the purchase and distribution of the Units by the Underwriters and by the Partnership to the Employee Partnership and (B) such consents that have been, or prior to any such Delivery Date (as defined herein) will be, obtained.

(x) *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.

(y) *Independent Registered Public Accounting Firm*. Deloitte & Touche LLP, who has audited the audited financial statements contained or incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus (other than the financial statements included in the year 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").

(z) *Financial Statements; Statistical and Market-Related Data*. The historical financial statements (including the related notes and supporting schedule) contained or incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus (i) comply in all material respects with the applicable requirements under the

Securities Act and the Exchange Act (except that certain supporting 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, the Pricing Disclosure Package and the Prospectus has been derived from the accounting records of the General Partner, 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, the Pricing Disclosure Package and the Prospectus is not based on or derived from sources that are reliable and accurate in all material respects.

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

(bb) *Conformity to Description of the Units*. The Units, when issued and delivered against payment therefor as provided herein, will conform in all material respects to the descriptions thereof contained or incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus.

(cc) *Certain Transactions*. Except as disclosed in the Prospectus and the Pricing Disclosure Package, subsequent to the respective dates as of which such information is given in the Registration Statement and the Pricing Disclosure Package, (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.

(dd) *No Omitted Descriptions; Legal Descriptions*. There are no legal or governmental proceedings pending or, to the knowledge of the Partnership, 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, the Pricing Disclosure Package or the 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, the Pricing Disclosure Package or the 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, the Pricing Disclosure Package and the Prospectus under the headings "Description of Units," "Cash Distribution Policy," "Our Partnership Agreement," and "Material U.S. Tax Consequences," 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.

(ee) *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 Pricing Disclosure Package.

(ff) *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 Pricing Disclosure Package and the Prospectus, subject to such qualifications as may be set forth in the Pricing Disclosure Package and the 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 Pricing Disclosure Package and the Prospectus; and, except as described in the Pricing Disclosure Package and the Prospectus, none of such rights-of-way contains any restriction that is materially burdensome to the Partnership Entities, taken as a whole.

(gg) *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 Pricing Disclosure Package and the Prospectus, subject to such qualifications as may be set forth in the Pricing Disclosure Package and the 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 Pricing Disclosure Package and the 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.

(hh) *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.

(ii) *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 Pricing Disclosure Package and the Prospectus and which is not so described.

(jj) *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 Partnership, 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 the Partnership 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.

(kk) *Insurance*. The Partnership Entities maintain insurance covering their properties, operations, personnel and businesses against such losses and risks as are reasonably adequate to protect them and their businesses in a manner consistent with other businesses similarly situated. Except as disclosed in the Pricing Disclosure Package and the 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 each Delivery Date.

(ll) *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 Partnership, no such proceedings are threatened or contemplated by governmental authorities or threatened by others.

(mm) *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 Partnership, is imminent or threatened that is reasonably likely to result in a Material Adverse Effect.

(nn) *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.

(oo) *Investment Company*. None of the Partnership Entities is now, or after sale of the Units to be sold by the Partnership hereunder and application of the net proceeds from such sale as described in the most recent Preliminary Prospectus under the caption "Use of Proceeds" will be, an "investment company" or a company "controlled by" an "investment company" within the meaning of the Investment Company Act of 1940, as amended (the "Investment Company Act").

(pp) *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 Units 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 Units or the use of the Pricing Disclosure Package in any jurisdiction; no action, suit or proceeding is pending against or, to the knowledge of the Partnership, 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 Units 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.

(qq) *No Stabilizing Transactions*. None of the General Partner, the Partnership or any of their affiliates has taken, directly or indirectly, any action designed to or which has constituted or which would reasonably be expected to cause or result, under the Exchange Act or otherwise, in stabilization or manipulation of the price of any securities of the Partnership in connection with the offering of the Units.

(rr) *Form S-3*. The Registration Statement is an "automatic shelf registration statement" (as defined in Rule 405), and the conditions for the use of Form S-3 for automatic shelf offerings by well-known seasoned issuers, as set forth in the General Instructions thereto, have been satisfied, including that the Registration Statement was filed not earlier than the date that is three years prior to the applicable Delivery Date (as defined in Section 3 hereof).

(ss) *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(e) and 15d-15(e) 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, 2007 (the "2007 Annual Report") have been met.

(tt) *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 2007 Annual Report, neither the Partnership nor the General Partner is aware of (i) any significant deficiencies or material weaknesses in the design or operation of its internal controls over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act) that are reasonably likely to adversely affect the Partnership's ability to record, process, summarize and report financial information; 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.

(uu) *No Changes in Internal Controls*. Since the date of the most recent evaluation of the disclosure controls and procedures described in Section 1(tt) hereof, there have been no significant changes in the Partnership's internal controls that materially affected or are reasonably likely to materially affect the Partnership's internal controls over financial reporting.

(vv) *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.

Any certificate signed by any officer of any TEPPCO Entity and delivered to the Representatives or counsel for the Underwriters pursuant to this Agreement shall be deemed a representation and warranty by the TEPPCO Entity signatory thereto, as to the matters covered thereby, to each Underwriter.

2. *Purchase of the Firm Units*.

(a) Subject to the terms and conditions and in reliance upon the representations and warranties herein set forth, the Partnership agrees to sell to the several Underwriters and each of the Underwriters, severally and not jointly, agrees to purchase from the Partnership, at a purchase price of $27.985 per Unit, the amount of the Firm Units set forth opposite that Underwriter's name in Schedule I hereto.

(b) Subject to the terms and conditions and in reliance upon the representations and warranties herein set forth, the Partnership hereby grants an option to the Underwriters to purchase up to 1,200,000 Option Units at the same purchase price per Unit as the Underwriters shall pay for the Firm Units. Said option may be exercised only to cover over-allotments in the sale of the Firm Units by the Underwriters. Said option may be exercised in whole or in part at any time on or before the 30th day after the date of the Prospectus upon written or facsimile notice by the Underwriters to the Partnership setting forth the number of Option Units as to which the Underwriters are exercising the option and the settlement date. Each Underwriter agrees, severally and not jointly, to purchase the number of Option Units (subject to such adjustments to eliminate fractional Units as the Representatives may determine) that bears the same proportion to the total number of Option Units to be sold on such Delivery Date as the number of Firm Units set forth in Schedule I hereto opposite the name of such Underwriter bears to the total number of Firm Units.

(c) The Partnership shall not be obligated to deliver any of the Units to be delivered on any Delivery Date, as the case may be, except upon payment for all the Units to be purchased on such Delivery Date as provided herein.

3. *Offering of Units by the Underwriters*. It is understood that the Underwriters propose to offer the Units for sale to the public as set forth in the Prospectus.

4. *Delivery of and Payment for the Units*. Delivery of and payment for the Firm Units (including any Option Units provided for in Section 2(b) hereof that have been exercised) shall be made at the office of Baker Botts L.L.P., Houston, Texas, at 10:00 A.M., New York City time, on September 9, 2008 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 Firm Units being herein called the "First Delivery Date"). Delivery of the Firm Units shall be made to the Underwriters against payment by the Underwriters of the purchase price therefor 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 Firm Units 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.

If the option provided for in Section 2(b) hereof is exercised after the third business day prior to the First Delivery Date, the Partnership will deliver the Option Units (at the expense of the Partnership) to Lehman Brothers Inc. at the place and on the date specified by the Underwriters in the noticed given pursuant to Section 2(b) hereof (which shall be within five business days after exercise of said option) (the "Second Delivery Date", and together with the First Delivery Date, each a "Delivery Date") against payment by the Underwriters of the

purchase price therefor to or upon the order of the Partnership by wire transfer payable in same-day funds to an account specified by the Partnership. If settlement for the Option Units occurs after the First Delivery Date, the Partnership will deliver to the Underwriters on the settlement date for the Option Units, and the obligation of the Underwriters to purchase the Option Units shall be conditioned upon receipt of, supplemental opinions, certificates and letters confirming as of such date the opinions, certificates and letters delivered on the Closing Date pursuant to Section 7 hereof.

5. *Further Agreements of the Parties*. The Partnership covenants and agrees with the Underwriters:

(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 Units 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) *Copies of Registration Statements*. To furnish promptly to the Underwriters and to counsel for the Underwriters, upon request, a signed copy or 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 Units.

(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 Units 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 5(f) 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 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 First Delivery Date, to make generally available to the Partnership's security holders an earnings statement of the Partnership and its consolidated 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 promptly upon request copies of all materials furnished by the Partnership to its security holders and all reports and financial statements furnished by the Partnership to the principal national securities exchange upon which the Units may be listed pursuant to requirements of or agreements with such exchange or 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 Units 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 Units; and to arrange for the determination of the eligibility for investment of the Units 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 corporation in any jurisdiction in which it is not so qualified or to file a general consent to service of process in any jurisdiction.

(i) *Lock-up Period; Lock-up Letters*. For a period commencing on the date hereof and ending on the date 45 days after the date of the Prospectus (the "Lock-Up Period"), not to, directly or indirectly, (i) offer for sale, sell, pledge or otherwise dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future of) any TEPPCO Units or securities convertible into, or exchangeable for TEPPCO Units, or sell or grant options, rights or warrants with respect to any TEPPCO Units or securities convertible into or exchangeable for TEPPCO Units (other than the grant of options pursuant to option plans existing on the date hereof), or (ii) enter into any swap or other derivatives transaction that transfers to another, in whole or in part, any of the economic benefits or risks of ownership of such TEPPCO Units, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of TEPPCO Units or other securities, in cash or otherwise, (iii) file or cause to be filed a registration statement, including any amendments, with respect to the registration of any TEPPCO Units or securities convertible, exercisable or exchangeable into TEPPCO Units or (iv) publicly disclose the intention to do any of the foregoing, in each case without the prior written consent of the Representatives, *provided*, *however*, that the Partnership may (A) issue and sell the Units to the Underwriters in connection with the public offering contemplated by this Agreement, (B) file or participate in the filing of a registration statement with the Commission in respect of TEPPCO Units or securities convertible into or exercisable or exchangeable for TEPPCO Units under any employee unit option plan, employee unit ownership plan or other employee benefit or incentive plan or distribution reinvestment plan, (C) issue or sell TEPPCO Units or securities convertible into or exercisable or exchangeable for TEPPCO Units under any such plan and (D) issue or sell TEPPCO Units to the TEPPCO Employee Partnership pursuant to the Unit Purchase Agreement. Each person listed on Schedule V, including each executive officer and director of the General Partner, shall furnish to the Underwriters, prior to or on the First Delivery Date, a letter or letters, substantially in the form of Exhibit C hereto.

(j) *Application of Proceeds*. To apply the net proceeds from the sale of the Units as set forth in the Pricing Disclosure Package and the Prospectus.

(k) *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.

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

(m) *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 any 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 their 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.

(n) *Stabilization*. To not directly or indirectly take any action designed to or which constitutes or which might reasonably be expected to cause or result in, under the Exchange Act or otherwise, stabilization or manipulation of the price of any security of the Partnership in connection with the offering of the Units.

(o) *Issuer Information*. Each Underwriter severally agrees that such Underwriter, without the prior written consent of the Partnership, has not used or referred to publicly and shall not use or refer to publicly any "free writing prospectus" (as defined in Rule 405 but excluding any Issuer Free Writing Prospectus identified on Schedule III hereto and any electronic road show constituting a free writing prospectus under Rule 433) in connection with the offer and sale of the Units; provided that no such consent shall be required with respect to any free writing prospectus filed by the Partnership with the Commission prior to the use of such free writing prospectus.

(p) *NYSE Listing*. Prior to and on the First Delivery Date, to ensure the Units have been approved for listing on the New York Stock Exchange, subject only to official notice of issuance.

6. *Expenses*. The Partnership agrees to pay (a) the costs incident to the authorization, issuance, sale and delivery of the Units 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 and any amendments and exhibits thereto; (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), the Prospectus and any amendment or supplement to the Prospectus, and the Pricing Disclosure Package, all as provided in this Agreement; (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 Units; (e) the filing fees incident to securing the review, if applicable, by the Financial Industry Regulatory Authority, formerly the National Association of Securities Dealers, Inc. (the "FINRA") of the terms of sale of the Units; (f) any applicable listing or other similar fees on the New York Stock Exchange or any other exchange; (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 Units; (i) the costs and charges of any transfer agent and registrar; (j) the costs and expenses of the Partnership relating to investor presentations on any "road show" undertaken in connection with the marketing of the offering of the Units, 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, 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 Partnership under this Agreement; *provided* that, except as provided in this Section 6 and in Section 12 hereof, the Underwriters shall pay their own costs and expenses, including the costs and expenses of its counsel, any transfer taxes on the Units which they may sell and the expenses of advertising any offering of the Units made by the Underwriters.

7. *Conditions of Underwriters' Obligations*. The respective obligations of the Underwriters hereunder are subject to the accuracy, on the date hereof, at the Applicable Time and on each Delivery Date, of the representations and warranties of the Partnership contained herein, to the accuracy of the statements of the Partnership and the officers of the General Partner made in any certificates delivered pursuant hereto, to the performance by the Partnership 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 5(a) of this Agreement; no stop order suspending the effectiveness of the Registration Statement or preventing or suspending the use of the Prospectuses 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 Partnership of any objection to the use of the form of the Registration Statement.

(b) The Underwriters shall not have discovered and disclosed to the Partnership on or prior to such 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, any Preliminary Prospectus, 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 Partnership 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) Baker Botts L.L.P. shall have furnished to the Underwriters its written opinion, as counsel for the Partnership, addressed to the Underwriters and dated such Delivery Date, in form and substance satisfactory to the Underwriters, substantially to the effect set forth in Exhibit A hereto.

(e) Patricia A. Totten, Esq., shall have furnished to the Underwriters her written opinion, as Chief Legal Officer of the Partnership, addressed to the Underwriters and dated such

Delivery Date, in form and substance reasonably satisfactory to the Underwriters, substantially to the effect set forth in Exhibit B hereto.

(f) The Underwriters shall have received from Andrews Kurth LLP, counsel for the Underwriters, such opinion or opinions, dated such Delivery Date, with respect to such matters as the Underwriters may reasonably require, and the Partnership 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 that, 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 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 such 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 that, 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 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 shall have furnished to the Underwriters a certificate, dated such Delivery Date, of the chief executive officer and the chief financial officer of the General Partner 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 such 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 such Delivery Date, the representations and warranties of the Partnership in this Agreement are true and

correct; (iv) the Partnership has complied with all of its agreements contained herein and satisfied all conditions on its part to be performed or satisfied hereunder on or prior to such Delivery Date; (v) no stop order suspending the effectiveness of the Registration Statement 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 Pricing Disclosure Package; and (viii) since the most recent Effective Date, no event has occurred that is required under the Rules and Regulations or the Securities 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 such Delivery Date that requires the Partnership under Section 5(e) of this Agreement 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 5(e) hereof, and copies thereof shall have been delivered to the Underwriters reasonably in advance of such 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 such Delivery Date, prevent the issuance or sale of the Units; 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 such Delivery Date which would prevent the issuance or sale of the Units.

(l) Except as described in the Pricing Disclosure Package and the Prospectus, (i) neither the Partnership nor any of its subsidiaries shall have sustained, since the date of the latest audited financial statements included or incorporated by reference in the most recent Preliminary Prospectus and the Prospectus, 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 or (ii) since such date 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 Units being delivered on such Delivery Date on the terms and in the manner contemplated in the Pricing Disclosure Package and the Prospectus.

(m) Subsequent to the execution and delivery of this Agreement there shall not have occurred any of the following: (i) trading in the TEPPCO Units shall have been suspended by the Commission or the New York Stock Exchange, (ii) 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, (iii) a banking moratorium shall have been declared by federal or New York State authorities, (iv) a material disruption in commercial banking or clearance services in the United States, (v) 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 (vi) 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 Units being delivered on such Delivery Date on the terms and in the manner contemplated in the Pricing Disclosure Package and the Prospectus.

(n) The New York Stock Exchange shall have approved the Units for listing, subject only to official notice of issuance.

(o) The Lock-Up Agreements between the Representatives and the persons listed on Schedule V, delivered to the Representatives on or before the date of this Agreement, shall be in full force and effect on such Delivery Date, except to the extent waived, released, suspended or terminated in writing by the Representatives.

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) The Partnership agrees to indemnify and hold harmless each Underwriter, the directors, officers, employees and agents of any Underwriter and each person who controls any Underwriter 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, director, officer, employee or controlling 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 Prospectus or 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 the Registration Statement, any Preliminary Prospectus, 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 Partnership 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 Partnership 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 Partnership may otherwise have.

(b) Each Underwriter, severally and not jointly, agrees to indemnify and hold harmless the Partnership, the directors of the General Partner, the respective officers of the General Partner who signed the Registration Statement, and each person who controls the Partnership 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 furnished to the Partnership by the Underwriters through the Representatives 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 Partnership acknowledges that the statements set forth in the most recent Preliminary Prospectus and the Prospectus: (A) the names of the Underwriters, (B) the last paragraph of the cover page regarding delivery of the Units and (C) under the heading "Underwriting," (1) the sentence relating to concessions, (2) the paragraphs regarding price stabilization, short positions and penalty bids, and (3) the paragraph regarding electronic distribution, constitute the only information furnished in writing by or on behalf of the Underwriters for inclusion in any Preliminary Prospectus, the Registration Statement, 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 and does not contain any statement as to or an admission of fault, culpability or failure to act by or on behalf of any indemnified party.

(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 Partnership and the Underwriters 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 Partnership and the Underwriters may be subject in such proportion as is appropriate to reflect the relative benefits received by the Partnership on the one hand and by the Underwriters on the other from the offering of the Units; *provided*, *however*, that in no case shall any Underwriter be responsible for any amount in excess of the amount by which the total price at which the Units underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has 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 Partnership 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 Partnership 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 Partnership 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 Partnership on the one hand or the Underwriters 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 Partnership 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 within the meaning of either the Securities Act or the Exchange Act and each director, officer, employee and agent of any Underwriter shall have the same rights to contribution as the Underwriters, and each person who controls the Partnership within the meaning of either the Securities Act or the Exchange Act, each officer of the General Partner who shall have signed the Registration Statement and each director of the General Partner shall

have the same rights to contribution as the Partnership, subject in each case to the applicable terms and conditions of this paragraph (d).

9. *No Fiduciary Duty*. The Partnership hereby acknowledges that each Underwriter is acting solely as an underwriter in connection with the purchase and sale of the Units. The Partnership further acknowledges 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 Units, 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 Partnership 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 Units, do not constitute advice or recommendations to any of the Partnership Entities. The Partnership hereby waives and releases, to the fullest extent permitted by law, any claims that the Partnership may have against each Underwriter with respect to any breach or alleged breach of any fiduciary or similar duty to any of the Partnership Entities in connection with the transactions contemplated by this Agreement or any matters leading up to such transactions.

10. *Defaulting Underwriters*. If, on any 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 Units that the defaulting Underwriter agreed but failed to purchase on such Delivery Date in the respective proportions which the number of Firm Units set forth opposite the name of each remaining non-defaulting Underwriter in Schedule I hereto bears to the total number of Firm Units 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 Units on such Delivery Date if the total number of Units that the defaulting Underwriter or Underwriters agreed but failed to purchase on such date exceeds 9.09% of the total number of Units to be purchased on such Delivery Date, and any remaining non-defaulting Underwriters shall not be obligated to purchase more than 110% of the number of Units that it agreed to purchase on such 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 Units to be purchased on such Delivery Date. If the remaining Underwriters or other underwriters satisfactory to the Representatives do not elect to purchase the Units that the defaulting Underwriter or Underwriters agreed but failed to purchase on such Delivery Date, this Agreement (or, with respect to any Second Delivery Date, the obligation of the Underwriters to purchase, and of the Partnership to sell, the Option Units) shall terminate without liability on the part of any non-defaulting Underwriters or the Partnership, except that the Partnership 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 Units that a defaulting Underwriter agreed but failed to purchase.

Nothing contained herein shall relieve a defaulting Underwriter of any liability it may have to the Partnership for damages caused by its default. If other Underwriters are obligated or agree to purchase the Units of a defaulting or withdrawing Underwriter, either the Representatives or the Partnership 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 Partnership 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 hereunder may be terminated by the Representatives by notice given to and received by the Partnership prior to delivery of and payment for the Firm Units if, prior to that time, any of the events described in Sections 7(l) or 7(m) shall have occurred or if the Underwriters shall decline to purchase the Units for any reason permitted under this Agreement.

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

13. *Research Analyst Independence*. The Partnership 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 the Partnership and/or the offering that differ from the views of their respective investment banking divisions. The Partnership hereby waives and releases, to the fullest extent permitted by law, any claims that the Partnership 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. The Partnership 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, shall be delivered or sent by mail or facsimile transmission to (i) Lehman Brothers Inc., 1271 Avenue of the Americas, 42nd Fl, New York, New York 10020, Attention: Syndicate Registration (Fax: 646-834-8133), with a copy, in the case of any notice pursuant to Section 8(c), to the Director of Litigation, Office of the General Counsel, Lehman Brothers Inc., 1271 Avenue of the Americas, 44th floor, New York, New York 10020 (Fax: (212) 520-0421), (ii) UBS Securities LLC, 299 Park Avenue, New York, New York 10173 (Fax: (212) 821-4042) Attention: Legal Department and (iii) Wachovia Capital Markets, LLC, 375 Park Ave., New York, New York 10152 (Fax: (212) 214-5918) Attention: Equity Syndicate Department.

(b) if to the Partnership, 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) 381-4039);

(c) *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 Partnership 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 Partnership and its 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 officers, directors, employees, agents and controlling persons of the Partnership, the General Partner 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 of the Partnership and the Underwriters 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 Units 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 acknowledge and agree that the obligations of the Partnership 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 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.

[The Remainder of This Page Intentionally Left Blank]

If the foregoing correctly sets forth the agreement among the Partnership and the Underwriters, 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

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

By: LEHMAN BROTHERS INC.

By: /s/ Victoria Hale
Name: Victoria Hale
Title: Vice President

By: UBS SECURITIES LLC

By: /s/ Amit Jhunjhunwala
Name: Amit Jhunjhunwala
Title: Director

By: /s/ Robert Waldron
Name: Robert Waldron
Title: Associate Director

By: WACHOVIA CAPITAL MARKETS, LLC

By: /s/ David Herman
Name: David Herman
Title: Director

Schedule I

Underwriters	Number of Firm Units to be Purchased
Lehman Brothers Inc.	1,600,000
UBS Securities LLC	1,600,000
Wachovia Capital Markets, LLC	1,600,000
Citigroup Global Markets Inc.	640,000
Morgan Stanley & Co. Incorporated	640,000
Goldman, Sachs & Co.	320,000
J.P. Morgan Securities Inc.	320,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	320,000
Oppenheimer & Co. Inc.	220,000
Raymond James & Associates, Inc.	220,000
RBC Capital Markets Corporation	220,000
SMH Capital Inc.	220,000
Wells Fargo Securities, LLC	80,000
TOTAL	8,000,000

Schedule II

Additional Information in Pricing Disclosure Package

Number of Units:	8,000,000 Firm Units or, if the Underwriters exercise in full their option to purchase additional Units granted in Section 2 hereof, 9,200,000 Units; and 241,380 TEPPCO Units
Public offering price for the Units:	$29.00 per unit
First Delivery Date:	September 9, 2008

Schedule III

Issuer Free Writing Prospectus

None.

Schedule IV

Significant Subsidiaries of the Partnership

Subsidiary	Jurisdiction of Formation	Ownership Interest Percentage (direct or indirect)
TE Products Pipeline Company, LLC	Texas	100.00%
TEPPCO Midstream Companies, LLC	Texas	100.00%
Val Verde Gas Gathering Company, L.P.	Delaware	100.00%
TCTM, L.P.	Delaware	100.00%
TEPPCO Crude Pipeline, LLC	Texas	100.00%
TEPPCO Seaway, L.P.	Delaware	100.00%
TEPPCO Crude Oil, LLC	Texas	100.00%
TEPPCO Marine Services, LLC	Delaware	100.00%

Schedule V

Persons Delivering Lock-Up Agreements

Dan Duncan
Michael B. Bracy
Samuel N. Brown
J. Michael Cockrell
Donald H. Daigle
John N. Goodpasture
Murray H. Hutchison
William G. Manias
Richard S. Snell
Jerry E. Thompson
Patricia A. Totten
Joel H. Kieffer

EXHIBIT A

FORM OF ISSUER'S COUNSEL OPINION

1. Each of the TEPPCO Entities formed or incorporated under the laws of the State of Delaware is validly existing in good standing as a limited liability company, limited partnership or corporation, as the case may be, under the Delaware Limited Liability Company Act (the "Delaware LLC Act"), the Delaware Revised Uniform Limited Partnership Act (the "Delaware LP Act") or the Delaware General Corporation Law (the "DGCL"), respectively. Each of the TEPPCO Entities formed under the laws of the States of Texas is validly existing in good standing as a limited liability company under Title 3 of the Texas Business Organizations Code.

2. The General Partner has the limited liability company power and authority under the laws of the State of Delaware to carry on its business and own or lease its properties, in each case in all material respects as described in the Pricing Disclosure Package and the Prospectus.

3. The Partnership has the limited partnership power and authority under the laws of the State of Delaware (i) to execute and deliver, and to incur and perform all of its obligations under, the Underwriting Agreement and the Unit Purchase Agreement, (ii) to issue, sell and deliver the Units in accordance with the Underwriting Agreement and the TEPPCO Units pursuant to the Unit Purchase Agreement and (iii) to carry on its business and own or lease its properties, in each case in all material respects as described in the Pricing Disclosure Package and the Prospectus.

4. The Underwriting Agreement has been duly authorized, executed and delivered by the Partnership. The Unit Purchase Agreement has been duly authorized, executed and delivered by the Partnership.

5. None of (i) the execution and delivery of, or the incurrence or performance by the Partnership of its obligations under the Underwriting Agreement in accordance with its terms, or the Unit Purchase Agreement in accordance with its terms, or (ii) the offering, issuance, sale and delivery of the Firm Units by the Partnership pursuant to the Underwriting Agreement or the TEPPCO Units pursuant to the Unit Purchase Agreement (A) 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 similar organizational documents of any of the TEPPCO Entities, (B) results or will result in any violation of the Delaware LP Act, the Delaware LLC Act, the DGCL, applicable laws of the State of Texas or the applicable laws of the United States of America, (C) constitutes or will constitute a breach or violation of, or a default (or an event which, with notice or lapse of time or both, would constitute such a default), under any contract identified on Exhibit A hereto ("Applicable Agreements") or (D) results or will result in the creation of any security interest in, or lien upon, any of the property or assets of the TEPPCO Entities pursuant to any Applicable Agreement, which violations, breaches, security interests or liens, in the case of clauses (B), (C) or (D) of this paragraph, would, individually or in the aggregate, have a material adverse effect on the financial condition, business or results of operations of the Partnership and its subsidiaries, taken as a whole, or materially impair the ability of the Partnership to perform its obligations under the Underwriting Agreement; provided that the applicable laws of the State of Texas and the United States of America referred to in clause (B)

of this paragraph exclude federal and state securities laws, "Blue Sky" laws and other anti-fraud laws.

6. No Governmental Approval that has not been obtained or taken and is not in full force and effect is required to authorize, or is required for the execution and delivery by the Partnership of the Underwriting Agreement or the Unit Purchase Agreement or the incurrence or performance of its obligations thereunder. "Governmental Approval" means any consent, approval, license, authorization or validation of, or filing, recording or registration with, any executive, legislative, judicial, administrative or regulatory body of the State of Delaware, the State of Texas or the United States of America, pursuant to Delaware LP Act, the Delaware LLC Act, the DGCL or applicable laws of the State of Texas or of the United States of America; provided that we express no opinion in this paragraph with respect to federal or state securities laws, "Blue Sky" laws or other anti-fraud laws.

7. The Partnership Agreement has been duly authorized, executed and delivered by the General Partner and is a valid and legally binding agreement of the General Partner, enforceable against the General Partner in accordance with its terms; and (i) the TE Products Pipeline, TCTM, and TEPPCO Midstream Agreements have been duly authorized, executed and delivered by TEPPCO GP and the Partnership and are valid and legally binding agreements of TEPPCO GP and the Partnership, enforceable against TEPPCO GP and the Partnership in accordance with their terms and (ii) the TEPPCO Marine Agreement has been duly authorized, executed and delivered by the Partnership and is a valid and legally binding agreement of the Partnership, enforceable against the Partnership in accordance with its terms; in each case subject to (A) applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer or other similar laws relating to or affecting creditors' rights or remedies generally, (B) general principles of equity (regardless of whether considered in a proceeding in equity or at law), (C) public policy limitations, (D) applicable law relating to fiduciary duties, indemnification and contribution and (E) an implied covenant of good faith and fair dealing.

8. As of the date hereof and immediately prior to the issuance of the Firm Units pursuant to the Underwriting Agreement and the 241,380 TEPPCO Units pursuant to the Unit Purchase Agreement, there were 95,083,721 issued and outstanding TEPPCO Units.

9. The Firm Units and the limited partner interests represented thereby have been duly authorized by the Partnership and, when issued and delivered to the Underwriters against payment therefor in accordance with the terms of the Underwriting Agreement, will be validly issued, fully paid (to the extent required under the Partnership Agreement) and non-assessable (except as such non-assessability may be affected by Sections 17-607 and 17-303 of the Delaware LP Act and as described in the Prospectus). The 241,380 TEPPCO Units and the limited partner interests represented thereby issuable pursuant to the Unit Purchase Agreement have been duly authorized by the Partnership and, when issued and delivered to the Employee Partnership against payment therefor in accordance with the terms of the Unit Purchase Agreement, will be validly issued, fully paid (to the extent required under the Partnership Agreement) and non-assessable (except as such non-assessability may be affected by Sections 17-607 and 17-303 of the Delaware LP Act and as described in the Prospectus).

10. The statements under the captions "Description of the Units," "Cash Distribution Policy" and "Our Partnership Agreement" in each of the Pricing Disclosure Package and the Prospectus, insofar as they purport to summarize certain provisions of documents or legal

matters referred to therein, fairly summarize such provisions and legal matters in all material respects, subject to the qualifications and assumptions stated therein; and the TEPPCO Units conform in all material respects to the description set forth under the caption "Description of the Units" in each of the Pricing Disclosure Package and the Prospectus.

11. The statements under the caption "Material U.S. Tax Consequences" in each of the Preliminary Prospectus and the Prospectus, insofar as they refer to statements of law or legal conclusions, fairly summarize the matters referred to therein in all material respects, subject to the qualifications and assumptions stated therein.

12. Each of the Registration Statement, as of its latest Effective Date, the Preliminary Prospectus, as of its date, and the Prospectus, as of its date appears on its face to be appropriately responsive in all material respects to the requirements of the Securities Act and the 1933 Act Regulations, provided that we express no opinion, statement or belief in this paragraph as to any of the following included in or omitted from such documents: (a) any financial statements or schedules, including notes thereto and auditors' reports thereon, (b) any other financial, statistical or accounting information or (c) any exhibits thereto.

13. The opinion of Baker Botts L.L.P. that is filed as Exhibit 8.1 to the Registration Statement on Form S-3 (filed with the Commission on September 3, 2008) is confirmed and the Underwriters may rely upon such opinion as if it were addressed to them.

14. None of the Partnership Entities is an "investment company," as such term is defined in the Investment Company Act of 1940, as amended.

15. The Registration Statement has become effective under the Securities Act; and any required filing of the Preliminary Prospectus and Prospectus pursuant to Rule 424(b) under the Securities Act has been made in the manner and within the time periods required by such rule. To our knowledge, no stop order suspending the effectiveness of the Registration Statement has been issued, and no proceedings for that purpose have been instituted or threatened by the Commission.

Such counsel shall state that they have participated in conferences with officers and other representatives of the TEPPCO Entities, with representatives of the Partnership's independent registered public accounting firm and with your representatives and your counsel, at which the contents of the Registration Statement, the Pricing Disclosure Package, the Prospectus and related matters were discussed. Although such counsel has not independently verified the information contained in the Registration Statement, the Pricing Disclosure Package or the Prospectus, and are not passing upon, and do not assume any responsibility for, the accuracy, completeness or fairness of the statements contained in the Registration Statement, the Pricing Disclosure Package or the Prospectus (except to the extent stated in paragraphs 10 and 11 above), such counsel advises you that, on the basis of the foregoing, no facts have come to such counsel's attention that lead them to believe that:

(a) the Registration Statement, as of its latest Effective Date, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading;

(b) the Pricing Disclosure Package, as of the Applicable Time, contained any untrue statement of a material fact or omitted to state a material fact necessary in order to

make the statements therein, in the light of the circumstances under which they were made, not misleading; or

(c) the Prospectus, as of its date and on the date hereof, contained or contains any untrue statement of a material fact or omitted or omits 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.

Such counsel has not been asked to comment on, and expresses no statement or belief in this paragraph with respect to, any of the following that the Registration Statement, the Pricing Disclosure Package or the Prospectus contained, contains, omitted or omits: (a) financial statements and schedules, including the notes thereto and the auditors' reports thereon, (b) any other financial, statistical and accounting information, (c) representations and warranties and other statements of fact included in the exhibits to the Registration Statement or to the documents incorporated by reference therein or (d) Forms T-1 included as exhibits to the Registration Statement.

In rendering such opinions, such counsel may (A) rely in respect of matters of fact upon certificates of officers and employees for the Partnership Entities and of the transfer agent of the Partnership and upon information obtained from public officials, (B) assume that all documents submitted to them as originals are authentic, that all copies submitted to them conform to the originals thereof, and that the signatures on all documents examined by them are genuine, (C) state that their opinion is limited to the Delaware LP Act, the Delaware LLC Act, the DGCL and the applicable laws of the State of Texas and of the United States of America and, with respect to the opinion set forth in paragraph 11 above, United States federal income tax law, and (D) 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 tax statutes to which any of the limited partners of the Partnership or the General Partner may be subject.

EXHIBIT B

FORM OF GENERAL COUNSEL'S OPINION

1. The General Partner is the sole general partner of the Partnership with a 1.999999% general partner interest in the Partnership (including rights to increasing percentage interests in Partnership distributions provided for in the Partnership Agreement); such general partner interest has been duly authorized and validly issued in accordance with the Partnership Agreement; and the General Partner owns such general partner interest free and clear of all liens, encumbrances, security interests, charges or claims in respect of which a financing statement under the Uniform Commercial Code of the State of Delaware naming the General Partner as debtor is on file as of a recent date in the office of the Secretary of State of the State of Delaware.

2. EPE 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 GP LLC Agreement; and EPE owns such membership interests free and clear of all liens, encumbrances, security interests, charges or claims, in each case in respect of which a financing statement under the Uniform Commercial Code of the State of Delaware naming EPE as debtor is on file as of a recent date in the office of the Secretary of State of the State of Delaware, other those in favor of lenders of EPE.

3. 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 TEPPCO GP Bylaws and the TEPPCO GP Certificate of Incorporation; and the Partnership owns such capital stock free and clear of all liens, encumbrances, security interests, charges or claims in respect of which a financing statement under the Uniform Commercial Code of the State of Delaware naming the Partnership as debtor is on file as of a recent date in the office of the Secretary of State of the State of Delaware.

4. TEPPCO GP is (a) the sole general partner of TCTM (with a 0.001% general partner interest in TCTM) and (b) the sole managing member of TE Products Pipeline and TEPPCO Midstream (with a 0.001% membership interest in each of TE Products Pipeline and TEPPCO Midstream); each such general partner or membership interest has been duly authorized and validly issued in accordance with the applicable TE Products Pipeline, TCTM or TEPPCO Midstream Agreement. TEPPCO GP owns its general partner interest in TCTM free and clear of all liens, encumbrances, security interests, charges or claims in respect of which a financing statement under the Uniform Commercial Code of the State of Delaware, naming TEPPCO GP as debtor is on file as of a recent date in the office of the Secretary of State of the State of Delaware. TEPPCO GP owns its membership interests in TE Products Pipeline and TEPPCO Midstream free and clear of all liens, encumbrances, security interests, charges or claims in respect of which a financing statement under the Uniform Commercial Code of the State of Texas, naming TEPPCO GP as debtor is on file as of a recent date in the office of the Secretary of State of the State of Texas. The Partnership is (x) the sole limited partner of TCTM, (y) the sole non-managing member of TE Products Pipeline and TEPPCO Midstream and (z) the sole member of TEPPCO Marine; and each such limited partner or membership interest has been duly authorized and validly issued in accordance with the applicable TE Products Pipeline, TCTM, TEPPCO Midstream or TEPPCO Marine Agreement. The Partnership owns its limited partner interests in TCTM free and clear of all liens, encumbrances, security interests, charges or

claims in respect of which a financing statement under the Uniform Commercial Code of the State of Delaware naming the Partnership as debtor is on file as of a recent date in the office of the Secretary of State of the State of Delaware; and the Partnership owns its membership interests in TE Products Pipeline, TEPPCO Midstream and TEPPCO Marine free and clear of all liens, encumbrances, security interests, charges or claims in respect of which a financing statement under the Uniform Commercial Code of the State of Texas, with respect to TE Products Pipeline and TEPPCO Midstream, or under the Uniform Commercial Code of the State of Delaware, with respect to TEPPCO Marine, naming the Partnership as debtor is on file as of a recent date in the office of the Secretary of State of the State of Texas or the office of the Secretary of State of the State of Delaware, as applicable.

5. Except as identified in the Pricing Disclosure Package and the Prospectus and for rights that have been waived, there are no preemptive rights or other rights to subscribe for or to purchase, nor any restriction upon the voting or transfer of, any equity securities (a) in the Partnership Entities, in each case, pursuant to the organizational documents of any such entity or (b) in the Partnership Entities pursuant to any agreement or other instrument known to such counsel to which any of them is a party or by which any of them may be bound (other than the organizational documents of such entity). To such counsel's knowledge, neither the filing of the Registration Statement nor the offering or sale of the Units as contemplated by the Underwriting Agreement gives rise to any rights for or relating to the registration of any TEPPCO Units or other securities of the Partnership or any of its subsidiaries, other than as have been waived. To such counsel's knowledge, except for options granted pursuant to employee benefits plans, qualified unit option plans or other employee compensation plans and the Partnership's DRIP, there are no outstanding options or warrants to purchase any partnership or membership interests or capital stock in any Partnership Entity.

6. The Partnership has all requisite power and authority to execute and deliver this Agreement and to perform its respective obligations hereunder. The Partnership has all requisite partnership power and authority to issue, sell and deliver the Units in accordance with and upon the terms and conditions set forth in this Agreement, the Partnership Agreement, the Registration Statement, the Pricing Disclosure Package and Prospectus. All action required to be taken by the Partnership or the General Partner or any of their partners or members for (i) the due and proper authorization, execution and delivery of this Agreement, (ii) the authorization, issuance, sale and delivery of the Units and (iii) the consummation of the transactions contemplated hereby has been duly and validly taken.

7. None of (i) the execution and delivery of, or the incurrence or performance by the Partnership of its obligations under the Underwriting Agreement and the Unit Purchase Agreement or (ii) the offering, issuance and sale of the Firm Units by the Partnership pursuant to the Underwriting Agreement or the 241,380 TEPPCO Units pursuant to the Unit Purchase Agreement (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 Entities), (B) 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 agreement identified on Exhibit A hereto ("Applicable Commercial/Organic Agreements"), (C) results or will result in the creation of any security interest in, or lien upon, any of the property or assets of the TEPPCO

Entities pursuant to any Applicable Commercial/Organic Agreement or (D) to the knowledge of such counsel, violate any judgment, order or decree of any court or any governmental agency or body having jurisdiction over the Partnership, any of its subsidiaries or their respective property, except in case of clauses (B), (C) or (D), for such breaches, violations, defaults, security interests or liens as would not have a material adverse effect on the business, properties, financial condition, or results of operation of the Partnership Entities, taken as a whole, or materially impair the ability of the Partnership to perform its obligations under the Underwriting Agreement.

8. 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 Pricing Disclosure Package 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 Pricing Disclosure Package or the Prospectus or to be filed as exhibits to the Registration Statement that are not described or filed as required.

Such counsel shall state that she has participated in conferences with officers and other representatives of the TEPPCO Entities, with representatives of the Partnership's independent registered public accounting firm and with your representatives and your counsel, at which the contents of the Registration Statement, the Pricing Disclosure Package, the Prospectus and related matters were discussed. Although such counsel has not independently verified the information contained in the Registration Statement, the Pricing Disclosure Package or the Prospectus, and is not passing upon, and does not assume any responsibility for, the accuracy, completeness or fairness of the statements contained in the Registration Statement, the Pricing Disclosure Package or the Prospectus, such counsel advises you that, on the basis of the foregoing, no facts have come to such counsel's attention that lead her to believe that:

(a) the Registration Statement, as of its latest Effective Date, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading;

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

(c) the Prospectus, as of its date and on the date hereof, contained or contains any untrue statement of a material fact or omitted or omits 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.

Such counsel has not been asked to comment on, and expresses no statement or belief in this paragraph with respect to, any of the following that the Registration Statement, the Pricing Disclosure Package or the Prospectus contained, contains, omitted or omits: (a) financial statements and schedules, including the notes thereto and the auditors' reports thereon, (b) any other financial, statistical and accounting information, (c) representations and warranties and other statements of fact included in the exhibits to the Registration Statement or to the documents incorporated by reference therein or (d) Forms T-1 included as exhibits to the Registration Statement.

In rendering such opinions, such counsel may (A) rely in respect of matters of fact upon certificates of officers and employees for the Partnership Entities and of the transfer agent of the Partnership and upon information obtained from public officials, (B) assume that all documents submitted to them as originals are authentic, that all copies submitted to her conform to the originals thereof, and that the signatures on all documents examined by her are genuine, (C) state that her opinion is limited to the Delaware LP Act, the Delaware LLC Act, the DGCL and the applicable laws of the State of Texas and of the United States of America 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 TEPPCO Entities may be subject.

EXHIBIT C

FORM OF LOCK-UP LETTER AGREEMENT

September 4, 2008

Lehman Brothers Inc.
UBS Securities LLC
Wachovia Capital Markets, LLC
As Representatives of the several
Underwriters named in Schedule I to the Underwriting Agreement,
c/o Lehman Brothers Inc.
745 Seventh Avenue
New York, New York 10019

Ladies and Gentlemen:

The undersigned understands that you propose to enter into an Underwriting Agreement (the "Underwriting Agreement") with the TEPPCO Partners, L.P. providing for the purchase by you of units, each representing a limited partner interest (the "Units") in the Partnership, and that you propose to reoffer the Units to the public (the "Offering"). Capitalized terms used but not defined herein have the meanings given to them in the Underwriting Agreement.

In consideration of the execution of the Underwriting Agreement by you, and for other good and valuable consideration, the undersigned hereby irrevocably agrees that the undersigned will not, directly or indirectly, (i) offer for sale, sell, pledge or otherwise dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future of) any TEPPCO Units or securities convertible into, or exchangeable for TEPPCO Units, or sell or grant options, rights or warrants with respect to any TEPPCO Units or securities convertible into or exchangeable for TEPPCO Units (other than the grant of options pursuant to option plans existing on the date hereof), in each case owned by the undersigned on the date of execution of this Lock-up Letter Agreement or on the date of the completion of the Offering, or (ii) enter into any swap or other derivatives transaction that transfers to another, in whole or in part, any of the economic benefits or risks of ownership of such TEPPCO Units, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of TEPPCO Units or other securities, in cash or otherwise, or (iii) publicly disclose the intention to do any of the foregoing, in each case for a period of 45 days from the date of the Underwriting Agreement without the prior written consent of Lehman Brothers Inc., UBS Securities LLC and Wachovia Capital Markets, LLC; provided, however, that with respect to the undersigned, the foregoing restrictions do not apply to (i) sales pursuant to "cashless-broker" exercises of options for TEPPCO Units in accordance with the Partnership's benefit plans as consideration for the exercise price and withholding taxes applicable to such exercises and (ii) transfers to any trust for the direct or indirect benefit of each person or the immediate family; provided that it shall be a condition to any such gift or transfer that the transferee/donee agrees to be bound by the terms of the lock-up letter agreement to the same extent as if the transferee/donee were a party hereto.

"Immediate family" shall mean the undersigned's children, stepchildren, grandchildren, parents, stepparents, grandparents, spouse, former spouses, siblings, nieces, nephews, mother-in-

law, father-in-law, sons-in-law, daughters-in-law, brother-in-law, sister-in-law, including adoptive relationships.

In furtherance of the foregoing, the Partnership and its Transfer Agent are hereby authorized to decline to make any transfer of securities if such transfer would constitute a violation or breach of this Lock-Up Letter Agreement.

It is understood that, if the Partnership notifies you that it does not intend to proceed with the Offering, if the Underwriting Agreement does not become effective, or if the Underwriting Agreement (other than the provisions thereof that survive termination) shall terminate or be terminated prior to payment for and delivery of the Units, the undersigned will be released from his obligations under this Lock-Up Letter Agreement.

The undersigned understands that the Partnership and you will proceed with the Offering in reliance on this Lock-Up Letter Agreement.

Whether or not the Offering actually occurs depends on a number of factors, including market conditions. Any Offering will only be made pursuant to an Underwriting Agreement, the terms of which are subject to negotiation between the Partnership and you.

The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this Lock-Up Letter Agreement and that, upon request, the undersigned will execute any additional documents necessary in connection with the enforcement hereof. Any obligations of the undersigned shall be binding upon the heirs and personal representatives, in the case of individuals, or successors and assigns, in the case of nonnatural persons, of the undersigned.

Yours very truly,

By: _____
Name:
Title:

Exhibit 5.1

BAKER BOTTS L.L.P.

ONE SHELL PLAZA
910 LOUISIANA
HOUSTON, TEXAS
77002-4995

TEL +1713.229.1234
FAX +1713.229.1522
www.bakerbotts.com

September 4, 2008

TEPPCO Partners, L.P.
1100 Louisiana Street
Suite 1600
Houston, Texas 77002

Ladies and Gentlemen:

We have acted as counsel to TEPPCO Partners, L.P., a Delaware limited partnership (the "Partnership"), in connection with the proposed offering and sale by the Partnership of 9,200,000 units (including units to be issued upon the exercise of underwriters' option to purchase additional units) representing limited partner interests in the Partnership (the "Units") pursuant to the Underwriting Agreement dated September 4, 2008 (the "Underwriting Agreement") by and among the Partnership, on one hand, and Lehman Brothers Inc., UBS Securities LLC and Wachovia Capital Markets, LLC, as representatives of the several underwriters named therein (the "Underwriters"), on the other.

The Partnership and certain of its subsidiaries have filed with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act") a registration statement on Form S-3 (Registration Statement No. 333-153314), to which this opinion is an exhibit, relating to securities that may be issued and sold by the Partnership from time to time pursuant to Rule 415 under the Securities Act, including units representing limited partner interests. The prospectus supplement of the Partnership dated September 4, 2008 relating to the offering of the Units, together with the accompanying prospectus dated September 4, 2008 (together, the "Prospectus"), has been filed with the Commission pursuant to Rule 424(b) promulgated under the Securities Act.

As the basis for the opinion hereinafter expressed, we examined the Fourth Amended and Restated Agreement of Limited Partnership of the Partnership dated as of December 8, 2006, as amended by the First Amendment thereto dated as of December 27, 2007 (the "Partnership Agreement"), the Underwriting Agreement, the Delaware Revised Uniform Limited Partnership Act (the "Act"), partnership records and documents, certificates of the Partnership, certain of its affiliates and public officials, and other instruments and documents as we deemed necessary or advisable for the purposes of this opinion. In making our examination, we have assumed that all signatures on documents examined by us are genuine, that all documents submitted to us as originals are authentic and complete, that all documents submitted to us as certified or photostatic copies conform with the original copies of such documents and that all information submitted to us was accurate and complete. We have also assumed that all Units will be issued and sold in the manner set forth in the Prospectus and the Underwriting Agreement and that certificates for the Units will be duly countersigned, registered and electronically transmitted by the transfer agent and registrar for the Partnership.

On the basis of the foregoing, and subject to the assumptions, limitations and qualifications set forth herein, we are of the opinion that the Units, when issued and delivered on behalf of the Partnership against payment therefor in accordance with the terms of the Underwriting Agreement, will be validly issued in accordance with the Partnership Agreement, fully paid (to the extent required by the Partnership Agreement) and nonassessable (except as such nonassessability may be affected by Sections 17-303, 17-607 and 17-804 of the Act and otherwise by matters described in the Prospectus).

The opinion set forth above is limited in all respects to the Act, as published and in effect on the date hereof, and we express no opinion as to the law of any other jurisdiction. We hereby consent to the filing of this opinion as Exhibit 5.1 to the Partnership's Current Report on Form 8-K dated on or about the date hereof and to the reference to our Firm under the heading "Legal Matters" in the Prospectus. In giving this consent, we do not hereby admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act, or the rules and regulations of the Commission issued thereunder. This letter speaks as of the date hereof, and we disclaim any obligation to update it.

Very truly yours,

/s/ Baker Botts L.L.P.

Exhibit 8.1

BAKER BOTTS L.L.P.

ONE SHELL PLAZA
910 LOUISIANA
HOUSTON, TEXAS
77002-4995

TEL +1 713.229.1234
FAX +1 713.229.1522
www.bakerbotts.com

September 4, 2008

TEPPCO Partners, L.P.
1100 Louisiana, Suite 1600
Houston, Texas 77002

Ladies and Gentlemen:

We have acted as counsel to TEPPCO Partners, L.P., a Delaware limited partnership (the "Partnership"), with respect to certain legal matters in connection with the filing with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act") of the prospectus of the Partnership dated September 4, 2008 (the "Prospectus"), relating to the registration statement on Form S-3 (Registration Statement No. 333-153314) (the "Registration Statement") and the prospectus supplement dated September 4, 2008 to the Prospectus (the "Prospectus Supplement"), regarding the offer and sale by the Partnership of up to 9,200,000 units representing limited partner interests in the Partnership. In connection therewith, we prepared the discussions (the "Discussions") set forth under the heading "Material Tax Consequences" in the Prospectus and "Material U.S. Tax Consequences" in the Prospectus Supplement.

We hereby confirm that all statements of legal conclusions contained in the Discussions reflect the opinion of Baker Botts L.L.P. with respect to the matters set forth therein, subject to the assumptions, qualifications, and limitations set forth therein, (i) as of the date of the Prospectus Supplement in respect of the discussion set forth under the caption "Material U.S. Tax Consequences" and (ii) as of the date of the Prospectus in respect of the discussion set forth under the caption "Material Tax Consequences."

In providing this opinion, we have examined and are relying upon the truth and accuracy at all relevant times of the statements, covenants, and representations contained in (i) the Registration Statement, (ii) the Prospectus, (iii) the Prospectus Supplement, (iv) a representation letter provided to us by the Partnership in support of this opinion, (v) certain other filings made by the Partnership with the Commission and (vi) other information provided to us by the Partnership.

At your request, this opinion is being furnished to you for filing as an exhibit to the Partnership's current report on Form 8-K filed on or about the date hereof (the "Form 8-K"). We hereby consent to the filing of this opinion as an exhibit to the Form 8-K and to the use of our name in the Discussions. This consent does not constitute an admission that we are within

the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission thereunder.

Yours very truly,

/s/ BAKER BOTTS L.L.P.

TEPPCO Partners, L.P.

241,380 Units
Representing Limited Partner Interests

Unit Purchase Agreement

Houston, Texas
September 4, 2008

TEPPCO UNIT L.P.
1100 Louisiana Street, 10th Floor
HOUSTON, TEXAS 77002

Ladies and Gentlemen:

TEPPCO Partners, L.P., a limited partnership organized under the laws of Delaware (the "Partnership"), proposes to directly sell in a transaction not registered under the Securities Act of 1933, as amended to TEPPCO Unit L.P., a Delaware limited partnership (the "Employee Partnership"), 241,380 units (the "Units"), each representing a limited partner interest in the Partnership ("Partnership Units"). Certain terms used herein are defined in Section 11 hereof, and, in addition, other terms used but not defined herein have the meanings assigned to them in the underwriting agreement (the "Underwriting Agreement"), dated as of even date herewith, between the Partnership and the underwriters named therein (the "Underwriters"), relating to the Partnership's proposed public offering and sale of an aggregate 9,200,000 units (the "Underwritten Units"), each representing a limited partner interest in the Partnership, to the Underwriters. Texas Eastern Products Pipeline Company, LLC is referred to herein as the "General Partner," and the General Partner together with the Partnership are referred to collectively herein as the "TEPPCO Parties" or individually as a "TEPPCO Party").

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

1. Representations and Warranties. The Partnership represents and warrants to, and agrees with, the Employee Partnership as set forth below in this Section 1.

(a) *No Material Misstatements or Omissions*. The information concerning the Partnership in the Registration Statement (including the information incorporated by reference therein) did not, as of the respective filing dates of such registration statement and the documents incorporated by reference therein, contain any untrue statement of a material fact or omit a material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made.

(b) *Formation and Qualification of the TEPPCO Parties*. Each of the TEPPCO Parties has been duly formed and is validly existing in good standing under the laws of the State of Delaware with all limited liability company or limited 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, (i) in the case of the General Partner, to act as general partner of the Partnership, and (ii) in the case of the General Partner and the Partnership to execute and deliver this Agreement and to consummate the transactions contemplated hereby. Each of the General Partner and the Partnership is duly registered or qualified to do business and is in good standing as a foreign 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, (i) individually or in the aggregate, have a material adverse effect on the condition (financial or otherwise), results of operations, business or prospects of the TEPPCO Parties, taken as a whole (an "TPP Material Adverse Effect") or (ii) subject the limited partners of the Partnership to any material liability or disability.

(c) *Valid Issuance of the Units*. The Units and the limited partner interests represented thereby, will be duly authorized in accordance with the Partnership Agreement and, when issued and delivered to the Employee Partnership against payment therefor in accordance with the terms hereof, will be validly issued, fully paid (to the extent required under the Partnership Agreement) and nonassessable (except as such

nonassessability may be affected by (i) matters described in the Prospectus and (ii) Sections 17-303 and 17-607 of the Delaware Revised Uniform Limited Partnership Act).

(d) *Authority*. Each of the TEPPCO Parties has all requisite limited liability company and limited partnership power and authority, as the case may be, to execute and deliver this Agreement and perform its respective obligations hereunder. The Partnership has all requisite power and authority to issue, sell and deliver the Units, in accordance with and upon the terms and conditions set forth in this Agreement, the Partnership Agreement and the Registration Statement.

(e) *Authorization, Execution and Delivery of Agreements.*

(i) This Agreement has been duly authorized, validly executed and delivered by each of the TEPPCO Parties.

(ii) The Partnership Agreement has been duly authorized, executed and delivered by the General Partner and is a valid and legally binding agreement of the General Partner, enforceable against the General Partner in accordance with its terms; and

(iii) The GP LLC Agreement has been duly authorized, executed and delivered by the sole member of the General Partner, and will be a valid and legally binding agreement of such sole member, enforceable against it in accordance with its terms;

except, with respect to each agreement described in this Section, as the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(f) *No Conflicts*. None of the (i) issuance and sale by the Partnership of the Units pursuant to this Agreement, (ii) the execution, delivery and performance of this Agreement by the TEPPCO Parties, or (iii) consummation of the transactions contemplated hereby (A) conflicts or will conflict with or constitutes or will constitute a violation of any organizational documents of any of 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 to which any of the TEPPCO Parties 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 TEPPCO Parties, 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 TEPPCO Parties, which conflicts, breaches, violations, defaults or liens, in the case of clauses (B) or (D), would, individually or in the aggregate, have an TPP Material Adverse Effect.

(g) *Investment Company*. None of the TEPPCO Parties is now, or after the sale of the Units to be sold by the Partnership hereunder and application of the net proceeds from such sale as described in the Prospectus under the caption "Use of Proceeds" will be an "investment company" or a company "controlled by" an "investment company" within the meaning of the Investment Company Act of 1940, as amended (the "Investment Company Act").

(h) *NYSE Listing*. The Units being sold hereunder by the Partnership have been approved for listing on the New York Stock Exchange (the "NYSE"), subject only to official notice of issuance.

(i) *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 Units 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 of the TEPPCO Parties which would prevent or suspend the issuance or sale of the Units or the use of the 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 of the TEPPCO Parties 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 Units 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 Prospectus.

2. Representations of the Employee Partnership.

(a) *Formation and Qualification of the Employee Partnership*. The Employee Partnership has been duly formed and is validly existing in good standing under the laws of the State of Delaware with all partnership power and authority necessary to own or hold its properties and conduct the businesses in which it is engaged and to execute and deliver this Agreement and consummate the transactions contemplated thereby, in all respects as described in the Registration Statement and the Prospectus. The Employee Partnership is duly registered or qualified to do business and is in good standing as a foreign limited partnership 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, (i) individually or in the aggregate, have a material adverse effect on the condition (financial or otherwise), results of operations, business or prospects of the Employee Partnership (an "Employee Partnership Material Adverse Effect") or (ii) subject the limited partners of the Employee Partnership to any material liability or disability.

(b) *No Conflicts*. Neither the execution, delivery and performance of this Agreement by the Employee Partnership nor the consummation of the transactions contemplated hereby (A) conflicts or will conflict with or constitutes or will constitute a violation of the organizational documents of any of the Employee Partnership, (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 the Employee Partnership is a party or by which it or any of its 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 the Employee Partnership, or any of its 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 the Employee Partnership, which conflicts, breaches, violations, defaults or liens, in the case of clauses (B) or (D), would, individually or in the aggregate, have an Employee Partnership Material Adverse Effect.

3. Purchase and Sale. Subject to the terms and conditions and in reliance upon the representations and warranties herein set forth, the Partnership agrees to sell to the Employee Partnership, and the Employee Partnership hereby agrees to purchase from the Partnership, at a purchase price of $29.00 per unit, the Units.

4. Delivery and Payment. Delivery of and payment for the Units shall be made at 11 a.m., New York City time, on September 9, 2008 or at such time on such later date not more than three Business Days after the foregoing date as the Employee Partnership shall designate, which date and time may be postponed by agreement between the Employee Partnership and the Partnership (such date and time of delivery and payment for the Units being herein called the "Closing Date"). Delivery of the Units shall be made to the Employee Partnership against payment by the Employee Partnership 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.

5. Conditions to the Obligations of the Employee Partnership. The obligations of the Employee Partnership to purchase the Units shall be subject to the accuracy of the representations and warranties on the part of the TEPPCO Parties contained herein as of the Execution Time and the Closing Date, to the performance by the TEPPCO Parties of their obligations hereunder and to the following additional conditions:

(a) All partnership and limited liability company proceedings and other legal matters incident to the authorization, form and validity of this Agreement and the Units, and all other legal matters relating to this Agreement and the transactions contemplated hereby shall be reasonably satisfactory in all material respects to representatives of the Employee Partnership, and the Partnership shall have furnished to such representatives all documents and information that they may reasonably request to enable them to pass upon such matters.

(b) The NYSE shall have approved the Units for listing, subject only to official notice of issuance.

(c) The closing of the purchase and sale of the Underwritten Units shall have occurred.

If any of the conditions specified in this Section 5 shall not have been fulfilled when and as provided in this Agreement, this Agreement and all obligations of the Employee Partnership hereunder may be canceled at, or at any time prior to, the Closing Date by the Employee Partnership. Notice of such cancellation shall be given to the Partnership in writing according to the provisions of this Agreement.

6. Expenses. The parties agree that the Partnership shall have no obligation to reimburse the Employee Partnership for any costs of funding the Employee Partnership or expenses associated with the Employee Partnership; provided that the Partnership may be allocated certain non-cash expenses attributable to a portion of the fair value of the Class B interests in the Employee Partnership pursuant to the Fourth Amended and Restated Administrative Services Agreement among TEPPCO, EPCO, Inc. and the other parties thereto, dated January 30, 2007.

7. Notices. All communications hereunder will be in writing and effective only upon receipt, and, if sent to the Employee Partnership, will be mailed, delivered, telefaxed or sent by electronic mail to TEPPCO Unit L.P., to EPCO, Inc., 1100 Louisiana Street, 10th Floor, Houston, Texas 77002, Attention: Chief Legal Officer (Fax No.: (713) 381-6570); email address: hbachmann@epco.com); or, if sent to the TEPPCO Parties, will be mailed, delivered, faxed or sent by electronic mail to Texas Eastern Products Pipeline Company, LLC, 1100 Louisiana Street, 16th Floor, Houston, Texas 77002, Attention: General Counsel (Fax No.: (713) 381-4039); email address: patotten@epco.com).

8. Successors. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and the officers, directors, employees and agents, and no other person will have any right or obligation hereunder.

9. Applicable Law. THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED WITHIN THE STATE OF TEXAS.

10. Counterparts. This Agreement may be signed in one or more counterparts, each of which shall constitute an original and all of which together shall constitute one and the same Agreement.

11. Headings. The section headings used herein are for convenience only and shall not affect the construction hereof.

12. Definitions. The terms which follow, when used in this Agreement, shall have the meanings indicated.

"Act" shall mean the Securities Act of 1933, as amended, and the rules and regulations of the Commission promulgated thereunder.

"Business Day" shall mean any day other than a Saturday, a Sunday or a legal holiday or a day on which banking institutions or trust companies are authorized or obligated by law to close in Houston, Texas.

"Commission" shall mean the Securities and Exchange Commission.

"Effective Date" shall mean each date and time that the Registration Statement became or becomes effective.

"Execution Time" shall mean the date and time that this Agreement is executed and delivered by the parties hereto.

[*Signature Pages to Follow*]

If the foregoing is in accordance with your understanding of our agreement, please sign and return to us the enclosed duplicate hereof, whereupon this letter and your acceptance shall represent a binding agreement among the Partnership and the Employee Partnership.

Very truly yours,

the "Partnership"

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

Signature Page to Unit Purchase Agreement of
TEPPCO Partners, L.P.

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

"Employee Partnership"

TEPPCO UNIT L.P.

By: EPCO, Inc., its general partner

By: /s/ W. Randall Fowler
W. Randall Fowler
President and Chief Executive Officer

Exhibit 10.2

AGREEMENT OF LIMITED PARTNERSHIP

OF

TEPPCO UNIT L.P.

Dated as of

September 4, 2008

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AGREEMENT OF LIMITED PARTNERSHIP
OF
TEPPCO UNIT L.P.

This Agreement of Limited Partnership (this "Agreement") of TEPPCO Unit L.P., a Delaware limited partnership (the "Partnership"), is made and entered into effective as of September 4, 2008 by and among the Partners (as defined below).

RECITALS

FOR AND IN CONSIDERATION OF the mutual covenants, rights, and obligations set forth herein, the benefits to be derived therefrom, and other good and valuable consideration, the receipt and sufficiency of which each Partner acknowledges and confesses, the Partners hereby agree as follows:

ARTICLE I
DEFINITIONS

1.01 Certain Definitions. As used in this Agreement, the following terms have the following respective meanings:

"Act" means the Delaware Revised Uniform Limited Partnership Act and any successor statute, as amended from time to time.

"Adjusted Capital Account" means, with respect to any Partner, the balance in such Partner's Capital Account after giving effect to the following adjustments:

(a) Credit to such Capital Account of any amounts that such Partner is obligated or deemed obligated to contribute pursuant to the penultimate sentences of Sections 1.704-2(g)(1) and 1.704-2(i)(5) of the Regulations; and

(b) Debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5) and 1.704-1(b)(2)(ii)(d)(6) of the Regulations.

The foregoing definition of Adjusted Capital Account is intended to comply with the provisions of Section 1.704-1(b)(2)(ii)(d) of the Regulations and shall be interpreted consistently therewith.

"Adjustment Date" means (i) the date on which any distributions are made pursuant to Section 5.03, but no later than the fifth Business Day following the payment date for each distribution made by TEPPCO with respect to TEPPCO Units, and (ii) as soon as practicable following the receipt of proceeds by the Partnership from the disposition of TEPPCO Units, but no later than the fifth Business Day following the receipt of any proceeds by the Partnership from the disposition of TEPPCO Units.

"Affiliate" means with respect to any Person any other Person that directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control

with, the Person specified. For the purpose of this definition, "control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Agreement" has the meaning given it in the introductory paragraph hereof.

"Applicable Percentage" means with respect to a disposition of less than all the TEPPCO Units owned by the Partnership, the quotient (expressed as a percentage) of the number of TEPPCO Units held by the Partnership immediately after such disposition divided by the number of TEPPCO Units held by the Partnership immediately before such disposition.

"Bankrupt Partner" means any Partner (whether a General Partner or a Limited Partner) with respect to which an event of the type described in Section 17-402(a)(4) or (5) of the Act (or any equivalent successor provision) shall have occurred, subject to the lapsing of any period of time therein specified.

"Business Day" means any day other than a Saturday, Sunday, or day on which commercial banks in the State of Texas are authorized or required to be closed for business.

"Capital Account" means the account maintained for each Partner pursuant to Section 4.04.

"Capital Contribution" means any contribution by a Partner to the capital of the Partnership.

"Certificate" means the Certificate of Limited Partnership of the Partnership referred to in Section 2.05, as it may be amended or restated from time to time.

"Change of Control" means Duncan shall (i) cease to own, directly or indirectly, at least a majority of the equity interests in the General Partner or the general partner of EPE, or (ii) shall cease to have the ability to elect, directly or indirectly, at least a majority of the directors of the general partner of TEPPCO.

"Class A Capital Base" means the amount of any contributions of cash or cash equivalents made by the Class A Limited Partner to the Partnership, adjusted on each Adjustment Date as follows:

(a) increased by the Class A Preference Return that has accrued since the previous Adjustment Date (or in the case of the first Adjustment Date, since the Closing Date); and

(b) decreased by all distributions made to the Class A Limited Partner since the previous Adjustment Date (or in the case of the first Adjustment Date, since the Closing Date).

"Class A Limited Partner" means EPCO Holdings, Inc., a Delaware corporation, and its successors and assigns.

"Class A Preference Return" means the sum of the amounts determined for each day, equal to the Class A Preference Return Rate multiplied by the Class A Capital Base.

"Class A Preference Return Amount" means the aggregate Class A Preference Return minus all prior distributions to the Class A Limited Partner pursuant to Sections 5.03(a) and 5.04(a).

"Class A Preference Return Rate" means a floating preference rate to be determined by the General Partner, in its sole discretion, not less than annually on or prior to the date on which any annual tax allocations are required to be determined in accordance with the Partnership Agreement, that will be no less than 4.5% and no greater than 5.725% per annum, in each case divided by 365 or 366 days, as the case may be during such calendar year.

"Class B Limited Partner" means any Person executing (by power of attorney or otherwise) this Agreement as of the date hereof as a Class B Limited Partner or hereafter admitted to the Partnership as a Class B Limited Partner as herein provided, but shall not include any Person who has ceased to be a Class B Limited Partner in the Partnership.

"Class B Percentage Interest" means with respect to each Class B Limited Partner the quotient (expressed as a percentage) of (i) such Class B Limited Partner's Sharing Points, divided by (ii) the Sharing Points of all Class B Limited Partners. For purposes of calculating the Class B Percentage Interest, Sharing Points attributable to interests in the Partnership that are forfeited pursuant to Section 3.07 shall be ignored.

"Closing Date" means the date on which the Class A Limited Partner first contributes cash to the Partnership.

"Code" means the Internal Revenue Code of 1986, and any successor statute, as amended from time to time.

"Default Interest Rate" means a varying per annum rate equal at any given time to the lesser of (a) four percentage points in excess of the General Interest Rate and (b) the maximum rate permitted by applicable law.

"Disability" means the event whereby a Limited Partner becomes entitled to receive long-term disability benefits under the long-term disability plan of the General Partner or any of its Affiliates.

"Dispose," "Disposing," or "Disposition" means a sale, assignment, transfer, exchange, mortgage, pledge, grant of a security interest, or other disposition or encumbrance, or the acts thereof, other than by divorce, legal separation or other dissolution of a Partner's marriage.

"Duncan" means, collectively, individually or in any combination, Dan L. Duncan, his wife, descendants, heirs and/or legatees and/or distributees of Dan L. Duncan's estate, and/or trusts established for the benefit of his wife, descendants, such legatees and/or distributees and/or their respective descendants, heirs, legatees and distributees.

"EPCO" means EPCO, Inc., a Texas corporation.

"EPE" means Enterprise GP Holdings L.P., a Delaware limited partnership.

"General Interest Rate" means a varying per annum rate equal at any given time to the lesser of (a) the interest rate publicly quoted by J.P. Morgan Chase from time to time as its prime commercial or similar reference interest rate, and (b) the maximum rate permitted by applicable law.

"General Partner" means EPCO, Inc., a Texas corporation, or any Person hereafter admitted to the Partnership as a general partner as herein provided, but shall not include any Person who has ceased to be a general partner in the Partnership.

"Limited Partner" means the Class A Limited Partner or any Class B Limited Partner.

"Net Income" and "Net Loss" mean, respectively, subject to Section 4.04, an amount equal to the Partnership's taxable income or loss determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(a) Any income of the Partnership that is exempt from federal income tax and not otherwise taken into account in computing Net Income or Net Loss pursuant to this definition of Net Income and Net Loss shall be added to such taxable income or loss;

(b) Any expenditures of the Partnership described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Section 1.704-1(b)(2)(iv)(i) of the Regulations, and not otherwise taken into account in computing Net Income or Net Loss pursuant to this definition of Net Income and Net Loss, shall be subtracted from such taxable income or loss;

(c) In the event the value of any Partnership property is adjusted pursuant to Section 4.04 (i) such adjustment shall be taken into account as gain or loss from the disposition of such Partnership property for purposes of computing Net Income or Net Loss, (ii) if such property is subject to depreciation, cost recovery, depletion or amortization, any further deductions for such depreciation, cost recovery, depletion or amortization attributable to such property shall be determined taking into account such adjustment, and (iii) in determining the amount of any income, gain or loss attributable to the taxable disposition of such property such adjustment (and the related adjustments for depreciation, cost recovery, depletion or amortization) shall be taken into account;

(d) To the extent an adjustment to the adjusted tax basis of any Partnership Property pursuant to Code Section 734(b) is required, pursuant to Section 1.704-1(b)(2)(iv)(m)(4) of the Regulations, to be taken into account in determining Capital Accounts as a result of a Distribution other than in liquidation of a Partner's interest in the Partnership, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) from the disposition of such Partnership Property and shall be taken into account for purposes of computing Net Income or Net Loss; and

(e) Any items that are allocated pursuant to Section 5.01(b) shall not be taken into account in computing Net Income or Net Loss.

"Partner" means the General Partner, the Class A Limited Partner or any Class B Limited Partner.

"Partnership" has the meaning given it in the introductory paragraph.

"Person" has the meaning given it in the Act.

"Qualifying Termination" means the termination of a Class B Limited Partner's employment with the General Partner and its Affiliates due to (i) death, (ii) receiving long-term disability benefits under the long-term disability plan of the General Partner or any of its Affiliates or (iii) retirement with the approval of the General Partner on or after reaching age 60.

"Regulations" means the regulations promulgated under Section 704 of the Code.

"Required Interest" means one or more Class B Limited Partners having among them more than 50% of the Class B Percentage Interests of all Limited Partners in its or their capacities as such.

"Sharing Points" means, with respect to each Class B Limited Partner, the number of Sharing Points granted by the General Partner to such Class B Limited Partner (which number is set forth on the Power of Attorney executed by the Class B Limited Partner and delivered to the General Partner), as the same may be amended from time to time pursuant to the terms of this Agreement.

"TEPPCO" means TEPPCO Partners, L.P., a Delaware limited partnership.

"TEPPCO Units" means partnership units representing limited partner interests in TEPPCO.

"Vesting Date" means the earliest of (i) the fifth anniversary of the date of this Agreement, (ii) a Change of Control or (iii) dissolution of the Partnership.

1.02 Other Definitions. Other terms defined herein have the meanings so given them.

ARTICLE II
ORGANIZATIONAL MATTERS

2.01 Formation. The Partnership has been previously formed as a Delaware limited partnership for the purposes hereinafter set forth under and pursuant to the provisions of the Act.

2.02 Name. The name of the Partnership is "TEPPCO Unit L.P." and all Partnership business shall be conducted in such name or such other name or names that comply with applicable law as the General Partner may designate from time to time.

2.03 Registered Office; Registered Agent; Other Offices. The registered office of the Partnership in the State of Delaware shall be at such place as the General Partner may designate from time to time. The registered agent for service of process on the Partnership in the State of Delaware or any other jurisdiction shall be such Person or Persons as the General Partner may designate from time to time. The Partnership may have such other offices as the General Partner may designate from time to time.

2.04 Purposes. The purposes of the Partnership are to acquire, own, sell, exchange or otherwise dispose of TEPPCO Units, and to enter into, make and perform all contracts and other undertakings and to engage in any other business, activity or transaction that now or hereafter may be necessary, incidental, proper, advisable, or convenient, as determined by the General Partner, to accomplish the foregoing purposes.

2.05 Certificate; Foreign Qualification. The General Partner has previously executed and caused to be filed with the Secretary of State of the State of Delaware a Certificate of Limited Partnership, effective as of August 13, 2008, containing information required by the Act and such other information as the General Partner deemed appropriate. Prior to conducting business in any jurisdiction other than Delaware, the General Partner shall cause the Partnership to comply, to the extent such matters are reasonably within the control of the General Partner, with all requirements necessary to qualify the Partnership as a foreign limited partnership (or a partnership in which the Limited Partners have limited liability) in such jurisdiction. Upon the request of the General Partner, each Partner shall execute, acknowledge, swear to, and deliver all certificates and other instruments conforming with this Agreement that are necessary or appropriate as determined by the General Partner to qualify, continue, and terminate the Partnership as a limited partnership under the laws of the State of Delaware and to qualify, continue, and terminate the Partnership as a foreign limited partnership (or a partnership in which the Limited Partners have limited liability) in all other jurisdictions in which the Partnership may conduct business, and to this end the General Partner may use the power of attorney described in Section 6.04.

2.06 Term. The term of this Partnership shall continue in existence until the close of Partnership business on the earliest to occur of (i) the fiftieth anniversary of the date of this Agreement, and (ii) such earlier time as this Agreement may specify.

2.07 Merger or Consolidation. The Partnership may merge or consolidate with or into another business entity, or enter into an agreement to do so, with the consent of the General Partner and a Required Interest.

ARTICLE III
PARTNERS; DISPOSITIONS OF INTERESTS

3.01 Partners. The General Partner, the Class A Limited Partner and the Class B Limited Partner of the Partnership are the Persons executing (by power of attorney or otherwise) this Agreement as of the date hereof as the General Partner, the Class A Limited Partner and the Class B Limited Partner, respectively, each of which is admitted to the Partnership as the General Partner, Class A Limited Partner or a Class B Limited Partner, as the case may be, effective as of the date hereof.

3.02 Representations and Warranties. Each Partner hereby represents and warrants to the Partnership and each other Partner that (a) if such Partner is a corporation, it is duly organized, validly existing, and in good standing under the laws of the jurisdiction of its incorporation and is duly qualified and in good standing as a foreign corporation in the jurisdiction of its principal place of business (if not incorporated therein), (b) if such Partner is a trust, estate or other entity, it is duly formed, validly existing, and (if applicable) in good standing under the laws of the jurisdiction of its formation, and if required by law is duly qualified to do business and (if applicable) in good standing in the jurisdiction of its principal place of business (if not formed therein), (c) such Partner has full corporate, trust, or other applicable right, power and authority to enter into this Agreement and to perform its obligations hereunder and all necessary actions by the board of directors, trustees, beneficiaries, or other Persons necessary for the due authorization, execution, delivery, and performance of this Agreement by such Partner have been duly taken, and such authorization, execution, delivery, and performance do not conflict with any other agreement or arrangement to which such Partner is a party or by which it is bound, and (d) such Partner is acquiring its interest in the Partnership for investment purposes and not with a view to distribution thereof.

3.03 Restrictions on the Disposition of an Interest. (a) The Class B Limited Partner may not Dispose of all or part of its interest in the Partnership without the prior written consent (which may be given or withheld in its sole discretion) of the General Partner, and then only after Sections 3.03(c), (d) and (e) have been complied with, except that the Class B Limited Partner may Dispose of all of its interest upon the death of such Class B Limited Partner or upon becoming a Bankrupt Partner, but in each case only after compliance with Sections 3.03(c), (d) and (e). Neither the General Partner nor the Class A Limited Partner may Dispose of all or a part of its interest in the Partnership to a Person who is not an Affiliate of Duncan without the prior written consent of a Required Interest, and then only after Sections 3.03(c), (d) and (e) have been complied with.

(b) Subject to the provisions of Sections 3.03(c), (d) and (e), a permitted transferee of all or a part of a Partner's interest in the Partnership shall be admitted to the Partnership as a General Partner or a Limited Partner (as applicable) with, in the case of the Class B Limited Partner, such Sharing Points (no greater than the Sharing Points of the Class B Limited Partner effecting such Disposition immediately prior thereto) as the Partner effecting such Disposition and such permitted transferee may agree.

(c) The Partnership shall not recognize for any purpose any purported Disposition of an interest in the Partnership or distributions therefrom unless and until the provisions of this Section 3.03 shall have been satisfied and there shall have been delivered to the General Partner a document (i) executed by both the Partner effecting such Disposition and the Person to which such interest or interest in distributions are to be Disposed, (ii) including the written acceptance by any Person to be admitted to the Partnership of all the terms and provisions of this Agreement, such Person's notice address, and an agreement by such Person to perform and discharge timely all of the obligations and liabilities in respect of the interest being obtained, (iii) setting forth, in the case of the Class B Limited Partner, the Sharing Points of the Class B Limited Partner effecting such Disposition and the Person to which such interest is Disposed after such Disposition (which together shall total the Sharing Points of the Class B Limited Partner effecting such Disposition prior thereto), (iv) containing a representation and warranty

that such Disposition complied with all applicable laws and regulations (including securities laws) and a representation and warranty by such Person that the representations and warranties in Section 3.02 are true and correct with respect to such Person. Each such Disposition and, if applicable, admission shall be effective as of the first day of the calendar month immediately succeeding the month in which the General Partner shall receive such notification of Disposition and the other requirements of this Section 3.03 shall have been met unless the General Partner and the Partner affecting such Disposition agree to a different effective date; *provided, however*, that if there shall be only one General Partner and such Disposition or admission and, as a result of such Disposition such General Partner would cease to be a General Partner, such permitted transferee shall be deemed admitted as a General Partner immediately prior to such cessation.

(d) Notwithstanding any provision of this Agreement to the contrary, the right of any Partner to Dispose of an interest in the Partnership or distributions therefrom or of any Person to be admitted to the Partnership in connection therewith shall not exist or be exercised (i) unless and until the Partnership shall have received a favorable opinion of the Partnership's legal counsel or of other legal counsel acceptable to the General Partner to the effect that such Disposition or admission is not required to be registered under the Securities Act of 1933 or any other applicable securities laws, and such Disposition or admission would not cause the Partnership to become an "investment company" required to register under the Investment Company Act of 1940, and (ii) unless such Disposition or admission would not result in the Partnership being treated as an association taxable as a corporation for federal income tax purposes or as a publicly traded partnership as defined in Section 7704 of the Code. The General Partner, however, may waive the requirements of Section 3.03(d)(i).

(e) All costs (including, without limitation, the legal fees incurred in connection with the obtaining of the legal opinions referred to in Section 3.03(d)) incurred by the Partnership in connection with any Disposition or admission of a Person to the Partnership pursuant to this Section 3.03 shall be borne and paid by the Partner effecting such Disposition within 10 days after the receipt by such Person of the Partnership's invoice for the amount due.

(f) In the event of a Disposition of an interest in the Partnership pursuant to the death of a Limited Partner that would, in the opinion of the Partnership's legal counsel, result in the Partnership becoming an "investment company" required to register under the Investment Company Act of 1940, the General Partner shall have the right to purchase such interest from the estate (or beneficiaries) of such deceased Partner for a price equal to the amount that the deceased Partner's estate (or beneficiaries) would receive if all of the TEPPCO Units held by the Partnership were sold at a price equal to the closing sale price per TEPPCO Unit as reported by the New York Stock Exchange (or such other applicable trading market) on the day prior to the exercise of such right by the General Partner and the proceeds from such sale were distributed to the Partners in accordance with the provisions of Section 5.04. The determination by the General Partner of the foregoing purchase price of such deceased Partner's interest in the Partnership shall be conclusive and binding on the deceased Partner's estate and beneficiaries.

(g) Any attempted Disposition by a Person of an interest or right, or any part thereof, in or in respect of the Partnership other than in accordance with this Section 3.03 shall be, and is hereby declared, null and void ab initio.

3.04 Additional Partners. Subject to the provisions of Section 12.05 and 3.03, additional Persons may be admitted to the Partnership as General Partners or Limited Partners, only to the extent that, and on such terms and conditions as, the General Partner shall consent at the time of such admission or issuance. Such admission or issuance shall, in the case of a Class B Limited Partner, specify the Sharing Points applicable thereto. Any such admission must comply with the provisions of Section 3.03(d) and shall not be effective until such new Partner shall have executed and delivered to the General Partner a document including such new Partner's notice address, acceptance of all the terms and provisions of this Agreement, an agreement to perform and discharge timely all of its obligations and liabilities hereunder, and a representation and warranty that the representations and warranties in Section 3.02 are true and correct with respect to such new Partner.

3.05 Interests in a Partner. No Partner that is not a natural person shall cause or permit an interest, direct or indirect, in itself to be Disposed of such that, on account of such Disposition, the Partnership would become an association taxable as a corporation for federal income tax purposes.

3.06 Spouses of Partners. A spouse of a Partner does not become a Partner as a result of such marital relationship or by reason of a divorce, legal separation or other dissolution of marriage. If, in the event of a divorce, legal separation or other dissolution of marriage of a Partner, a former spouse of a Partner is awarded ownership of, or an interest in, all or part of a Partner's interest in the Partnership (the "Awarded Interest"), the Awarded Interest shall automatically and immediately be forfeited and cancelled without payment on such date.

3.07 Vesting of Limited Partners. One hundred percent (100%) of the Class B Limited Partner's interest in the Partnership shall vest on the Vesting Date, but only if (i) on such date the Class B Limited Partner continues to be an active, full-time employee of the General Partner or any of its Affiliates or (ii) prior to the Vesting Date a Qualifying Termination has occurred with respect to the Class B Limited Partner. At such time as the Class B Limited Partner ceases, for any reason other than a Qualifying Termination, to be an active, full-time employee of the General Partner or any of its Affiliates prior to the Vesting Date, his unvested interest in the Partnership shall be forfeited. If the Class B Limited Partner ceases to be an active, full-time employee prior to the Vesting Date, as determined by the General Partner in its sole discretion, without regard as to how his status is treated by the General Partner or any of its Affiliates for any of its other compensation or benefit plans or programs, the Class B Limited Partner will be deemed to have terminated employment with the General Partner and its Affiliates and forfeited his unvested interest in the Partnership for purposes of this Agreement. The Capital Account attributable to any Class B Limited Partner's interest in the Partnership that is forfeited pursuant to Section 3.06, this Section 3.07 or otherwise hereunder shall be allocated to the Class A Limited Partner.

ARTICLE IV
CAPITAL CONTRIBUTIONS

4.01 Initial and Additional Capital Contributions. In connection with the formation of the Partnership, the General Partner contributed $1,000 to the Partnership and on the Closing Date, the Class A Limited Partner has agreed to contribute to the Partnership $7,000,000. The

Class B Limited Partner is not obligated to make a contribution to the Partnership. Subject to the provisions of applicable law or except as otherwise provided for herein, no Partner shall be liable for or obligated to make an additional Capital Contribution to the Partnership, whether for the purpose of enabling the Partnership to meet its obligations under Section 6.03 or for any other purpose. The Class A Limited Partner, in its sole discretion and without the consent of any of the Class B Limited Partners or the General Partner, may make additional Capital Contributions in excess of $7,000,000, provided that any such voluntary additional Capital Contributions will not have the effect of changing the Sharing Points of any Class B Limited Partner. The initial Capital Account of the General Partner is $1,000, the initial Capital Account of the Class A Limited Partner as of the Closing Date is the amount of cash actually contributed by the Class A Limited Partner as of the Closing Date, and the initial Capital Account of the Class B Limited Partner is zero.

4.02 Return of Contributions. No Partner shall be entitled to the return of any part of its Capital Contributions or to be paid interest in respect of either its Capital Account or any Capital Contribution made by it. No unrepaid Capital Contribution shall be deemed or considered to be a liability of the Partnership or of any Partner. No Partner shall be required to contribute, advance or lend any cash or property to the Partnership to enable the Partnership to return any Partner's Capital Contributions to the Partnership. To the extent, however, any Partner (by mistake, overpayment or otherwise) advances funds to the Partnership in excess of the Capital Contributions called for under Section 4.01, such excess amounts shall not be Capital Contributions and (other than advances made by the General Partner pursuant to Section 4.03 below) shall be promptly returned by the Partnership to the Partner so advancing such funds.

4.03 Advances by General Partner. At any time that the Partnership shall not have sufficient cash to pay its obligations, the General Partner may, but shall not be obligated to, advance such funds for or on behalf of the Partnership. Each such advance shall constitute a loan from the General Partner to the Partnership and shall bear interest from the date of the advance until the date of repayment at the General Interest Rate. Any advances made by the General Partner pursuant to this Section 4.03 shall not be considered to be Capital Contributions. All advances shall be repaid out of the next available funds of the Partnership, including Capital Contributions received.

4.04 Capital Accounts. A Capital Account shall be established and maintained for each Partner. Each Partner's Capital Account (a) shall be increased by (i) the amount of money contributed by that Partner to the Partnership, (ii) the fair market value of property, if any, contributed by that Partner to the Partnership (net of liabilities secured by such contributed property that the Partnership is considered to assume or take subject to under Section 752 of the Code), and (iii) allocations to that Partner of Partnership income and gain (or items thereof), including income and gain exempt from tax and income and gain described in Regulation Section 1.704-1(b)(2)(iv)(g), but excluding income and gain described in Regulation Section 1.704-1(b)(4)(i), and (b) shall be decreased by (i) the amount of money distributed to that Partner by the Partnership, (ii) the fair market value of property distributed to that Partner by the Partnership (net of liabilities secured by such distributed property that such Partner is considered to assume or take subject to under Section 752 of the Code), (iii) allocations to that Partner of expenditures of the Partnership described in Section 705(a)(2)(B) of the Code, and (iv) allocations of Partnership loss and deduction (or items thereof), including loss and deduction

described in Regulation Section 1.704-1(b)(2)(iv)(g), but excluding items described in clause (b)(iii) above and loss or deduction described in Regulation Section 1.704-1(b)(4)(i). The Partners' Capital Accounts also shall be maintained and adjusted as permitted by the provisions of Regulation Section 1.704-1(b)(2)(iv)(f) and as required by the other provisions of Regulation Sections 1.704-1(b)(2)(iv) and 1.704-1(b)(4), including adjustments to reflect the allocations to the Partners of depreciation, amortization, and gain or loss as computed for book purposes rather than the allocation of the corresponding items as computed for tax purposes, as required by Regulation Section 1.704-1(b)(2)(iv)(g). A Partner that has more than one interest in the Partnership shall have a single Capital Account that reflects all such interests, regardless of the class of interests owned by such Partner and regardless of the time or manner in which such interests were acquired; *provided*, that Partners that are Affiliates but nevertheless separate legal entities shall have separate Capital Accounts. Upon the transfer of all or part of an interest in the Partnership, the Capital Account of the transferor that is attributable to the transferred interest in the Partnership shall carry over to the transferee Partner in accordance with the provisions of Regulation Section 1.704-1(b)(2)(iv)(l).

ARTICLE V
ALLOCATIONS AND DISTRIBUTIONS

5.01 Allocations.

(a) Net Income and Net Loss. For purposes of maintaining the Capital Accounts, Net Income or Net Loss (and all items included in the computation thereof) shall be allocated among the Partners as follows:

(i) Net Income:

(A) First, to the Class A Limited Partner until the Class A Limited Partner's Adjusted Capital Account equals the Class A Capital Base; and

(B) Thereafter, to the Class B Limited Partner in accordance with the Class B Percentage Interest.

(ii) Net Loss:

(A) First, to the Class B Limited Partner in accordance with the Class B Percentage Interest until the Adjusted Capital Account of the Class B Limited Partner is reduced to zero; and

(B) Thereafter, to the Class A Limited Partner.

(b) Special Allocations. Notwithstanding any other provision of this Section 5.01, the following special allocations shall be made for such taxable period:

(i) Partnership Minimum Gain Chargeback. Notwithstanding any other provision of this Section 5.01, if there is a net decrease in Partnership Minimum Gain during any Partnership taxable period, each Partner shall be allocated items of Partnership income and gain for such period (and, if necessary, subsequent periods) in the

manner and amounts provided in Regulation Sections 1.704-2(f)(6), 1.704-2(g)(2) and 1.704-2(j)(2)(i), or any successor provision. For purposes of this Section 5.01(b), each Partner's Adjusted Capital Account balance shall be determined, and the allocation of income or gain required hereunder shall be effected, prior to the application of any other allocations pursuant to this Section 5.01(b) with respect to such taxable period (other than an allocation pursuant to Sections 5.01(b)(vi) and 5.01(b)(vii)). This Section 5.01(b)(i) is intended to comply with the Partnership Minimum Gain chargeback requirement in Regulation Section 1.704-2(f) and shall be interpreted consistently therewith.

(ii) Chargeback of Partner Nonrecourse Debt Minimum Gain. Notwithstanding the other provisions of this Section 5.01 (other than Section 5.01(b)(i)), except as provided in Regulation Section 1.704-2(i)(4), if there is a net decrease in Partner Nonrecourse Debt Minimum Gain during any Partnership taxable period, any Partner with a share of Partner Nonrecourse Debt Minimum Gain at the beginning of such taxable period shall be allocated items of Partnership income and gain for such period (and, if necessary, subsequent periods) in the manner and amounts provided in Regulation Sections 1.704-2(i)(4) and 1.704-2(j)(2)(ii), or any successor provisions. For purposes of this Section 5.01(b), each Partner's Adjusted Capital Account balance shall be determined, and the allocation of income or gain required hereunder shall be effected, prior to the application of any other allocations pursuant to this Section 5.01(b), other than Section 5.01(b)(i) and other than an allocation pursuant to Sections 5.01(b)(vi) and 5.01(b)(vii), with respect to such taxable period. This Section 5.01(b)(ii) is intended to comply with the chargeback of items of income and gain requirement in Regulation Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(iii) Qualified Income Offset. In the event any Partner unexpectedly receives any adjustments, allocations or distributions described in Regulation Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6), items of Partnership income and gain shall be specially allocated to such Partner in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the deficit balance, if any, in its Adjusted Capital Account created by such adjustments, allocations or distributions as quickly as possible unless such deficit balance is otherwise eliminated pursuant to Section 5.01(b)(i) or (ii).

(iv) Gross Income Allocations. In the event any Partner has a deficit balance in its Capital Account at the end of any Partnership taxable period in excess of the sum of (A) the amount such Partner is required to restore pursuant to the provisions of this Agreement and (B) the amount such Partner is deemed obligated to restore pursuant to Regulation Sections 1.704-2(g) and 1.704-2(i)(5), such Partner shall be specially allocated items of Partnership gross income and gain in the amount of such excess as quickly as possible; *provided*, that an allocation pursuant to this Section 5.01(b)(iv) shall be made only if and to the extent that such Partner would have a deficit balance in its Capital Account as adjusted after all other allocations provided for in this Section 5.01 have been tentatively made as if this Section 5.01(b)(iv) were not in this Agreement.

(v) Nonrecourse Deductions. Nonrecourse Deductions for any taxable period shall be allocated to the Partners in accordance with their respective Percentage Interests.

If the General Partner determines that the Partnership's Nonrecourse Deductions should be allocated in a different ratio to satisfy the safe harbor requirements of the Regulations promulgated under Section 704(b) of the Code, the General Partner is authorized, upon notice to the other Partners, to revise the prescribed ratio to the numerically closest ratio that does satisfy such requirements.

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

(vii) Nonrecourse Liabilities. For purposes of Regulation Section 1.752-3(a)(3), the Partners agree that Nonrecourse Liabilities of the Partnership in excess of the sum of (A) the amount of Partnership Minimum Gain and (B) the total amount of Nonrecourse Built-in Gain shall be allocated among the Partners in accordance with their respective Percentage Interests.

(viii) Code Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Section 734(b) or 743(b) of the Code is required, pursuant to Regulation Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis), and such item of gain or loss shall be specially allocated to the Partners in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such Section of the Regulations.

(c) Allocations Caused by Transfer of Interest. All items of income, gain, loss, deduction, and credit allocable to any interest in the Partnership that may have been transferred shall be allocated between the transferor and the transferee based upon that portion of the calendar year during which each was recognized as owning such interest, without regard to the results of Partnership operations during any particular portion of such calendar year and without regard to distributions made to the transferor and the transferee during such calendar year; *provided*, *however*, that such allocation shall be made in accordance with a method permissible under Section 706 of the Code and the regulations thereunder.

5.02 Income Tax Allocations.

(a) Except as provided in this Section 5.02, each item of income, gain, loss and deduction of the Partnership for federal income tax purposes shall be allocated among the Partners in the same manner as such items are allocated for purposes of maintaining Capital Account under Section 5.01.

(b) For federal and state income tax purposes, income, gain, loss, and deduction with respect to property contributed to the Partnership by a Partner or revalued pursuant to Regulation Section 1.704-1(b)(2)(iv)(f) shall be allocated among the Partners in a manner that takes into account the variation between the adjusted tax basis of such property and its book value, as required by Section 704(c) of the Code and Regulation Section 1.704-1(b)(4)(i), using any allocation method permitted by Regulation Section 1.704-3.

5.03 Distributions of Cashflow from TEPPCO Units. Promptly following the receipt of any distributions with respect to TEPPCO Units, the General Partner shall cause to be distributed to the Partners such receipts (and any income from the temporary investment thereof) in the manner set forth below, *provided*, that the General Partner may withhold and not distribute such portion of any such receipts that the General Partner has determined in its sole but good faith discretion should be withheld to pay expenses of the Partnership. Distribution to the Partners pursuant to this Section 5.03 shall be made as follows:

(a) First, to the Class A Limited Partner until the Class A Limited Partner's Class A Preference Return Amount has been reduced to zero; and

(b) Thereafter, to the Class B Limited Partner in accordance with the Class B Percentage Interest.

(c) The Partnership will follow the proposed Treasury Regulations that were issued on May 24, 2005, regarding the issuance of partnership equity for services (including Proposed Treasury Regulation Sections 1.83-3, 1.83-6, 1.704-1, 1.706-3, 1.721-1 and 1.761-1), as such regulations may be subsequently amended, upon the issuance of equity membership interests or options issued for services rendered or to be rendered to or for the benefit of the Partnership, until final Treasury Regulations regarding these matters are issued. In furtherance of the foregoing, the definition of Capital Account and the allocations of Net Income and Net Loss of the Partnership shall be applied in a manner that is consistent with the proposed Treasury Regulations, including without limitation, Proposed Treasury Regulation Section 1.704-1(b)(4)(xii). If the provisions of the proposed Treasury Regulations and the proposed Revenue Procedure described in IRS Notice 2005-43, or provisions similar thereto, are adopted as final (or temporary) rules (the "New Rules"), the General Partner is authorized to make such amendments to this Agreement (including provision for any safe harbor election authorized by the New Rules) as the General Partner may determine to be necessary or advisable.

5.04 Distributions of Proceeds from Sales of TEPPCO Units. Promptly following the receipt of any proceeds from the sale of any TEPPCO Units by the Partnership, the General Partner shall cause to be distributed to the Partners such receipts in the manner set forth below, *provided* that the General Partner may withhold and not distribute such portion of any such receipts that the General Partner has determined in its sole but good faith discretion should be withheld to pay expenses of the Partnership. Distribution to the Partners pursuant to this Section 5.04 shall be made as follows:

(a) First, to the Class A Limited Partner until the Class A Preference Return Amount has been reduced to zero;

(b) Next, to the Class A Limited Partner until the Class A Capital Base is reduced to zero; and

(c) Thereafter, to the Class B Limited Partner in accordance with the Class B Percentage Interest.

5.05 Restrictions on Distributions of TEPPCO Units. The Partners and the Partnership hereby agree that they shall not cause the Partnership to offer for sale, sell, pledge or otherwise transfer, distribute or dispose of the TEPPCO Units held by the Partnership prior to the Vesting Date.

ARTICLE VI
MANAGEMENT AND OPERATION

6.01 Management of Partnership Affairs. Except for situations in which the approval of the Limited Partners is expressly required by this Agreement or by non-waivable provisions of applicable law, the General Partner shall have full, complete, and exclusive authority to manage and control the business, affairs, and properties of the Partnership, to make all decisions regarding the same, and to perform any and all other acts or activities customary or incident to the management of the Partnership's business. The General Partner shall receive no compensation for its services as such. Subject to the other express provisions hereof, the General Partner shall make or take all decisions and actions for the Partnership not otherwise provided for herein, including, without limitation, the following:

(a) acquiring, holding, managing, selling, Disposing of, and otherwise dealing with and investing in (i) the Partnership's TEPPCO Units, or (ii) temporary investments of Partnership capital in U.S. government securities, certificates of deposit with maturities of less than one year, commercial paper (rated or unrated), and other highly liquid securities;

(b) entering into, making, and performing all contracts, agreements, and other undertakings binding the Partnership, as may be necessary, appropriate, or advisable in furtherance of the purposes of the Partnership and making all decisions and waivers thereunder;

(c) opening and maintaining bank and investment accounts and drawing checks and other orders for the payment of monies;

(d) maintaining the assets of the Partnership in compliance with applicable securities laws and protecting and preserving the Partnership's title thereto;

(e) collecting all sums due the Partnership;

(f) to the extent that funds of the Partnership are available therefor, paying as they become due all debts and obligations of the Partnership;

(g) causing securities owned by the Partnership to be registered in the Partnership's name or in the name of a nominee or to be held in street name, as the General Partner may elect;

(h) selecting, removing, and changing the authority and responsibility of lawyers, accountants, brokers, and other advisors and consultants;

(i) obtaining insurance for the Partnership to the extent the General Partner deems appropriate; and

(j) determining distributions of Partnership cash as provided in Sections 5.03 and 5.04.

6.02 Duties and Obligations of General Partner. The General Partner shall endeavor to conduct the affairs of the Partnership in the best interests of the Partnership and the mutual best interests of the Partners, including, without limitation, the safekeeping and use of all Partnership funds and assets and the use thereof for the benefit of the Partnership. The General Partner at all times shall act in good faith in all activities relating to the conduct of the business of the Partnership. The General Partner shall devote such time as it deems necessary to conduct the business and affairs of the Partnership in an appropriate manner.

6.03 Release and Indemnification. **TO THE FULLEST EXTENT PERMITTED BY LAW, THE PARTNERSHIP AND EACH OTHER PARTNER ON BEHALF OF ITSELF AND ITS SUCCESSORS AND ASSIGNS HEREBY RELEASES, ACQUITS, AND FOREVER DISCHARGES THE GENERAL PARTNER AND THE CLASS A LIMITED PARTNER, THEIR PARTNERS OR SHAREHOLDERS, AND THEIR DIRECTORS, OFFICERS, EMPLOYEES, PARTNERS, REPRESENTATIVES, AND AGENTS AND EACH OTHER PERSON, IF ANY, CONTROLLING OR EMPLOYING SUCH PERSONS OR ENTITIES (COLLECTIVELY, THE "INDEMNITEES") FROM ALL CLAIMS, DEMANDS, OR CAUSES OF ACTION OF ANY CHARACTER THAT SUCH PARTY MAY HAVE, WHETHER KNOWN OR UNKNOWN, AGAINST ANY INDEMNITEE IN CONNECTION WITH THE PARTNERSHIP AND/OR THE BUSINESS CONDUCTED BY THE PARTNERSHIP; *PROVIDED, HOWEVER*, THAT SUCH RELEASE SHALL NOT APPLY TO ACTIONS CONSTITUTING WILLFUL MISCONDUCT OR BAD FAITH. TO THE FULLEST EXTENT PERMITTED BY LAW, THE PARTNERSHIP SHALL INDEMNIFY AND HOLD HARMLESS EACH INDEMNITEE FROM AND AGAINST ALL LOSSES, COSTS, CLAIMS, LIABILITIES, DAMAGES, EXPENSES (INCLUDING, WITHOUT LIMITATION, COSTS OF SUIT AND ATTORNEYS' FEES) SUCH INDEMNITEE MAY INCUR IN CONNECTION WITH THE GENERAL PARTNER'S PERFORMING ITS OBLIGATIONS HEREUNDER (INCLUDING WITHOUT LIMITATION LOSSES, COSTS, CLAIMS, LIABILITIES, DAMAGES AND EXPENSES ARISING FROM, OR ALLEGED TO ARISE FROM, THE INDEMNITEE'S ACTIVE OR PASSIVE, SOLE OR CONCURRENT, NEGLIGENCE OR GROSS NEGLIGENCE), AND THE PARTNERSHIP SHALL ADVANCE EXPENSES ASSOCIATED WITH THE DEFENSE OF ANY ACTION RELATED THERETO; *PROVIDED, HOWEVER*, THAT SUCH INDEMNITY SHALL NOT APPLY TO ACTIONS WHICH HAVE BEEN FINALLY, WITHOUT FURTHER RIGHT TO APPEAL, JUDICIALLY DETERMINED TO CONSTITUTE WILLFUL MISCONDUCT OR BAD FAITH. IF THE INDEMNIFICATION PROVIDED FOR ABOVE IS NOT PERMITTED OR ENFORCEABLE UNDER APPLICABLE LAW OR IS OTHERWISE UNAVAILABLE**

OR INSUFFICIENT TO HOLD HARMLESS THE INDEMNITEES AS CONTEMPLATED ABOVE, THEN THE PARTNERSHIP SHALL CONTRIBUTE TO THE AMOUNT PAID OR PAYABLE BY THE INDEMNITEES AS A RESULT OF SUCH LOSSES, COSTS, CLAIMS, LIABILITIES, DAMAGES AND EXPENSES REFERRED TO ABOVE IN SUCH PROPORTION AS IS APPROPRIATE TO REFLECT THE RELATIVE BENEFITS CONTEMPLATED TO BE RECEIVED BY THE PARTNERSHIP AND THE INDEMNITEES, RESPECTIVELY, FROM THE ACTIONS GIVING RISE TO SUCH LOSSES, COSTS, CLAIMS, LIABILITIES, DAMAGES OR EXPENSES.

6.04 Power of Attorney.

(a) Each Limited Partner hereby constitutes and appoints the General Partner and, if a liquidator (other than the General Partner) shall have been selected pursuant to Section 11.02, the liquidator, severally (and any successor to either thereof by merger, transfer, assignment, election or otherwise) and each of their authorized officers and attorneys-in-fact, as the case may be, with full power of substitution, as his true and lawful agent and attorney-in-fact, with full power and authority in his name, place and stead, to:

(i) execute, swear to, acknowledge, deliver, file and record in the appropriate public offices (A) all certificates, documents and other instruments (including this Agreement and the Certificate of Limited Partnership and all amendments or restatements hereof or thereof) that the General Partner or the liquidator deems necessary or appropriate to form, qualify or continue the existence or qualification of the Partnership as a limited partnership (or a partnership in which the Limited Partners have limited liability) in the State of Delaware and in all other jurisdictions in which the Partnership may conduct business or own property; (B) all certificates, documents and other instruments that the General Partner or the liquidator deems necessary or appropriate to reflect, in accordance with its terms, any amendment, change, modification or restatement of this Agreement; (C) all certificates, documents and other instruments (including conveyances and a certificate of cancellation) that the General Partner or the liquidator deems necessary or appropriate to reflect the dissolution and liquidation of the Partnership pursuant to the terms of this Agreement; and (D) all certificates, documents and other instruments relating to the admission, withdrawal, removal or substitution of any Partner; and

(ii) execute, swear to, acknowledge, deliver, file and record all ballots, consents, approvals, waivers, certificates, documents and other instruments necessary or appropriate, in the discretion of the General Partner or the liquidator, to make, evidence, give, confirm or ratify any vote, consent, approval, agreement or other action that is made or given by the Partners hereunder or is consistent with the terms of this Agreement or is necessary or appropriate, in the discretion of the General Partner or the liquidator, to effectuate the terms or intent of this Agreement; *provided*, that when required by any provision of this Agreement that establishes a percentage of the Limited Partners required to take any action, the General Partner and the liquidator may exercise the power of attorney made in this Section 6.04 only after the necessary vote, consent or approval of the Limited Partners.

This Section 6.04 shall be construed as authorizing the General Partner to amend this Agreement in any manner subject to any provision of this Agreement that establishes a percentage of the Limited Partners required to take any action.

(b) The foregoing power of attorney is hereby declared to be irrevocable and a power coupled with an interest, and it shall survive and, to the maximum extent permitted by law, not be affected by the subsequent death, incompetency, disability, incapacity, dissolution, bankruptcy or termination of any Limited Partner and the transfer of all or any portion of such Limited Partner's Percentage Interest and shall extend to such Limited Partner's heirs, successors, assigns and personal representatives. Each such Limited Partner hereby agrees to be bound by any representation made by the General Partner or the liquidator acting in good faith pursuant to such power of attorney; and each such Limited Partner, to the maximum extent permitted by law, hereby waives any and all defenses that may be available to contest, negate or disaffirm the action of the General Partner or the liquidator taken in good faith under such power of attorney. Each Limited Partner shall execute and deliver to the General Partner or the liquidator, within 15 days after receipt of the request therefor, such further designation, powers of attorney and other instruments as the General Partner or the liquidator deems necessary to effectuate this Agreement and the purposes of the Partnership.

ARTICLE VII
RIGHTS OF OTHER PARTNERS

7.01 Information. In addition to the other rights specifically set forth herein, each Partner shall have access to all information to which such Partner is entitled to have access pursuant to Section 17-305 of the Act under the circumstances and subject to the conditions therein stated. Without limiting the provisions of Section 17-305(b) of the Act, the Partners agree that if the General Partner from time to time enters into on behalf of the Partnership or the General Partner contractual obligations regarding the confidentiality of information received with respect to the Partnership's business or assets, it shall not be reasonable for any other Partner or assignee or representative thereof to examine or copy such information unless such Partner agrees to comply with the terms of such contractual obligations including without limitation executing a counterpart of any applicable confidentiality agreements.

7.02 Limitations. No Limited Partner shall have the authority or power in its capacity as such to act for or on behalf of the Partnership or any other Partner, to do any act that would be binding on the Partnership or any other Partner, or to incur any expenditures on behalf of or with respect to the Partnership. No Limited Partner shall have the right or power to withdraw from the Partnership.

7.03 Limited Liability. No Limited Partner shall be liable for the losses, debts, liabilities, contracts, or other obligations of the Partnership except to the extent required by law or otherwise set forth herein.

ARTICLE VIII
TAXES

8.01 Tax Returns. The General Partner shall cause to be prepared and filed all necessary federal and state income tax returns for the Partnership, including making the elections described in Section 8.02. Each Partner shall furnish to the General Partner all pertinent information in its possession relating to Partnership operations that is necessary to enable such income tax returns to be prepared and filed.

8.02 Tax Elections. The following elections shall be made on the appropriate returns of the Partnership:

(a) to adopt the calendar year as the Partnership's fiscal year;

(b) unless the accrual method is required under the applicable sections of the Code, to adopt the cash method of accounting and to keep the Partnership's books and records on the income-tax method;

(c) if there shall be a distribution of Partnership property as described in Section 734 of the Code or if there shall be a transfer of a Partnership interest as described in Section 743 of the Code, upon written request of any Partner, to elect, pursuant to Section 754 of the Code, to adjust the basis of Partnership properties;

(d) to elect to amortize the organizational expenses of the Partnership ratably over a period of 60 months as permitted by Section 709(b) of the Code; and

(e) any other election the General Partner may deem appropriate and in the best interests of the Partners.

No election shall be made by the Partnership or any Partner to be treated as an association taxable as a corporation or to be excluded from the application of the provisions of Subchapter K of Chapter 1 of Subtitle A of the Code or any similar provisions of applicable state laws.

8.03 Tax Matters Partner. The General Partner shall be the "tax matters partner" of the Partnership pursuant to Section 6231(a)(7) of the Code. The General Partner shall take such action as may be necessary to cause each other Partner to become a "notice partner" within the meaning of Section 6223 of the Code. The General Partner shall inform each other Partner of all significant matters that may come to its attention in its capacity as tax matters partner by giving notice thereof within ten Business Days after becoming aware thereof and, within such time, shall forward to each other Partner copies of all significant written communications it may receive in such capacity. The General Partner shall not take any action contemplated by Sections 6222 through 6232 of the Code without the consent of a Required Interest. This provision is not intended to authorize the General Partner to take any action left to the determination of an individual Partner under Sections 6222 through 6232 of the Code.

ARTICLE IX
BOOKS, RECORDS, REPORTS, AND BANK ACCOUNTS

9.01 Maintenance of Books. The books of account for the Partnership shall be maintained on a cash basis in accordance with the terms of this Agreement except that the Capital Accounts of the Partners shall be maintained in accordance with Section 4.04. The calendar year shall be the accounting year of the Partnership.

9.02 Financial Statements. Within 120 days after the end of each fiscal year during the term of the Partnership, the General Partner shall cause each other Partner to be furnished with an unaudited balance sheet, an income statement, and a statement of changes in Partners' capital of the Partnership for, or as of the end of, such period. All financial statements shall be prepared in accordance with accounting principles generally employed for cash-basis records consistently applied (except as therein noted).

9.03 Bank Accounts. The General Partner shall establish and maintain one or more separate accounts for Partnership funds in the Partnership name at such financial institutions as it may designate. The General Partner may not commingle the Partnership's funds with other funds of any Partner.

ARTICLE X
WITHDRAWAL, BANKRUPTCY, REMOVAL, ETC.

10.01 Withdrawal, Bankruptcy, Etc. of General Partner.

(a) The General Partner covenants and agrees that it will not withdraw from the Partnership as the general partner within the meaning of Section 17-602 of the Act. If the General Partner shall so withdraw from the Partnership in violation of such covenant and agreement, such withdrawal shall be effective only upon 90 days' prior notice to all other Partners.

(b) The General Partner shall not cease to be a general partner on the occurrence of an event of the type described in Section 17-402(a)(4) through (10) of the Act, but shall cease to be a general partner 90 days thereafter. The General Partner shall notify each other Partner that an event of the type described in Section 17-402(a)(4) through (10) of the Act has occurred (without regard to the lapse of any time periods therein) with respect to it within five Business Days after such occurrence.

(c) Following any notice pursuant to Section 10.01(a) that the General Partner shall be withdrawing, or following the occurrence of an event of the type described in Section 17-402(a)(4) through (10) of the Act with respect to the General Partner (without regard to the lapse of any time periods therein), and unless there shall be one other General Partner remaining, the greater of the Class A Limited Partner plus a Required Interest of the Class B Limited Partner or a majority in interest as defined in Internal Revenue Service Procedure 94-46 (or any successor thereof) by written consent may select a new General Partner, which shall be admitted to the Partnership as a general partner effective immediately prior to the existing General Partner's ceasing to be a general partner with such general partner interest as the Limited Partners making such selection may specify, but only if such new General Partner shall

have made such Capital Contribution as such Limited Partners may specify and shall have executed and delivered to the Partnership a document including such new General Partner's notice address, acceptance of all the terms and provisions of this Agreement, an agreement to perform and discharge timely all of its obligations and liabilities hereunder, and a representation and warranty that the representation and warranties in Section 3.02 are true and correct with respect to such new General Partner. Notwithstanding the foregoing provisions of this Section 10.01(c), the right to select such new General Partner shall not exist or be exercised unless the Partnership shall have received the favorable opinion of the Partnership's legal counsel or of other legal counsel acceptable to the Limited Partners making such selection to the effect that such selection and admission will not result in (i) the loss of limited liability of any Limited Partner (except to the extent a Limited Partner has consented to become the General Partner) or (ii) in the Partnership being treated as an association taxable as a corporation for federal income tax purposes. Notwithstanding the foregoing provisions of this Section 10.01(c), no such new General Partner shall be admitted (and the existing General Partner shall continue as such) if the event that permitted the selection of a new General Partner shall have been an event of the type described in Section 17-402(a)(5) of the Act that with the passage of time would cause the existing General Partner to become a Bankrupt Partner but, due to the failure of such situation to continue, such General Partner does not become a Bankrupt Partner.

10.02 Conversion of Interest. Immediately upon the General Partner's ceasing to be General Partner following the admission of a new General Partner pursuant to Section 10.01(c), the former General Partner's interest in the Partnership as a General Partner shall be converted into the interest of a Limited Partner in the Partnership having the same economic rights as specified for the General Partner herein immediately prior to its ceasing to be a General Partner, and such General Partner shall automatically and without further action be admitted to the Partnership as a Limited Partner.

ARTICLE XI
DISSOLUTION, LIQUIDATION, AND TERMINATION

11.01 Dissolution. The Partnership shall be dissolved and its affairs shall be wound up upon the first to occur of any of the following:

(a) the written consent of the General Partner, the Class A Limited Partner and a Required Interest;

(b) unless otherwise agreed to by the General Partner, the Class A Limited Partner and a Required Interest 30 days following the occurrence of the Vesting Date;

(c) the end of the term of the Partnership as set forth in Section 2.06;

(d) the General Partner's ceasing to be the General Partner as described in Section 10.01(b) with no new General Partner having been selected and admitted as provided in Section 10.01(c); or

(e) any other event causing dissolution as described in Section 17-801 of the Act (other than an event described in Section 17-402(a)(4) through (10) of the Act, except as provided in Sections 10.01(b) and 11.01(d));

it being understood that if an "event of withdrawal of a general partner" (as defined in Section 17-101(3) of the Act) shall occur with respect to the General Partner and at least one other General Partner shall have been or is about to be admitted pursuant to Section 3.03(b), 10.01(c), or 10.02, the Partnership shall not dissolve but shall continue and the remaining General Partner shall, and hereby agrees to, carry on the business of the Partnership.

11.02 Liquidation and Termination. Upon dissolution of the Partnership, unless it is continued as provided in Section 11.01, the General Partner shall act as liquidator or may appoint one or more other Persons as liquidator; *provided, however*, that if the Partnership shall be dissolved on account of an event of the type described in Section 17-402(a)(4) through (10) of Act with respect to the General Partner, the liquidator shall be one or more Persons selected in writing by the Class A Limited Partner and a Required Interest. The liquidator shall proceed diligently to wind up the affairs of the Partnership and make final distributions as provided herein, and shall file any amendments to the Certificate as may be required by applicable law. The costs of liquidation shall be borne as a Partnership expense. Until final distribution, the liquidator shall continue to manage the Partnership assets with all of the power and authority of the General Partner. The steps to be accomplished by the liquidator are as follows:

(a) as promptly as possible after dissolution and again after final liquidation, the liquidator shall cause a proper accounting to be made by a recognized firm of certified public accountants of the Partnership's assets, liabilities, and operations through the last day of the calendar month in which the dissolution shall have occurred or the final liquidation shall be completed, as applicable;

(b) the liquidator shall pay all of the debts and liabilities of the Partnership (including, without limitation, all expenses incurred in liquidation and any advances made by the General Partner pursuant to Section 4.03) or otherwise make adequate provision therefor (including, without limitation, the establishment of a cash escrow fund for contingent liabilities in such amount and for such term as the liquidator may reasonably determine); and

(c) all remaining assets of the Partnership shall be distributed to the Partners as follows:

(i) the fair market value of the property shall be determined and the capital accounts of the Partners shall be adjusted to reflect the manner in which the unrealized income, gain, loss, and deduction inherent in such property (that has not been reflected in the capital accounts previously) would be allocated among the Partners if there were a taxable disposition of such property for the fair market value of such property on the Vesting Date; and

(ii) the Partnership property shall be distributed among the Partners in accordance with the positive capital account balances of the Partners, as determined after taking into account all capital account adjustments for the taxable year of the Partnership during which the liquidation of the Partnership occurs (other than those made by reason of this clause); and such distributions shall be made by the end of the taxable year of the Partnership during which the liquidation of the Partnership occurs (or, if later, within 90 days after the date of such liquidation). While the General Partner has the right to sell

TEPPCO Units as noted in Section 5.04, and subject to the restrictions set forth in Section 5.05, it is the intent of the General Partner upon liquidation and termination of the Partnership to distribute TEPPCO Units to the Partners rather than sell the TEPPCO Units and distribute the cash proceeds of such sale to the Partners.

For purposes of this Section 11.02(c), the "fair market value" of each TEPPCO Unit held by the Partnership on the Vesting Date shall be equal to the average of the closing sale prices per TEPPCO Unit for the 20 trading days ending on the Vesting Date (or, if no closing sale price is reported, the average of the bid and asked prices) as reported in the composite transactions for the principal United States securities exchange on which the TEPPCO Units are traded or if the TEPPCO Units are not listed on a national or regional stock exchange, as reported by The NASDAQ National Market. All distributions in kind to the Partners shall be made subject to the liability of each distributee for costs, expenses, and liabilities theretofore incurred or for which the Partnership shall have committed prior to the date of termination and such costs, expenses, and liabilities shall be allocated to such distributee pursuant to this Section 11.02. The distribution of property to a Partner in accordance with the provisions of this Section 11.02 shall constitute a complete return to the Partner of its Capital Contributions and a complete distribution to the Partner of its interest in the Partnership and all the Partnership's property and shall constitute a compromise to which all Partners have consented within the meaning of Section 17-502(b) of the Act.

11.03 Cancellation of Certificate. Upon completion of the distribution of Partnership assets as provided herein, the Partnership shall be terminated, and the General Partner (or, if there shall be no General Partner, the Limited Partners) shall cause the cancellation of the Certificate and any other filings made pursuant to Section 2.05 and shall take such other actions as may be necessary to terminate the Partnership.

ARTICLE XII
GENERAL PROVISIONS

12.01 Offset. In the event that any sum is payable to any Partner pursuant to this Agreement, any amounts owed by such Partner to the Partnership shall be deducted from said sum before payment to said Partner.

12.02 Notices. All notices or requests or consents provided for or permitted to be given pursuant to this Agreement must be in writing and must be given (a) by depositing same in the United States mail, addressed to the Person to be notified, postpaid, and registered or certified with return receipt requested or (b) by delivering such notice by courier or in person to such party. Notices given or served pursuant hereto shall be effective two Business Days after such deposit, or upon receipt if delivered in person to the person to be notified. All notices to be sent to a Partner shall be sent to or made at the address given on the Power of Attorney executed by the Partner and delivered to the General Partner on the date hereof or in the instrument described in Section 3.03(c), 3.04, or 10.01(c), or such other address as such Partner may specify by notice to the General Partner. Any notice to the Partnership shall be given to the General Partner.

12.03 Entire Agreement; Supersedure. This Agreement constitutes the entire agreement of the Partners relating to the matters contained herein and supersedes all prior contracts or agreements, whether oral or written, among the parties hereto with respect to such matters.

12.04 Effect of Waiver or Consent. No waiver or consent, express or implied, by any Person with respect to any breach or default by any other Person of its obligations hereunder shall be deemed or construed to be a consent or waiver with respect to any other breach or default by such other Person of the same or any other obligations of such other Person hereunder. Failure on the part of any Person to complain of any act or omission of any other Person, or to declare any other Person in default, irrespective of how long such failure continues, shall not constitute a waiver by such Person of its rights hereunder until the applicable limitation period has run.

12.05 Amendment or Modification. This Agreement may be amended or modified from time to time only by a written instrument executed by the General Partner; *provided*, *however*, that (a) the vesting and distribution provisions of this Agreement may be amended or modified only by a written instrument executed by the General Partner, the Class A Limited Partner and a Required Interest, and (b) no amendment or modification reducing a Partner's Sharing Points (other than to reflect changes otherwise provided hereby) or increasing its duties or adversely affecting its limited liability shall be effective without such Partner's consent.

12.06 Binding Effect; Joinder of Additional Parties. Subject to the restrictions on Dispositions set forth herein, this Agreement shall be binding upon and shall inure to the benefit of the Partners, as well as the respective heirs, legal representatives, successors, and assigns of such Partners.

12.07 Construction. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, EXCLUDING ANY CONFLICTS-OF-LAW RULE OR PRINCIPLE THAT MIGHT REFER THE GOVERNANCE OR CONSTRUCTION OF THIS AGREEMENT TO THE LAWS OF ANOTHER JURISDICTION. The headings in this Agreement are inserted for convenience and identification only and are not intended to describe, interpret, define, or limit the scope, extent, or intent of this Agreement or any provision hereof. Whenever the context requires, the gender of all words used in this Agreement shall include the masculine, feminine, and neuter. All references to Articles and Sections refer to articles and sections of this Agreement. All sums and amounts payable or to be payable pursuant to the provisions of this Agreement shall be payable in coin or currency of the United States of America that, at the time of payment, is legal tender for the payment of public and private debts in the United States of America. If any provision of this Agreement or the application thereof to any Person or circumstance shall be held invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

12.08 Further Assurances. In connection with this Agreement, as well as all transactions contemplated by this Agreement, each Partner agrees to execute and deliver such additional documents and instruments and to perform such additional acts as may be necessary or

appropriate to effectuate, carry out, and perform all of the terms, provisions, and conditions of this Agreement and all such transactions.

12.09 Indemnification. To the fullest extent permitted by law, each Partner shall indemnify the Partnership and each other Partner and hold them harmless from and against all losses, costs, liabilities, damages, and expenses (including, without limitation, costs of suit and attorney's fees) they may incur on account of any breach by such indemnifying Partner of this Agreement.

12.10 Waiver of Certain Rights. Each Partner irrevocably waives any right it might have to maintain any action for dissolution of the Partnership or to maintain any action for partition of the property of the Partnership.

12.11 Counterparts. This Agreement may be executed in any number of counterparts with the same effect as if all signatory parties had signed the same document. All counterparts shall be construed together and shall constitute one and the same instrument.

12.12 Dispute Resolution. (a) If the General Partner and one or more Limited Partners are unable to resolve any controversy, dispute, claim or other matter in question arising out of, or relating to, this Agreement, any provision hereof, the alleged breach hereof, or in any way relating to the subject matter of this Agreement, or the relationship between the parties created by this Agreement, including questions concerning the scope and applicability of this Section 12.12, whether sounding in contract, tort or otherwise, at law or in equity, under state or federal law, whether provided by statute or common law, for damages or any other relief (any such controversy, dispute, claim or other matter in question, a "Dispute"), on or before the 30th day following the receipt by the General Partner or such Limited Partners of written notice of such Dispute from the other party, which notice describes in reasonable detail the nature of the Dispute and the facts and circumstances relating thereto, the General Partner or such Limited Partners may, by delivery of written notice to the other party, require that a representative of the General Partner and of such Limited Partners meet at a mutually agreeable time and place in an attempt to resolve such Dispute. Such meeting shall take place on or before the 15th day following the date of the notice requiring such meeting, and if the Dispute has not been resolved within 15 days following such meeting, the General Partner or such Limited Partners may cause such Dispute to be resolved by binding arbitration in Houston, Texas, by submitting such Dispute for arbitration within 30 days following the expiration of such 15-day period. This agreement to arbitrate shall be specifically enforceable against the parties.

(b) It is the intention of the parties that the arbitration shall be governed by and conducted pursuant to the Federal Arbitration Act, as such Act is modified by this Section 12.12. If it is determined the Federal Arbitration Act is not applicable to this Agreement (e.g., this Agreement does not evidence a transaction involving interstate commerce), this agreement to arbitrate shall nevertheless be enforceable pursuant to applicable State law. While the arbitrators may refer to the Commercial Arbitration Rules of the American Arbitration Association (the "Rules") for guidance with respect to procedural matters, the arbitration proceeding shall not be administered by the American Arbitration Association but instead shall be self-administered by the parties until the arbitrators are selected and then the proceeding shall be administered by the arbitrators.

(c) The validity, construction, and interpretation of this agreement to arbitrate, and all procedural aspects of the arbitration conducted pursuant to this agreement to arbitrate, including but not limited to, the determination of the issues that are subject to arbitration (i.e., arbitrability), the scope of the arbitrable issues, allegations of "fraud in the inducement" to enter into this Agreement or this arbitration provision, allegations of waiver, laches, delay or other defenses to arbitrability, and the rules governing the conduct of the arbitration (including the time for filing an answer, the time for the filing of counterclaims, the times for amending the pleadings, the specificity of the pleadings, the extent and scope of discovery, the issuance of subpoenas, the times for the designation of experts, whether the arbitration is to be stayed pending resolution of related litigation involving third parties not bound by this arbitration agreement, the receipt of evidence, and the like), shall be decided by the arbitrators.

(d) The rules of arbitration of the Federal Arbitration Act, as modified by this Agreement, shall govern procedural aspects of the arbitration; to the extent the Federal Arbitration Act as modified by this Agreement does not address a procedural issue, the arbitrators may refer for guidance to the Commercial Arbitration Rules then in effect with the American Arbitration Association. The arbitrators may refer for guidance to the Federal Rules of Civil Procedure, the Federal Rules of Civil Evidence, and the federal law with respect to the discovery process, applicable legal privileges, and admissible evidence. In deciding the substance of the parties' Dispute, the arbitrators shall refer to the substantive laws of the State of Delaware for guidance (excluding Delaware's conflict-of-law rules or principles that might call for the application of the law of another jurisdiction); *provided*, *however*, IT IS EXPRESSLY AGREED THAT NOTWITHSTANDING ANY OTHER PROVISION IN THIS SECTION 12.12 TO THE CONTRARY, THE ARBITRATORS SHALL HAVE ABSOLUTELY NO AUTHORITY TO AWARD CONSEQUENTIAL DAMAGES (SUCH AS LOSS OF PROFIT), TREBLE, EXEMPLARY OR PUNITIVE DAMAGES OF ANY TYPE UNDER ANY CIRCUMSTANCES REGARDLESS OF WHETHER SUCH DAMAGES MAY BE AVAILABLE UNDER DELAWARE LAW, THE LAW OF ANY OTHER STATE, OR FEDERAL LAW, OR UNDER THE FEDERAL ARBITRATION ACT, OR UNDER THE COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION. The arbitrators shall have the authority to assess the costs and expenses of the arbitration proceeding (including the arbitrators' fees and expenses) against either or both parties. However, each party shall bear its own attorneys fees and the arbitrators shall have no authority to award attorneys fees.

(e) When a Dispute has been submitted for arbitration, within 30 days of such submission, the General Partner will choose an arbitrator, and such Limited Partners will choose an arbitrator. The two arbitrators shall select a third arbitrator, failing agreement on which within 90 days of the original notice, the General Partner and such Limited Partners (or either of them) shall apply to any United States District Judge for the Southern District of Texas, who shall appoint the third arbitrator. While the third arbitrator shall be neutral, the two party-appointed arbitrators are not required to be neutral and it shall not be grounds for removal of either of the two party-appointed arbitrators or for vacating the arbitrators' award that either of such arbitrators has past or present minimal relationships with the party that appointed such arbitrator. Evident partiality on the part of an arbitrator exists only where the circumstances are such that a reasonable person would have to conclude there in fact existed actual bias and a mere appearance or impression of bias will not constitute evident partiality or otherwise disqualify an

arbitrator. Minimal or trivial past or present relationships between the neutral arbitrator and the party selecting such arbitrator or any of the other arbitrators, or the failure to disclose such minimal or trivial past or present relationships, will not by themselves constitute evident partiality or otherwise disqualify any arbitrator. Upon selection of the third arbitrator, each of the three arbitrators shall agree in writing to abide faithfully by the terms of this agreement to arbitrate. The three arbitrators shall make all of their decisions by majority vote. If one of the party-appointed arbitrators refuses to participate in the proceedings or refuses to vote, the decision of the other two arbitrators shall be binding. If an arbitrator dies or becomes physically incapacitated and is unable to fulfill his or her duties as an arbitrator, the arbitration proceeding shall continue with a substitute arbitrator selected as follows: if the incapacitated arbitrator is a party-appointed arbitrator, the party shall promptly select a new arbitrator, and if the incapacitated arbitrator is the neutral arbitrator, the two-party appointed arbitrators shall select a substitute neutral arbitrator, failing agreement on which the General Partner and such Limited Partners (or either of them) shall apply to any United States District Judge for the Southern District of Texas, who shall appoint the substitute neutral arbitrator.

(f) The final hearing shall be conducted within 120 days of the selection of the third arbitrator. The final hearing shall not exceed ten working days, with each party to be granted one-half of the allocated time to present its case to the arbitrators. There shall be a transcript of the hearing before the arbitrators. The arbitrators shall render their ultimate decision within 20 days of the completion of the final hearing completely resolving all of the Disputes between the parties that are the subject of the arbitration proceeding. The arbitrators' ultimate decision after final hearing shall be in writing, but shall be as brief as possible, and the arbitrators shall assign their reasons for their ultimate decision. In the case the arbitrators award any monetary damages in favor of either party, the arbitrators shall certify in their award that they have not included any treble, exemplary or punitive damages.

(g) The arbitrators' award shall, as between the parties to this Agreement and those in privity with them, be final and entitled to all of the protections and benefits of a final judgment, e.g., res judicata (claim preclusion) and collateral estoppel (issue preclusion), as to all Disputes, including compulsory counterclaims, that were or could have been presented to the arbitrators. The arbitrators' award shall not be reviewable by or appealable to any court, except to the extent permitted by the Federal Arbitration Act.

(h) It is the intent of the parties that the arbitration proceeding shall be conducted expeditiously, without initial recourse to the courts and without interlocutory appeals of the arbitrators' decisions to the courts. However, if a party refuses to honor its obligations under this agreement to arbitrate, the other party may obtain appropriate relief compelling arbitration in any court having jurisdiction over the parties; the order compelling arbitration shall require that the arbitration proceedings take place in Houston, Texas, as specified above. The parties may apply to any court for orders requiring witnesses to obey subpoenas issued by the arbitrators. Moreover, any and all of the arbitrators' orders and decisions may be enforced if necessary by any court. The arbitrators' award may be confirmed in, and judgment upon the award entered by, any federal or State court having jurisdiction over the parties.

(i) To the fullest extent permitted by law, this arbitration proceeding and the arbitrators award shall be maintained in confidence by the parties. However, a violation of this

covenant shall not affect the enforceability of this arbitration agreement or of the arbitrators' award.

(j) A party's breach of this Agreement shall not affect this agreement to arbitrate. Moreover, the parties' obligations under this arbitration provision are enforceable even after this Agreement has terminated. The invalidity or unenforceability of any provision of this arbitration agreement shall not affect the validity or enforceability of the parties' obligation to submit their Disputes to binding arbitration or the other provisions of this agreement to arbitrate.

12.13 No Effect on Employment Relationship. Nothing in this Agreement shall confer upon any employee of the General Partner or any Affiliate thereof any right to continued employment nor shall it interfere in any way with the right of the General Partner or any of its Affiliates to terminate the employment of any employee at any time.

12.14 Legal Representation. This Agreement and related documents have been prepared by Andrews Kurth LLP, as counsel for the General Partner, and not as counsel for any other Partner or the Partnership. Each party other than the General Partner has been advised to seek independent counsel in connection with this Agreement and the related documents.

[Signature Pages to Follow.]

IN WITNESS WHEREOF, the Partners have executed this Agreement as of the date first set forth above.

GENERAL PARTNER:

EPCO, INC.

By: W. Randall Fowler
W. Randall Fowler
President and Chief Executive Officer

CLASS A LIMITED PARTNER:

EPCO HOLDINGS, INC.

By: W. Randall Fowler
W. Randall Fowler
President and Chief Executive Officer

CLASS B LIMITED PARTNERS:

The Class B Limited Partners initially admitted as Class B Limited Partners of the Partnership, pursuant to Powers of Attorney executed in favor of, and granted and delivered to the General Partner

By: EPCO, INC.
(As attorney-in-fact for the Class B Limited Partners pursuant to powers of attorney)

By: W. Randall Fowler
W. Randall Fowler
President and Chief Executive Officer

Exhibit A

FORM OF POWER OF ATTORNEY

For Executing Agreement of Limited Partnership of TEPPCO Unit L.P.

Know all by these presents, that the undersigned hereby constitutes and appoints EPCO, Inc. and its authorized representatives the undersigned's true and lawful attorney-in-fact to:

(1) execute for and on behalf of the undersigned as a limited partner thereunder that certain Agreement of Limited Partnership of TEPPCO Unit L.P. (the "Partnership Agreement");

(2) take any other action of any type whatsoever in connection with the foregoing that, in the opinion of each such attorney-in-fact, may be of benefit to, in the best interest of, or legally required of the undersigned, it being understood that the documents executed by the attorney-in-fact on behalf of the undersigned pursuant to this Power of Attorney shall be in such form and shall contain such terms and conditions as the attorney-in-fact may approve in the attorney-in-fact's discretion.

The undersigned hereby grants to each attorney-in-fact full power and authority to do and perform all and every act and thing whatsoever requisite, necessary or proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as the undersigned might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that the attorney-in-fact, or the attorney-in-facts substitute or substitutes, shall lawfully do or cause to be done by virtue of this Power of Attorney and the rights and powers herein granted.

The undersigned acknowledges and agrees by execution of this Power of Attorney that the undersigned's initial Sharing Points (as defined in the Partnership Agreement) under the Partnership Agreement equal ___, which represents ___% of the total initial Sharing Points granted by the General Partner pursuant to the Partnership Agreement.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of the date written below.

_____

Signature

_____

Type or Print Name

_____

Date

Exhibit 99.1

September 4, 2008

CONTACTS: Investor Relations — Mark G. Stockard
Phone: (713) 381-4707
Toll Free: (800) 659-0059
Media Relations — Rick Rainey
Phone: (713) 381-3635

TEPPCO PARTNERS, L.P. ANNOUNCES PRICING OF UNITS

HOUSTON — TEPPCO Partners, L.P. (NYSE:TPP) announced today that it has priced a public offering of 8,000,000 units representing limited partner interests. TEPPCO has also granted the underwriters an option to purchase up to an additional 1,200,000 units to cover over allotments. TEPPCO also agreed to sell approximately 240,000 additional units at the same public offering price to TEPPCO Unit L.P., an affiliate of EPCO, Inc. EPCO, Inc., along with TEPPCO, is under the common control of Dan L. Duncan. The underwritten offering and sale of units to TEPPCO Unit L.P. are expected to close on September 9, 2008, subject to satisfaction of customary closing conditions.

TEPPCO intends to use the net proceeds from these sales of units to reduce borrowings outstanding under its revolving credit facility and expects to use some of the increased availability under the facility to finance capital expenditures and other growth projects.

Lehman Brothers, UBS Investment Bank and Wachovia Securities are joint book-running managers for the offering. When available, copies of the prospectus supplement and accompanying base prospectus relating to the offering may be obtained from the underwriters as follows:

Lehman Brothers
c/o Broadridge, Integrated Distribution Services
1155 Long Island Avenue
Edgewood, N.Y., 11717
Email: Giana.smith@broadridge.com
Fax: 631-254-7140

UBS Investment Bank
Attn: Prospectus Dept
299 Park Avenue
New York, NY 10171
Tel: 888-827-7275

Wachovia Securities
Equity Syndicate Dept
375 Park Avenue
New York, NY 10152
Email: equity.syndicate@wachovia.com
Tel: 800-326-5897

This press release shall not constitute an offer to sell or the solicitation of an offer to buy the units described herein, nor shall there be any sale of these units in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The offering may be made only by means of a prospectus and related prospectus supplement.

TEPPCO Partners, L.P., a publicly traded partnership with an enterprise value of approximately $5 billion, is a diversified energy logistics company with operations that span much of the continental United States. TEPPCO owns and operates an extensive network of assets that facilitate the movement, marketing, gathering and storage of various commodities and energy-related products. The partnership's pipeline network is comprised of approximately 12,500 miles of pipelines that gather and transport refined petroleum products, crude oil, natural gas, liquefied petroleum gases (LPGs) and natural gas liquids, including one of the largest common carrier pipelines for refined petroleum products and LPGs in the United States. Including joint venture ownership, TEPPCO's storage assets include approximately 27 million barrels of capacity for refined petroleum products and LPGs and about 14 million barrels of capacity for crude oil. TEPPCO also owns a marine business that transports refined petroleum products, crude oil, asphalt, condensate, heavy fuel oil and other heated oil products via tow boats and tank barges. For more information, visit TEPPCO's website. Texas Eastern Products Pipeline Company, LLC, the general partner of TEPPCO Partners, L.P., is owned by Enterprise GP Holdings L.P. (NYSE: EPE).

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