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

August 9, 2005
Date of Report (Date of earliest event reported)

INERGY, L.P.

(Exact name of Registrant as specified in its charter)

Delaware	**0-32453**	**43-1918951**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(IRS Employer Identification Number)**

Two Brush Creek Boulevard, Suite 200
Kansas City, MO 64112
(Address of principal executive offices)

(816) 842-8181
(Registrant's telephone number, including area code)

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

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

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

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

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

Item 1.01 Entry into a Material Definitive Agreement.

On August 9, 2005, Inergy, L.P. (the "Partnership") entered into a Special Unit Purchase Agreement with Inergy Holdings, L.P. ("Holdings"), a Delaware limited partnership and an affiliate of the Partnership to issue and sell $25 million of special units (the "Special Units"), a new class of equity securities of the Partnership that will convert into common units representing limited partnership interests in the Partnership ("Common Units") at a specified conversion rate upon the commercial operation of the expansion project described below. The purchase price was based on the ten-day average closing price for the Common Units ending on August 8, 2005.

The Special Unit Purchase Agreement was entered into to fund the Partnership's recently announced $25 million acquisition of the rights to the Phase II expansion project of the Stagecoach natural gas storage facility located in Tioga County, New York ("Stagecoach") in connection with the Stagecoach Acquisition (as defined below).

On August 9, 2005, the Partnership also entered into a separate Registration Rights Agreement with Holdings relating to the Special Units to be purchased under the Special Unit Purchase Agreement that allows for the registered resale of the units. Pursuant to the Registration Rights Agreement, the Partnership has agreed to file a shelf registration statement for the resale of the Common Units issuable upon conversion of the Special Units within 180 days after the issue date of the Special Units and to use commercially reasonable efforts to cause the shelf registration statement to be declared effective by the SEC within 240 days after the issue date.

The descriptions of the Special Unit Purchase Agreement and the Registration Rights Agreement above do not purport to be complete and are qualified in their entirety by reference to the complete text of the Special Unit Purchase Agreement and the Registration Rights Agreement, copies of which are filed as Exhibits to this Form 8-K and are incorporated herein by reference.

On August 9, 2005, the Partnership entered into an amendment to its 5-year credit facility among the lenders that are parties thereto, JPMorgan Chase Bank, N.A., as administrative agent, Lehman Commercial Paper, Inc. and Wachovia Bank, National Association, as co-syndication agents, and Fleet National Bank and Bank of Oklahoma, National Association, as co-documentation agents that, among other things, increased the amount of its revolving line of credit for acquisitions from $250 million to $350 million. After giving effect to the borrowings made the credit facility to finance the Stagecoach Acquisition (as defined below), the total amount outstanding under the credit facility on August 9, 2005, was $281.8 million. See the Partnership's Form 8-K dated December 17, 2004 and filed December 22, 2004 for a description of the material terms of the 5-year credit facility, which description is incorporated herein by reference.

Item 2.01 Acquisition or Disposition of Assets.

On August 9, 2005, Inergy Acquisition Company, LLC, Inergy Storage, Inc. and Inergy Stagecoach II, LLC (each of which is a direct or indirect subsidiary of the Partnership) acquired all of the equity interests in the entities that own Stagecoach from Stagecoach Holding, LLC, Stagecoach Energy, LLC and Stagecoach Holding II, LLC for approximately $205 million (which amount includes certain post-closing costs necessary to purchase additional base gas and certain capitalized costs relating to a post-closing commercial arrangement)(the "Stagecoach Acquisition"). Additionally, Inergy Stagecoach II, LLC acquired the rights to the Phase II expansion project of Stagecoach ("Phase II Expansion") for $25 million (the "Phase II Expansion Acquisition," together with the Stagecoach Acquisition, the "Acquisition"). The Partnership financed the Stagecoach Acquisition and related costs with borrowings of approximately $189.5 million borrowed under its 5-Year credit facility with JPMorgan Chase Bank, N.A and assumed certain liabilities. The Partnership financed the Phase II Expansion Rights Acquisition with the net proceeds from a $25 million private placement of Special Units to Holdings.

On August 9, 2005, the Partnership issued a press release announcing the Acquisition. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

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

See the disclosure under Item 1.01 above.

Item 3.02 Unregistered Sales of Equity Securities.

As described above, on August 9, 2005, to fund the Phase II Expansion, the Partnership privately placed 769,941 Special Units for aggregate gross proceeds of $25 million.

The purchase price for the Special Units was based on the ten-day average closing price for the Partnership's Common Units ending on August 8, 2005. The Special Units represent a new class of equity securities that is not entitled to a current cash distribution, and has no voting rights other than as required by law. Upon the commercial operation of the expansion project described above, the Special Units will convert into Common Units at a specified conversion ratio. The initial conversion ratio is 1.0 Special Unit for 1.0 Common Unit with the conversion rate increasing 3% per three month period thereafter on a compounded basis with a maximum conversion ratio of 1.0 Special Unit for 1.43 Common Units.

On August 9, 2005, the Partnership issued a press release related to the Acquisition. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 3.03 Material Modification to Rights of Security Holders.

As described above, on August 9, 2005, the Partnership entered into separate Registration Rights Agreement with Holdings relating to the Special Units to be purchased under the Special Unit Purchase Agreement that allows for the registered resale of the units.

Item 5.03 Amendment to Articles of Incorporation or Bylaws; Change in Fiscal Year.

As described above, on August 9, 2005, the Partnership amended its limited partnership agreement to provide for the issuance of the Special Units, a new class of equity securities that is not entitled to current cash distributions received by the Common Units and has no voting rights other than as required by law. Upon the occurrence of certain events, the Special Units will convert into Common Units at a specified conversion ratio. A copy of the Amendment No. 3 to the Second Amended and Restated Agreement of Limited Partnership of Inergy, L.P. is attached as Exhibit 4.2 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 8.01 Other Events

On August 9, 2005, the Partnerships issued a press release announcing that the Partnership had closed the Acquisition and entered into the Special Unit Purchase Agreement. For additional information, see also Item 1.01 of this Form 8-K. A copy of the press release is filed as Exhibit 99.1 to this Form 8-K and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

Exhibit No.	Description
4.1	Registration Rights Agreement dated as of August 9, 2005 between Inergy, L.P. and Inergy Holdings, L.P.
4.2	Amendment No. 3 to the Second Amended and Restated Agreement of Limited Partnership of Inergy, L.P.
10.1	Special Unit Purchase Agreement dated as of August 9, 2005 between Inergy, L.P. and Inergy Holdings, L.P.
99.1	Press release dated August 9, 2005

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

INERGY, L.P.

By: INERGY GP, LLC,
Its Managing General Partner

Date: August 12, 2005

By: /s/ Laura L. Ozenberger

Laura L. Ozenberger
Vice President, General Counsel and Secretary

EXHIBIT INDEX

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10.1	Special Unit Purchase Agreement dated as of August 9, 2005 between Inergy, L.P. and Inergy Holdings, L.P.
99.1	Press release dated August 9, 2005

Exhibit 4.1

Execution Copy

REGISTRATION RIGHTS AGREEMENT

by and among

INERGY, L.P.

and

INERGY HOLDINGS, L.P.

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (this "Agreement") is made and entered into as of August 9, 2005, by and among INERGY, L.P., a Delaware limited partnership ("Inergy") and INERGY HOLDINGS, L.P. ("Holdings" or "Purchaser").

This Agreement is made in connection with the Closing of the issuance and sale of the Special Units pursuant to the Special Unit Purchase Agreement, dated as of August 9, 2005, by and among Inergy and the Purchaser (the "Purchase Agreement"). Inergy has agreed to provide the registration and other rights set forth in this Agreement for the benefit of the Purchaser of the Special Units pursuant to Section 2.05(i) of the Purchase Agreement. In consideration of the mutual covenants and agreements set forth herein and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each party hereto, the parties hereby agree as follows:

ARTICLE I.
DEFINITIONS

Section 1.01 Definitions. Capitalized terms used herein without definition shall have the meanings given to them in the Purchase Agreement. The terms set forth below are used herein as so defined:

"Affiliate" means, with respect to a specified Person, any other Person, directly or indirectly controlling, controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control" (including, with correlative meanings, "controlling", "controlled by", and "under common control with") means the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

"Business Day" means any day other than a Saturday, Sunday, or a legal holiday for commercial banks in Wilmington, Delaware.

"Closing" shall have the meaning set forth in the Purchase Agreement.

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

"Common Units" means the common units of Inergy that are publicly traded on the NASDAQ.

"Conversion Units" means the Common Units issuable upon conversion of the Special Units.

"Effectiveness Period" has the meaning specified therefore in Section 2.01(a) of this Agreement.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder.

"Holder" means the record holder of any Registrable Securities.

"Included Registrable Securities" has the meaning specified therefor in Section 2.02(a) of this Agreement.

"Losses" has the meaning specified therefor in Section 2.08(a) of this Agreement.

"Managing Underwriter" means, with respect to any Underwritten Offering, the book running lead manager of such Underwritten Offering.

"NASDAQ" means the NASDAQ National Market.

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

"Piggyback Registration" has the meaning specified therefor in Section 2.02(a) of this Agreement.

"Purchase Agreement" has the meaning specified therefor in the Recital of this Agreement.

"Purchased Units" shall have the meaning set forth in the Purchase Agreement.

"Purchaser" has the meaning specified therefor in the introductory paragraph of this Agreement.

"Registrable Securities" means the Conversion Units until such time as such securities cease to be Registrable Securities pursuant to Section 1.02 hereof.

"Registration Expenses" has the meaning specified therefor in Section 2.07(a) of this Agreement.

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

"Selling Expenses" has the meaning specified therefor in Section 2.07(a) of this Agreement.

"Selling Holder" means a Holder who is selling Registrable Securities pursuant to a registration statement.

"Shelf Registration" has the meaning specified therefor in Section 2.01(a) of this Agreement.

"Shelf Registration Statement" has the meaning specified therefor in Section 2.01(a) of this Agreement.

"Special Units" shall have the meaning set forth in the Purchase Agreement.

"Underwritten Offering" means an offering (including an offering pursuant to a Shelf Registration Statement) in which Common Units are sold to an underwriter on a firm commitment basis for reoffering to the public or an offering that is a "bought deal" with one or more investment banks.

Section 1.02 Registrable Securities. Any Registrable Security will cease to be a Registrable Security when (a) a registration statement covering such Registrable Security has been declared effective by the Commission and such Registrable Security has been sold or disposed of pursuant to such effective registration statement; (b) such Registrable Security has been disposed of pursuant to any section of Rule 144 (or any similar provision then in force under the Securities Act); or (c) such Registrable Security is held by Inergy or one of its subsidiaries.

ARTICLE II.
REGISTRATION RIGHTS

Section 2.01 Shelf Registration.

(a) Shelf Registration. As soon as practicable following the Closing of the purchase of the Special Units pursuant to the terms of the Purchase Agreement, but in any event within 180 days of the Closing, Inergy shall prepare and file a registration statement under the Securities Act to permit the public resale of the Registrable Securities from time to time as permitted by Rule 415 of the Securities Act (the "Shelf Registration Statement"). Inergy shall use its commercially reasonable efforts to cause the Shelf Registration Statement to become effective no later than 240 days after the date of the Closing (the "Shelf Registration"). A Shelf Registration Statement filed pursuant to this Section 2.01(a) shall be on such appropriate registration form of the Commission as shall be selected by Inergy; provided, however, that if a prospectus supplement will be used in connection with the marketing of an Underwritten Offering from the Shelf Registration Statement and the Managing Underwriter at any time shall notify Inergy in writing that, in the sole judgment of such Managing Underwriter, inclusion of detailed information to be used in such prospectus supplement is of material importance to the success of the Underwritten Offering of such Registrable Securities, Inergy shall use its commercially reasonable efforts to include such information in the prospectus. Inergy will cause the Shelf Registration Statement filed pursuant to this Section 2.01(a) to be continuously effective under the Securities Act until all Registrable Securities covered by the Shelf Registration Statement have been distributed in the manner set forth and as contemplated in the Shelf Registration Statement or there are no longer any Registrable Securities outstanding (the "Effectiveness Period"). The Shelf Registration Statement when declared effective (including the documents incorporated therein by reference) will comply as to form with all applicable requirements of the Securities Act and the Exchange Act and will not 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.

(b) Delay Rights. Notwithstanding anything to the contrary contained herein, Inergy may, upon written notice to any Selling Holder whose Registrable Securities are included in the Shelf Registration Statement, suspend such Selling Holder's use of any prospectus which

is a part of the Shelf Registration Statement (in which event the Selling Holder shall discontinue sales of the Registrable Securities pursuant to the Shelf Registration Statement) if (i) Inergy is pursuing an acquisition, merger, reorganization, disposition or other similar transaction and Inergy determines in good faith that Inergy's ability to pursue or consummate such a transaction would be materially adversely affected by any required disclosure of such transaction in the Shelf Registration Statement or (ii) Inergy has experienced some other material non-public event the disclosure of which at such time, in the good faith judgment of Inergy, would materially adversely affect Inergy. Upon disclosure of such information or the termination of the condition described above, Inergy shall provide prompt notice to the Selling Holders whose Registrable Securities are included in the Shelf Registration Statement, and shall promptly terminate any suspension of sales it has put into effect and shall take such other actions to permit registered sales of Registrable Securities as contemplated in this Agreement.

Section 2.02 Piggyback Registration.

(a) Participation. If Inergy at any time proposes to file a prospectus supplement to an effective shelf registration statement with respect to an Underwritten Offering of Common Units for its own account or to register any Common Units for its own account for sale to the public in an Underwritten Offering other than (x) a registration relating solely to employee benefit plans, (y) a registration relating solely to a Rule 145 transaction, or (z) a registration on any registration form which does not permit secondary sales or does not include substantially the same information as would be required to be included in a registration statement covering the sale of Registrable Securities), then, as soon as practicable following the engagement of counsel to Inergy to prepare the documents to be used in connection with an Underwritten Offering, Inergy shall give notice of such proposed Underwritten Offering to the Holders and such notice shall offer the Holders the opportunity to include in such Underwritten Offering such number of Registrable Securities as each such Holder may request in writing (a "Piggyback Registration"); provided, however, that Inergy shall not be required to offer such opportunity to Holders if Inergy has been advised by the Managing Underwriter that the inclusion of Registrable Securities for sale for the benefit of the Holders will have an adverse effect on the price, timing or distribution of the Common Units. Each Holder of Registrable Securities acknowledges for purposes of clause (ii) that its Registrable Securities are not covered by Inergy's existing registration statements on Form S-3 (File No. 333-118941 and File No. 333-124098) and Inergy shall have no obligation to include such Registrable Securities in such registration statement, by post-effective amendment or otherwise; provided, however, that if a registration statement covering the Registrable Securities is effective and a prospectus supplement relating to the Form S-3's described above (File No. 333-118941 and File No. 333-124098) has been proposed with respect to an Underwritten Offering, the Holders shall be entitled to notice and the opportunity to include in such Underwritten Offering, pursuant to the registration statement covering the Registrable Securities, such number of Registrable Securities as each such Holder may request in writing, subject to the other terms and conditions of this Section 2.02(a). Subject to Section 2.02(b), Inergy shall include in such Underwritten Offering all such Registrable Securities ("Included Registrable Securities") with respect to which Inergy has received requests within one business day after Inergy's notice has been delivered in accordance with Section 3.01. If no request for inclusion from a Holder is received within the specified time, such Holder shall have no further right to participate in such Piggyback Registration. If, at any time after giving written notice of its intention to undertake an Underwritten Offering and prior to the closing of such

Underwritten Offering, Inergy shall determine for any reason not to undertake or to delay such Underwritten Offering, Inergy may, at its election, give written notice of such determination to the Selling Holders and, (x) in the case of a determination not to undertake such Underwritten Offering, shall be relieved of its obligation to sell any Included Registrable Securities in connection with such terminated Underwritten Offering, and (y) in the case of a determination to delay such Underwritten Offering, shall be permitted to delay offering any Included Registrable Securities for the same period as the delay in the Underwritten Offering. Any Selling Holder shall have the right to withdraw such Selling Holder's request for inclusion of such Selling Holder's Registrable Securities in such offering by giving written notice to Inergy of such withdrawal up to and including the time of pricing of such offering.

(b) Priority of Piggyback Registration. If the Managing Underwriter or Underwriters of any proposed Underwritten Offering of Common Units included in a Piggyback Registration advises Inergy that the total amount of Common Units which the Selling Holders and any other Persons intend to include in such offering exceeds the number which can be sold in such offering without being likely to have an adverse effect on the price, timing or distribution of the Common Units offered or the market for the Common Units, then the Common Units to be included in such Underwritten Offering shall include the number of Registrable Securities that such Managing Underwriter or Underwriters advises Inergy can be sold without having such adverse effect, with such number to be allocated (i) first, among those holders with rights under that certain Investors Rights Agreement dated as of January 12, 2001, by and among Inergy Partners, LLC (as predecessor to Inergy) and the investors named therein; (ii) second, if there remains availability for additional Common Units to be included in such Piggyback Registration, pro rata among (W) those holders with rights under that certain Registration Rights Agreement dated as of November 29, 2004, by and between Inergy and Kayne Anderson MLP Investment Company ("Kayne Anderson"), (X) those holders with rights under that certain Registration Rights Agreement dated as of November 29, 2004 by and between Inergy and Tortoise Energy Infrastructure Corporation ("Tortoise"), and (Y) the Selling Holders and any other Persons who are granted registration rights on or after the date of this Agreement ("Other Holders") who have requested participation in the Piggyback Registration (based, for each of Kayne Anderson, Tortoise, Selling Holder or Other Holder, on the percentage derived by dividing (A) the number of Registrable Securities proposed to be sold by each of Kayne Anderson, Tortoise, such Selling Holder or such Other Holder in such offering, as the case may be; by (B) the aggregate number of Common Units proposed to be sold by all Selling Holders and all Other Holders in the Piggyback Registration; and (iii) third, if there remains availability for additional Common Units to be included in such Piggyback Registration, such additional Common Units shall be allocated pro rata among IPCH Acquisition Corp. ("IPCH") pursuant to that certain Registration Rights Agreement dated as of December 19, 2001, by and between Inergy and IPCH and the General Partners or any of their Affiliates (as such term is defined in the Partnership Agreement) under Section 7.12 of the Partnership Agreement.

(c) Termination of Piggyback Registration Rights. The Piggyback Registration rights granted pursuant to this Section 2.02 shall terminate the on the date on which all Registrable Securities cease to be Registrable Securities hereunder in accordance with Section 1.02.

Section 2.03 Underwritten Offering.

(a) Shelf Registration. In the event that a Selling Holder elects to dispose of Registrable Securities under the Shelf Registration Statement pursuant to an Underwritten Offering, Inergy shall enter into an underwriting agreement in customary form with the Managing Underwriter or Underwriters, which shall include, among other provisions, indemnities to the effect and to the extent provided in Section 2.08, and shall take all such other reasonable actions as are requested by the Managing Underwriter in order to expedite or facilitate the registration and disposition of the Registered Securities; provided, however, the participation of Inergy management in connection with an Underwritten Offering for the benefit of Selling Holders shall consist of not more than sixteen hours of teleconferences for the benefit of Purchaser annually.

(b) General Procedures. In connection with any Underwritten Offering under this Agreement, Inergy shall be entitled to select the Managing Underwriter or Underwriters. In connection with an Underwritten Offering under Section 2.01 or 2.02 hereof, each Selling Holder and Inergy shall be obligated to enter into an underwriting agreement which contains such representations, covenants, indemnities and other rights and obligations as are customary in underwriting agreements for firm commitment offerings of securities. No Selling Holder may participate in such Underwritten Offering unless such Selling Holder agrees to sell its Registrable Securities on the basis provided in such underwriting agreement and completes and executes all questionnaires, powers of attorney, indemnities and other documents reasonably required under the terms of such underwriting agreement. Each Selling Holder may, at its option, require that any or all of the representations and warranties by, and the other agreements on the part of, Inergy to and for the benefit of such underwriters also be made to and for such Selling Holder's benefit and that any or all of the conditions precedent to the obligations of such underwriters under such underwriting agreement also be conditions precedent to its obligations. No Selling Holder shall be required to make any representations or warranties to or agreements with Inergy or the underwriters other than representations, warranties or agreements regarding such Selling Holder and its ownership of the securities being registered on its behalf and its intended method of distribution and any other representation required by law. If any Selling Holder disapproves of the terms of an underwriting, such Selling Holder may elect to withdraw therefrom by notice to Inergy and the Managing Underwriter; provided, however, that such withdrawal must be made prior to the time in the final sentence of Section 2.02(a) hereof to be effective. No such withdrawal or abandonment shall affect Inergy's obligation to pay Registration Expenses.

Section 2.04 Registration Procedures. In connection with its obligations contained in Sections 2.01 and 2.02, Inergy will, as expeditiously as possible:

(a) prepare and file with the Commission such amendments and supplements to the Shelf Registration Statement and the prospectus used in connection therewith as may be necessary to keep the Shelf Registration Statement effective for the Effectiveness Period and as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by the Shelf Registration Statement;

(b) furnish to each Selling Holder (i) as far in advance as reasonably practicable before filing the Shelf Registration Statement or any other registration statement contemplated by this Agreement or any supplement or amendment thereto, upon request, copies

of reasonably complete drafts of all such documents proposed to be filed (including exhibits and each document incorporated by reference therein to the extent then required by the rules and regulations of the Commission), and provide each such Selling Holder the opportunity to object to any information pertaining to such Selling Holder and its plan of distribution that is contained therein and make the corrections reasonably requested by such Selling Holder with respect to such information prior to filing the Shelf Registration Statement or such other registration statement or supplement or amendment thereto, and (ii) such number of copies of the Shelf Registration Statement or such other registration statement and the prospectus included therein and any supplements and amendments thereto as such Persons may reasonably request in order to facilitate the public sale or other disposition of the Registrable Securities covered by such Shelf Registration Statement or other registration statement;

(c) if applicable, use its commercially reasonable efforts to register or qualify the Registrable Securities covered by the Shelf Registration Statement or any other registration statement contemplated by this Agreement under the securities or blue sky laws of such jurisdictions as the Selling Holders or, in the case of an Underwritten Offering, the Managing Underwriter, shall reasonably request, provided that Inergy will not be required to qualify generally to transact business in any jurisdiction where it is not then required to so qualify or to take any action which would subject it to general service of process in any such jurisdiction where it is not then so subject;

(d) promptly notify each Selling Holder and each underwriter, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of (i) the filing of the Shelf Registration Statement or any other registration statement contemplated by this Agreement or any prospectus or prospectus supplement to be used in connection therewith, or any amendment or supplement thereto, and, with respect to such Shelf Registration Statement or any other registration statement or any post-effective amendment thereto, when the same has become effective; and (ii) any written comments from the Commission with respect to any filing referred to in clause (i) and any written request by the Commission for amendments or supplements to the Shelf Registration Statement or any other registration statement or any prospectus or prospectus supplement thereto;

(e) immediately notify each Selling Holder and each underwriter, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of (i) the happening of any event as a result of which the prospectus or prospectus supplement contained in the Shelf Registration Statement or any other registration statement contemplated by this Agreement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing; (ii) the issuance or threat of issuance by the Commission of any stop order suspending the effectiveness of the Shelf Registration Statement or any other registration statement contemplated by this Agreement, or the initiation of any proceedings for that purpose; or (iii) the receipt by Inergy of any notification with respect to the suspension of the qualification of any Registrable Securities for sale under the applicable securities or blue sky laws of any jurisdiction. Following the provision of such notice, Inergy agrees to as promptly as practicable amend or supplement the prospectus or prospectus supplement or take other appropriate action so that the prospectus or prospectus supplement does not include 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 in the light of the circumstances then existing and to take such other action as is necessary to remove a stop order, suspension, threat thereof or proceedings related thereto;

(f) upon request by a Selling Holder, furnish to such Selling Holder copies of any and all transmittal letters or other correspondence with the Commission or any other governmental agency or self-regulatory body or other body having jurisdiction (including any domestic or foreign securities exchange) relating to such offering of Registrable Securities;

(g) in the case of an Underwritten Offering, furnish upon request, (i) an opinion of counsel for Inergy, dated the effective date of the applicable registration statement or the date of any amendment or supplement thereto, and a letter of like kind dated the date of the closing under the underwriting agreement, and (ii) a "cold comfort" letter, dated the effective date of the applicable registration statement or the date of any amendment or supplement thereto and a letter of like kind dated the date of the closing under the underwriting agreement, in each case, signed by the independent public accountants who have certified Inergy's financial statements included or incorporated by reference into the applicable registration statement, and each of the opinion and the "cold comfort" letter shall be in customary form and covering substantially the same matters with respect to such registration statement (and the prospectus and any prospectus supplement included therein) and as are customarily covered in opinions of issuer's counsel and in accountants' letters delivered to the underwriters in Underwritten Offerings of securities, such other matters as such underwriters may reasonably request;

(h) otherwise use its commercially reasonable efforts to comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least 12 months, but not more than 18 months, beginning with the first full calendar month after the effective date of such registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 promulgated thereunder;

(i) make available to the appropriate representatives of the Managing Underwriter and Selling Holders access to such information and Inergy personnel as is reasonable and customary to enable such parties to establish a due diligence defense under the Securities Act; provided that Inergy need not disclose any information to any such representative unless and until such representative has entered into a confidentiality agreement with Inergy;

(j) cause all such Registrable Securities registered pursuant to this Agreement to be listed on each securities exchange or nationally recognized quotation system on which similar securities issued by Inergy are then listed;

(k) use its commercially reasonable efforts to cause the Registrable Securities to be registered with or approved by such other governmental agencies or authorities as may be necessary by virtue of the business and operations of Inergy to enable the Selling Holders to consummate the disposition of such Registrable Securities;

(l) provide a transfer agent and registrar for all Registrable Securities covered by such registration statement not later than the effective date of such registration statement; and

(m) enter into customary agreements and take such other actions as are reasonably requested by the Selling Holders or the underwriters, if any, in order to expedite or facilitate the disposition of such Registrable Securities.

Each Selling Holder, upon receipt of notice from Inergy of the happening of any event of the kind described in subsection (e) of this Section 2.04, shall forthwith discontinue disposition of the Registrable Securities until such Selling Holder's receipt of the copies of the supplemented or amended prospectus contemplated by subsection (e) of this Section 2.04 or until it is advised in writing by Inergy that the use of the prospectus may be resumed, and has received copies of any additional or supplemental filings incorporated by reference in the prospectus, and, if so directed by Inergy, such Selling Holder will, or will request the managing underwriter or underwriters, if any, to deliver to Inergy (at Inergy's expense) all copies in their possession or control, other than permanent file copies then in such Selling Holder's possession, of the prospectus covering such Registrable Securities current at the time of receipt of such notice.

Section 2.05 Cooperation by Holders. Inergy shall have no obligation to include in the Shelf Registration Statement units of a Holder or in a Piggyback Registration units of a Selling Holder who has failed to timely furnish such information which, in the opinion of counsel to Inergy, is reasonably required in order for the registration statement or prospectus supplement, as applicable, to comply with the Securities Act.

Section 2.06 Restrictions on Public Sale by Holders of Registrable Securities. Each Holder of Registrable Securities who is included in the Shelf Registration Statement agrees not to effect any public sale or distribution of the Registrable Securities during the 90 calendar day period beginning on the date of a prospectus supplement filed with the Commission with respect to the pricing of an Underwritten Offering, provided that the duration of the foregoing restrictions shall be no longer than the duration of the shortest restriction generally imposed by the underwriters on the officers or directors or any other unitholder of Inergy on whom a restriction is imposed.

Section 2.07 Expenses.

(a) Certain Definitions. "Registration Expenses" means all expenses incident to Inergy's performance under or compliance with this Agreement to effect the registration of Registrable Securities in a Shelf Registration or a Piggyback Registration, and the disposition of such securities, including, without limitation, all registration, filing, securities exchange listing and NASDAQ fees, all registration, filing, qualification and other fees and expenses of complying with securities or blue sky laws, fees of the National Association of Securities Dealers, Inc., transfer taxes and fees of transfer agents and registrars, all word processing, duplicating and printing expenses, the fees and disbursements of counsel and independent public accountants for Inergy, including the expenses of any special audits or "cold comfort" letters required by or incident to such performance and compliance. Except as otherwise provided in Section 2.08 hereof, Inergy shall not be responsible for legal fees incurred by Holders in connection with the exercise of such Holders' rights hereunder. In addition, Inergy shall not be responsible for any "Selling Expenses," which means all underwriting fees, discounts and selling commissions allocable to the sale of the Registrable Securities.

(b) Expenses. Inergy will pay all Registration Expenses in connection with the Shelf Registration Statement filed pursuant to Section 2.01(a) of this Agreement, and Inergy will pay all Registration Expenses in connection with a Piggyback Registration, whether or not the Shelf Registration Statement becomes effective or any sale is made pursuant to the Shelf Registration Statement or Piggyback Registration. Each Selling Holder shall pay all Selling Expenses in connection with any sale of its Registrable Securities hereunder.

Section 2.08 Indemnification.

(a) By Inergy. In the event of a registration of any Registrable Securities under the Securities Act pursuant to this Agreement, Inergy will indemnify and hold harmless each Selling Holder thereunder, its directors and officers, and each underwriter, pursuant to the applicable underwriting agreement with such underwriter, of Registrable Securities thereunder and each Person, if any, who controls such Selling Holder or underwriter within the meaning of the Securities Act and the Exchange Act, against any losses, claims, damages, expenses or liabilities (including reasonable attorneys' fees and expenses) (collectively, "Losses"), joint or several, to which such Selling Holder or underwriter or controlling Person may become subject under the Securities Act, the Exchange Act or otherwise, insofar as such Losses (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Shelf Registration Statement or any other registration statement contemplated by this Agreement, any preliminary prospectus or final prospectus contained therein, or any amendment or supplement thereof, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of a prospectus, in light of the circumstances under which they were made) not misleading, and will reimburse each such Selling Holder, its directors and officers, each such underwriter and each such controlling Person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such Loss or actions or proceedings; provided, however, that Inergy will not be liable in any such case if and to the extent that any such Loss arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission so made in conformity with information furnished by such Selling Holder, such underwriter or such controlling Person in writing specifically for use in the Shelf Registration Statement or such other registration statement, or prospectus supplement, as applicable. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Selling Holder or any such director, officer or controlling Person, and shall survive the transfer of such securities by such Selling Holder.

(b) By Each Selling Holder. Each Selling Holder agrees severally and not jointly to indemnify and hold harmless Inergy, its directors and officers, and each Person, if any, who controls Inergy within the meaning of the Securities Act or of the Exchange Act to the same extent as the foregoing indemnity from Inergy to the Selling Holders, but only with respect to information regarding such Selling Holder furnished in writing by or on behalf of such Selling Holder expressly for inclusion in the Shelf Registration Statement or prospectus supplement relating to the Registrable Securities, or any amendment or supplement thereto; provided, however, that the liability of each Selling Holder shall not be greater in amount than the dollar amount of the proceeds (net of any Selling Expenses) received by such Selling Holder from the sale of the Registrable Securities giving rise to such indemnification.

(c) Notice. Promptly after receipt by an indemnified party hereunder of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party hereunder, notify the indemnifying party in writing thereof, but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party other than under this Section 2.08. In any action brought against any indemnified party, it shall notify the indemnifying party of the commencement thereof. The indemnifying party shall be entitled to participate in and, to the extent it shall wish, to assume and undertake the defense thereof with counsel reasonably satisfactory to such indemnified party and, after notice from the indemnifying party to such indemnified party of its election so to assume and undertake the defense thereof, the indemnifying party shall not be liable to such indemnified party under this Section 2.08 for any legal expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation and of liaison with counsel so selected; provided, however, that, (i) if the indemnifying party has failed to assume the defense and employ counsel or (ii) if the defendants in any such action include both the indemnified party and the indemnifying party and counsel to the indemnified party shall have concluded that there may be reasonable defenses available to the indemnified party that are different from or additional to those available to the indemnifying party, or if the interests of the indemnified party reasonably may be deemed to conflict with the interests of the indemnifying party, then the indemnified party shall have the right to select a separate counsel and to assume such legal defense and otherwise to participate in the defense of such action, with the reasonable expenses and fees of such separate counsel and other reasonable expenses related to such participation to be reimbursed by the indemnifying party as incurred. Notwithstanding any other provision of this Agreement, no indemnified party shall settle any action brought against it with respect to which it is entitled to indemnification hereunder without the consent of the indemnifying party, unless the settlement thereof imposes no liability or obligation on, and includes a complete and unconditional release from all liability of, the indemnifying party.

(d) Contribution. If the indemnification provided for in this Section 2.08 is held by a court or government agency of competent jurisdiction to be unavailable to Inergy or any Selling Holder or is insufficient to hold them harmless in respect of any Losses, then each such indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such Losses as between Inergy on the one hand and such Selling Holder on the other, in such proportion as is appropriate to reflect the relative fault of Inergy on the one hand and of such Selling Holder on the other in connection with the statements or omissions which resulted in such Losses, as well as any other relevant equitable considerations; provided, however, that in no event shall such Selling Holder be required to contribute an aggregate amount in excess of the dollar amount of proceeds (net of Selling Expenses) received by such Selling Holder from the sale of Registrable Securities giving rise to such indemnification. The relative fault of Inergy on the one hand and each Selling Holder on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact has been made by, or relates to, information supplied by such party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The parties hereto agree that it would not be just and equitable if contributions pursuant to this paragraph were to be determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred

to in the first sentence of this paragraph. The amount paid by an indemnified party as a result of the Losses referred to in the first sentence of this paragraph shall be deemed to include any legal and other expenses reasonably incurred by such indemnified party in connection with investigating or defending any Loss which is the subject of this paragraph. 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 is not guilty of such fraudulent misrepresentation.

(e) Other Indemnification. The provisions of this Section 2.08 shall be in addition to any other rights to indemnification or contribution which an indemnified party may have pursuant to law, equity, contract or otherwise.

Section 2.09 Rule 144 Reporting. With a view to making available the benefits of certain rules and regulations of the Commission that may permit the sale of the Registrable Securities to the public without registration, Inergy agrees to use its commercially reasonable efforts to:

(a) Make and keep public information regarding Inergy available, as those terms are understood and defined in Rule 144 of the Securities Act, at all times from and after the date hereof;

(b) File with the Commission in a timely manner all reports and other documents required of Inergy under the Securities Act and the Exchange Act at all times from and after the date hereof; and

(c) So long as a Holder owns any Registrable Securities, furnish to such Holder forthwith upon request a copy of the most recent annual or quarterly report of Inergy, and such other reports and documents so filed as such Holder may reasonably request in availing itself of any rule or regulation of the Commission allowing such Holder to sell any such securities without registration.

Section 2.10 Transfer or Assignment of Registration Rights. The rights to cause Inergy to register Registrable Securities granted to the Purchaser by Inergy under this Article II may be transferred or assigned by the Purchaser to one or more transferee(s) or assignee(s) of such Registrable Securities, provided that (a) unless such transferee is an Affiliate of the Purchaser, each such transferee or assignee holds Registrable Securities representing at least 15% of the number of Special Units sold pursuant to the terms of the Purchase Agreement, (b) Inergy is given written notice prior to any said transfer or assignment, stating the name and address of each such transferee and identifying the securities with respect to which such registration rights are being transferred or assigned, and (c) each such transferee assumes in writing responsibility for its portion of the obligations of the Purchaser under this Agreement.

ARTICLE III.
MISCELLANEOUS

Section 3.01 Communications. All notices and other communications provided for or permitted hereunder shall be made in writing by facsimile, courier service or personal delivery:

(a) if to the Purchaser, at the most current addresses given by the Purchaser to Inergy in accordance with the provisions of this Section 3.01, which addresses initially are, with respect to the Purchaser, the addresses set forth in the Purchase Agreement,

(b) if to a transferee of the Purchaser, to such Holder at the address provided pursuant to Section 2.10 above, and

(c) if to Inergy, at Two Brush Creek Blvd., Suite 200, Kansas City, Missouri 64112, notice of which is given in accordance with the provisions of this Section 3.01.

All such notices and communications shall be deemed to have been received at the time delivered by hand, if personally delivered; when receipt acknowledged, if sent via facsimile or sent via Internet electronic mail; and when actually received, if sent by any other means.

Section 3.02 Successor and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties, including subsequent Holders of Registrable Securities to the extent permitted herein.

Section 3.03 Assignment of Rights. All or any portion of the rights and obligations of the Purchaser under this Agreement may be transferred or assigned by the Purchaser in accordance with Section 2.10 hereof.

Section 3.04 Recapitalization, Exchanges, etc. Affecting the Common Units. The provisions of this Agreement shall apply to the full extent set forth herein with respect to any and all units of Inergy or any successor or assign of Inergy (whether by merger, consolidation, sale of assets or otherwise) which may be issued in respect of, in exchange for or in substitution of, the Registrable Securities, and shall be appropriately adjusted for combinations, recapitalizations and the like occurring after the date of this Agreement.

Section 3.05 Specific Performance. Damages in the event of breach of this Agreement by a party hereto may be difficult, if not impossible, to ascertain, and it is therefore agreed that each such Person, in addition to and without limiting any other remedy or right it may have, will have the right to an injunction or other equitable relief in any court of competent jurisdiction, enjoining any such breach, and enforcing specifically the terms and provisions hereof, and each of the parties hereto hereby waives any and all defenses it may have on the ground of lack of jurisdiction or competence of the court to grant such an injunction or other equitable relief. The existence of this right will not preclude any such Person from pursuing any other rights and remedies at law or in equity which such Person may have.

Section 3.06 Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement.

Section 3.07 Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

Section 3.08 Governing Law. The laws of the State of Delaware shall govern this Agreement without regard to principles of conflict of laws.

Section 3.09 Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting or impairing the validity or enforceability of such provision in any other jurisdiction.

Section 3.10 Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein with respect to the rights granted by Inergy set forth herein. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

Section 3.11 Amendment. This Agreement may be amended only by means of a written amendment signed by Inergy and the Holders of a majority of the then outstanding Registrable Securities; provided, however, that no such amendment shall materially and adversely affect the rights of any Holder hereunder without the consent of such Holder.

Section 3.12 No Presumption. In the event any claim is made by a party relating to any conflict, omission, or ambiguity in this Agreement, no presumption or burden of proof or persuasion shall be implied by virtue of the fact that this Agreement was prepared by or at the request of a particular party or its counsel.

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

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

INERGY, LP.

By: Inergy GP, LLC,
its Managing General Partner

By: _____

Name: R. Brooks Sherman, Jr.
Title: Senior Vice President
and Chief Financial Officer

INERGY HOLDINGS, L.P.

By: Inergy Holdings GP, LLC,
its General Partner

By: _____

Name: Laura L. Ozenberger
Title: Vice President, General Counsel
and Secretary

Exhibit 4.2

AMENDMENT NO. 3

TO

SECOND AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP

OF

INERGY, L.P.

This Amendment No. 3 (this "*Amendment No. 3*") to the Second Amended and Restated Agreement of Limited Partnership of Inergy, L.P., a Delaware limited partnership (the "*Partnership*") is entered into effective as of August 9, 2005, by Inergy GP LLC, a Delaware limited liability company (the "*Managing General Partner*"), as managing general partner of the Partnership. Capitalized terms used but not defined herein are used as defined in the Partnership Agreement.

WHEREAS, the Managing General Partner, the Non-Managing General Partner and the Limited Partners of the Partnership entered into that certain Second Amended and Restated Agreement of Limited Partnership of the Partnership dated as of January 7, 2004 (the "*Partnership Agreement*");

WHEREAS, the Managing General Partner, the Non-Managing General Partner and the Limited Partners of the Partnership entered into that certain Amendment No. 1 to the Partnership Agreement on February 9, 2004;

WHEREAS, the Managing General Partner, the Non-Managing General Partner and the Limited Partners of the Partnership entered into that certain Amendment No. 2 to the Partnership Agreement on January 21, 2005;

WHEREAS, Section 5.6 of the Partnership Agreement (subject to Section 5.7 of the Partnership Agreement) provides that the Managing General Partner, without the approval of any Limited Partners, may issue additional Partnership Securities, or classes or series thereof, for any Partnership purpose at any time and from time to time, and may issue such Partnership Securities to such Persons, for such consideration and on such terms and conditions as shall be established by the Managing General Partner in its sole discretion;

WHEREAS, Section 13.1 of the Partnership Agreement provides that the Managing General Partner, without the approval of any Partner (subject to the provisions of Section 5.7 of the Partnership Agreement), may amend any provision of the Partnership Agreement necessary or advisable in connection with the authorization of issuance of any class or series of Partnership Securities pursuant to Section 5.6 of the Partnership Agreement; and

WHEREAS, acting pursuant to the power and authority granted to it under Section 13.1 of the Partnership Agreement, the Managing General Partner has determined that the following amendment to the Partnership Agreement does not adversely affect the Limited Partners (including any particular class of Partnership Interests as compared to other classes of Partnership Interests) in any material respect; and

WHEREAS, the Managing General Partner deems it in the best interest of the Partnership to effect this Amendment in order to provide for the issuance of the Special Units (as defined herein) to Inergy Holdings, L.P., a Delaware limited partnership and affiliate of the Partnership (the "Purchaser") pursuant to that certain Special Unit Purchase Agreement, dated August 9, 2005, among the Partnership and the Purchaser;

NOW THEREFORE, the Managing General Partner does hereby amend the Partnership Agreement as follows:

Section 1. Amendment.

Article V is hereby amended to add a new Section 5.12 creating a new series of Units as follows:

"Section 5.12. *Special Units.*

(a) There is hereby created a series of Units to be designated as "Special Units," consisting of Special Units and having the same terms and conditions as the Common units, except as set forth below:

(i) The Special Units shall not receive any allocations of items of Partnership income, gain, loss, deduction and credit under Section 6.1;

(ii) The Special Units shall not have the right to share in any partnership distributions to the Common Units;

(iii) The Capital Account of the Special Units shall equal $25 million;

(iv) Except as provided in Section 12.4, the Special Units shall not have any rights upon dissolution and liquidation of the Partnership; provided that, the Special Units shall have all rights and interests relating to the Phase II Expansion Project (as defined herein);

(v) The Special Units will not have the privilege of conversion except as provided in paragraphs (b) or (c) of this Section 5.12;

(vi) The Special Units will not have voting rights and shall not be deemed outstanding for purposes of determining a quorum, with respect to matters in which the requisite vote is determined by the Nasdaq Stock Market rules or Nasdaq Stock Market staff interpretations of such rules for listing of the Common Units; each reference in the Partnership Agreement to a vote of holders of Common Units shall be deemed to not include a reference to the holders of Special Units; and

(vii) The Special Units will be evidenced by certificates in such form as the Managing General Partner may approve and, subject to the satisfaction of any applicable legal and regulatory requirements, may be assigned or transferred in a manner identical to the assignment and transfer of other Units; the Managing General Partner will act as registrar and transfer agent for the Special Units.

(b) Upon the (i) occurrence of (A) the expansion project ("Phase II Expansion Project") of the natural gas storage facility in Tioga County, New York (the "Stagecoach Facility") becoming commercially operational, while adding at least 4 Bcf of working gas capacity to the Stagecoach Facility, as determined by the Managing General Partner in its sole discretion and (B) the capital expended by the Partnership in the Phase II Expansion Project, including any costs associated with the conversion of the Special Units into Common Units pursuant to this paragraph (b) of Section 5.12, is expected to be accretive to the holders of Units prior to August 9, 2006, as determined by the Managing General Partner, in its sole discretion, (ii) sale of the Stagecoach Facility, including the rights to the Phase II Expansion Project, for a purchase price in excess of $231.0 million plus any capital expended by the Partnership in the Phase II Expansion Project and any costs associated with the conversion of the Special Units into Common Units pursuant to this paragraph (b) of Section 5.12, as determined by the Managing General Partner, in its sole discretion, or (iii) the Partnership has determined (A) not to pursue the Phase II Expansion Project and (B) not to transfer the rights to the Phase II Expansion Project to Inergy Holdings, L.P. ("Holdings"), each Special Unit shall be convertible, at the option of the holder thereof, at any time after the occurrence of the events described in clause (i), (ii) or (iii) above (the "Conversion Events") (subject to paragraph (e) below), into that number of validly issued, fully paid and nonassessable Common Units as determined in paragraph (c) of this Section 5.12.

(c) In the event that the Special Units become convertible into Common Units pursuant to paragraph (b) of this Section 5.12, each Special Unit shall convert into Common Units (the "Conversion") at the conversion ratio then in effect on the date of the first Conversion Event, with such conversion ratio initially established at 1.0 Special Unit to 1.0 Common Unit (1:1), but increasing each three months after the issuance of the Special Units by 3% (on a compounded basis), *provided that*, the conversion ratio shall not exceed 1.0 Special Unit to 1.43 Common Units (which conversion ratio shall be reached on August 9, 2008).

(d) Before any holder of Special Units shall be entitled to convert such holder's Special Units into Common Units, he shall surrender the Special Unit Certificate therefor, duly endorsed, at the office of the Managing General Partner or of any transfer agent for the Special Units. In the case of any Conversion, the Partnership shall, as soon as practicable thereafter, and subject to the requirements of Section 6.7(b), issue and deliver at such office to such holder of Special Units one or more Common Unit Certificates, registered in the name of such holder, for the number of Common Units to which he shall be entitled as aforesaid. Such Conversion shall be deemed to have been made as of the date of the surrender of the Special Units to be converted, and the person entitled to receive the Common Units issuable upon such conversion shall be treated for all purposes as the record holder of such Common Units on said date.

(e) The Special Units will be cancelled:

(i) if the Special Units have not converted prior to August 9, 2015; or

(ii) if after August 9, 2008, the Partnership elects not to pursue the Phase II Expansion Project and transfers the Phase II Expansion Project rights to Holdings."

Section 2. General Authority. The appropriate officers of the Managing General Partner are hereby authorized to make such further clarifying and conforming changes they deem necessary or appropriate, and to interpret the Partnership Agreement, to give effect to the intent and purpose of this Amendment No. 3.

Section 3. Ratification of Partnership Agreement. Except as expressly modified and amended herein, all of the terms and conditions of the Partnership Agreement shall remain in full force and effect.

Section 4. Governing Law. This Amendment No. 3 will be governed by and construed in accordance with the laws of the State of Delaware.

IN WITNESS WHEREOF, the Managing General Partner has executed this Amendment No. 3 as of the date first set forth above.

INERGY, L.P.

By: **Inergy GP, LLC,**
its Managing General Partner

By: _____

Name: John J. Sherman
Title: President and Chief Executive Officer

Exhibit 10.1

SPECIAL UNIT

PURCHASE AGREEMENT

by and between

INERGY, L.P.

and

INERGY HOLDINGS, L.P.

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ARTICLE V
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ARTICLE VI
MISCELLANEOUS

SPECIAL UNIT PURCHASE AGREEMENT

This SPECIAL UNIT PURCHASE AGREEMENT, dated as of August 9, 2005 (this "Agreement"), is by and between INERGY, L.P., a Delaware limited partnership ("Inergy"), and INERGY HOLDINGS, L.P., a Delaware limited partnership and affiliate of Inergy ("Purchaser").

WHEREAS, Inergy has entered into a definitive agreement to acquire the membership interests of the entities (collectively, "Stagecoach") that own the Stagecoach natural gas storage facility (the "Stagecoach Acquisition");

WHEREAS, Inergy desires to conduct an expansion project ("Phase II Project") of the natural gas storage facility acquired in the Stagecoach Acquisition (the "Stagecoach Facility"), and further, Inergy desires to finance a portion of the Stagecoach Acquisition and the Phase II Project rights through the sale of the Special Units from Inergy in accordance with the provisions of this Agreement;

WHEREAS, it is a condition to the obligations of Purchaser and Inergy hereunder that the Stagecoach Acquisition be consummated;

WHEREAS, Inergy has agreed to provide Purchaser with certain registration rights with respect to the Special Units acquired pursuant hereto.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.01 Definitions. As used in this Agreement, and unless the context requires a different meaning, the following terms have the meanings indicated:

"Affiliate" means, with respect to a specified Person, any other Person, directly or indirectly controlling, controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control" (including, with correlative meanings, "controlling", "controlled by", and "under common control with") means the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

"Amendment" means the amendment to the Partnership Agreement providing for the Special Unit Amendment as well as the other matters as are reflected on Exhibit A hereto.

"Anniversary Date" means six months from the Closing Date.

"Basic Documents" means, collectively, this Agreement, the Registration Rights Agreement, and any and all other agreements or instruments executed and delivered to Purchaser by Inergy or any Subsidiary of Inergy hereunder or thereunder.

"Business Day" means any day other than a Saturday, Sunday, or a legal holiday for commercial banks in Wilmington, Delaware.

"Closing" shall have the meaning specified in Section 2.03.

"Closing Date" shall have the meaning specified in Section 2.03.

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

"Common Units" means the common units representing limited partner interests in Inergy.

"Delaware LLC Act" means the Delaware Limited Liability Company Act.

"Delaware LP Act" shall have the meaning specified in Section 3.02.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and the rules and regulations of the Commission promulgated thereunder.

"GAAP" means generally accepted accounting principles in the United States of America in effect from time to time.

"General Partners" means Inergy Partners, LLC, a Delaware limited liability company and the non-managing general partner of Inergy, and Inergy GP, LLC, a Delaware limited liability company and the managing general partner of Inergy.

"Governmental Authority" means, with respect to a particular Person, the country, state, county, city and political subdivisions in which such Person or such Person's Property is located or which exercises valid jurisdiction over any such Person or such Person's Property, and any court, agency, department, commission, board, bureau or instrumentality of any of them and any monetary authority which exercises valid jurisdiction over any such Person or such Person's Property. Unless otherwise specified, all references to Governmental Authority herein with respect to Inergy means a Governmental Authority having jurisdiction over Inergy, its Subsidiaries or any of their respective Properties.

"Indemnified Party" shall have the meaning specified in Section 5.03.

"Indemnifying Party" shall have the meaning specified in Section 5.03.

"Inergy" has the meaning set forth in the introductory paragraph.

"Inergy Credit Facility" means the 5-year Credit Agreement dated as of December 17, 2004, as amended through the date hereof, among Inergy and the lenders named therein.

"Inergy Financial Statements" shall have the meaning specified in Section 3.03.

"Inergy Material Adverse Effect" means any material and adverse effect on (a) the assets, liabilities, financial condition, business, operations or affairs of Inergy and its Subsidiaries taken as a whole; (b) the ability of Inergy and its Subsidiaries taken as a whole to carry out their

business as such business is conducted as of the date hereof or to meet their obligations under the Basic Documents on a timely basis; or (c) the ability of Inergy to consummate the transactions under any Basic Document; provided, however, that an Inergy Material Adverse Effect shall not include any material and adverse effect on the foregoing to the extent such material and adverse effect results from, arises out of, or relates to (w) compliance with the terms of the HSR Act as contemplated by the Stagecoach Purchase Agreement or the agreements entered into in connection with the Stagecoach Acquisition, (x) a general deterioration in the economy or changes in the general state of the industries in which the Inergy Parties operate, except to the extent that the Inergy Parties, taken as a whole, are adversely affected in a disproportionate manner as compared to other industry participants, (y) the outbreak or escalation of hostilities involving the United States, the declaration by the United States of a national emergency or war or the occurrence of any other calamity or crisis, including acts of terrorism, or (z) any change in accounting requirements or principles imposed upon Inergy and its Subsidiaries or their respective businesses or any change in applicable Law, or the interpretation thereof.

"Inergy Parties" means Inergy, the General Partners, and all of Inergy's Subsidiaries.

"Inergy Related Parties" shall have the meaning specified in Section 5.02.

"Inergy SEC Documents" shall have the meaning specified in Section 3.03.

"Inergy Significant Subsidiaries" means Inergy Acquisition Company, LLC, a Delaware limited liability company, Inergy Propane, LLC, a Delaware limited liability company, Inergy Sales & Service, Inc., a Delaware corporation, L&L Transportation, LLC, a Delaware limited liability company, Inergy Transportation, LLC, a Delaware limited liability company and Stellar Propane Service, LLC, a Delaware limited liability company.

"Inergy's Knowledge" means the actual knowledge of Laura L. Ozenberger, R. Brooks Sherman, Jr. and John J. Sherman, after reasonable inquiry.

"Law" means any federal, state, local or foreign order, writ, injunction, judgment, settlement, award, decree, statute, law, rule or regulation.

"Lien" means any interest in Property securing an obligation owed to, or a claim by, a Person other than the owner of the Property, whether such interest is based on the common law, statute or contract, and whether such obligation or claim is fixed or contingent, and including but not limited to the lien or security interest arising from a mortgage, encumbrance, pledge, security agreement, conditional sale or trust receipt or a lease, consignment or bailment for security purposes. For the purpose of this Agreement, a Person shall be deemed to be the owner of any Property which it has acquired or holds subject to a conditional sale agreement, or leases under a financing lease or other arrangement pursuant to which title to the Property has been retained by or vested in some other Person in a transaction intended to create a financing.

"NASDAQ" means the NASDAQ National Market.

"Partnership Agreement" means the Second Amended and Restated Agreement of Limited Partnership of Inergy dated as of January 7, 2004, as amended.

"Partnership Securities" means any class or series of equity interest in Inergy (but excluding any options, rights, warrants and appreciation rights relating to an equity interest in Inergy), including without limitation Common Units, Subordinated Units and Incentive Distribution Rights (as defined in the Partnership Agreement).

"Permits" means, with respect to Inergy or any of its Subsidiaries, any licenses, permits, variances, consents, authorizations, waivers, grants, franchises, concessions, exemptions, orders, registrations and approvals of Governmental Authorities or other Persons necessary for the ownership, leasing, operation, occupancy and use of its Properties and the conduct of its businesses as currently conducted.

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

"Property" means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

"Purchase Price" means the monetary commitment amount of $25,000,000.

"Purchased Units" means the number of Special Units equal to the quotient determined by dividing (a) the Purchase Price by (b) the Special Unit Price, rounded to the nearest whole number.

"Purchaser" has the meaning set forth in the introductory paragraph.

"Purchaser Material Adverse Effect" means any material and adverse effect on (a) the assets, liabilities, financial condition, business, operations or affairs of Purchaser; (b) the ability of Purchaser to carry out its business as such business is conducted as of the date hereof or to meet its obligations under the Basic Documents to which it is a party on a timely basis; or (c) the ability of Purchaser to consummate the transactions under any Basic Document to which it is a party.

"Purchaser Related Parties" shall have the meaning specified in Section 5.01.

"Registration Rights Agreement" means the Registration Rights Agreement, to be entered into at the Closing, between Inergy and Purchaser in the form attached hereto as Exhibit B.

"Representatives" of any Person means the officers, directors, employees, agents, counsel, accountants, investment bankers and other representatives of such Person.

"Securities Act" means the Securities Act of 1933, as amended from time to time, and the rules and regulations of the Commission promulgated thereunder.

"Special Unit Amendment" shall have the meaning specified in Section 2.01.

"Special Unit Price" shall have the meaning specified in Section 2.07.

"Special Units" means the special units representing limited partner interests in Inergy.

"Stagecoach Acquisition" has the meaning set forth in the introductory recitals.

"Stagecoach Closing Date" means the date on which the Stagecoach Acquisition is consummated.

"Stagecoach Purchase Agreement" means the purchase agreement among Stagecoach Holding, LLC, Stagecoach Energy, LLC, Stagecoach Holding II, LLC, Inergy Acquisition Company, LLC, Inergy Storage, Inc. and Inergy Stagecoach II, LLC pursuant to which the parties thereto will consummate the Stagecoach Acquisition.

"Subordinated Units" means the senior subordinated units and the junior subordinated units representing subordinated limited partner interests in Inergy.

"Subsidiary" means, as to any Person, any corporation or other entity of which: (i) such Person or a Subsidiary of such Person is a general partner or manager; or (ii) at least a majority of the outstanding equity interest having by the terms thereof ordinary voting power to elect a majority of the board of directors or similar governing body of such corporation or other entity (irrespective of whether or not at the time any equity interest of any other class or classes of such corporation or other entity shall have or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned or controlled by such Person or one or more of its Subsidiaries.

Section 1.02 Accounting Procedures and Interpretation. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all determinations with respect to accounting matters hereunder shall be made, and all Inergy Financial Statements and certificates and reports as to financial matters required to be furnished to Purchaser hereunder shall be prepared, in accordance with GAAP applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto or, in the case of unaudited statements, as permitted by Form 10-Q promulgated by the Commission) and in compliance as to form in all material respects with applicable accounting requirements and with the published rules and regulations of the Commission with respect thereto.

ARTICLE II
AGREEMENT TO SELL AND PURCHASE

Section 2.01 Authorization of Sale of Special Units. Inergy has authorized the issuance and sale to Purchaser of the Purchased Units. The Purchased Units shall have those rights, preferences, privileges and restrictions governing the Special Units which shall be reflected in an amendment to the Partnership Agreement to be adopted immediately prior to the issuance and sale of the Special Units contemplated hereby (the "Special Unit Amendment").

Section 2.02 Sale and Purchase. Contemporaneous with the consummation of the Stagecoach Acquisition and subject to the terms and conditions hereof, Inergy hereby agrees to issue and sell to Purchaser, and Purchaser hereby agrees to purchase from Inergy, the Purchased Units, and Purchaser agrees to pay Inergy the Purchase Price.

Section 2.03 Closing. Subject to the terms and conditions hereof, the consummation of the purchase and sale of the Purchased Units hereunder (the "Closing") shall take place contemporaneous with the Stagecoach Closing Date, provided that Inergy shall have given Purchaser at least two (2) Business Days (or such shorter period as shall be agreeable to all parties hereto) prior notice of such designated closing date (such date, the "Closing Date"), at the offices of Vinson & Elkins L.L.P., 1001 Fannin Street, Suite 2300, Houston, Texas 77002.

Section 2.04 Conditions to the Closing.

(a) Mutual Conditions. The respective obligations of each party to consummate the purchase and issuance and sale of the Purchased Units shall be subject to the satisfaction on or prior to the Closing Date of each of the following conditions (any or all of which may be waived by a particular party on behalf of itself in writing, in whole or in part, to the extent permitted by applicable Law):

(i) no statute, rule, order, decree or regulation shall have been enacted or promulgated, and no action shall have been taken, by any Governmental Authority of competent jurisdiction which temporarily, preliminarily or permanently restrains, precludes, enjoins or otherwise prohibits the consummation of the transactions contemplated hereby or makes the transactions contemplated hereby illegal;

(ii) there shall not be pending any suit, action or proceeding by any Governmental Authority seeking to restrain, preclude, enjoin or prohibit the transactions contemplated by this Agreement; and

(iii) Inergy shall have consummated the Stagecoach Acquisition.

(b) Purchaser's Conditions. The obligation of Purchaser to consummate the purchase of the Purchased Units shall be subject to the satisfaction on or prior to the Closing Date of each of the following conditions (any or all of which may be waived by Purchaser in writing, in whole or in part, to the extent permitted by applicable Law):

(i) Inergy shall have performed and complied with the covenants and agreements contained in this Agreement which are required to be performed and complied with by Inergy on or prior to the Closing Date;

(ii) The representations and warranties of Inergy contained in this Agreement that are qualified by materiality or Inergy Material Adverse Effect shall be true and correct when made and as of the Closing Date and all other representations and warranties shall be true and correct in all material respects when made and as of the Closing Date, in each case as though made at and as of the Closing Date (except that representations made as of a specific date shall be required to be true and correct as of such date only);

(iii) Since the date of this Agreement, no Inergy Material Adverse Effect shall have occurred and be continuing;

(iv) Inergy shall have delivered, or caused to be delivered, to Purchaser at the Closing, Inergy's closing deliveries described in Section 2.05:

(c) Inergy's Conditions. The obligation of Inergy to consummate the sale of the Purchased Units to Purchaser shall be subject to the satisfaction on or prior to the Closing Date of the condition (which may be waived by Inergy in writing, in whole or in part, to the extent permitted by applicable Law) that the representations and warranties of Purchaser contained in this Agreement that are qualified by materiality or a Purchaser Material Adverse Effect shall be true and correct when made and as of the Closing Date, all other representations and warranties shall be true and correct in all material respects when made and as of the Closing Date, in each case as though made at and as of the Closing Date (except that representations made as of a specific date shall be required to be true and correct as of such date only, and Inergy shall have received a certificate signed on behalf of Purchaser to such effect), and Purchaser shall have delivered, or caused to be delivered, to Inergy at the Closing Purchaser's closing deliveries described in Section 2.06.

Section 2.05 Inergy Deliveries. At the Closing, subject to the terms and conditions hereof, Inergy will deliver, or cause to be delivered, to Purchaser:

(a) The Purchased Units to be purchased by such Purchaser by delivery of certificates evidencing such Purchased Units (bearing the legend set forth in Section 4.05(e)) and meeting the requirements of the Partnership Agreement, free and clear of any Liens of any other Person, other than transfer restrictions under applicable federal and state securities laws;

(b) Copies of the Certificate of Limited Partnership of Inergy and of the Certificate of Formation of Inergy GP, LLC;

(c) A certificate of the Secretary of State of the State of Delaware, dated a recent date, that Inergy is in good standing;

(d) A certificate of the Secretary or Assistant Secretary of Inergy GP, LLC, on behalf of Inergy, certifying as to (1) the Partnership Agreement, (2) board resolutions authorizing the execution and delivery of this Agreement and all of the agreements and instruments to be executed and delivered by Inergy in connection herewith, and the consummation of the transactions contemplated hereby, (3) its incumbent officers authorized to execute and deliver this Agreement and the other agreements and instruments contemplated hereby, setting forth the name and title and bearing the signatures of such officers and (4) the Certificate of Limited Partnership of Inergy and of the Certificate of Formation of Inergy GP, LLC;

(e) A certificate, dated the Closing Date and signed by (x) the President and Chief Executive Officer and (y) the Senior Vice President and Chief Financial Officer of the Inergy GP, LLC, in their capacities as such, stating that:

(i) Inergy has performed and complied with the covenants and agreements contained in this Agreement which are required to be performed and complied with by Inergy on or prior to the Closing Date; and

(ii) The representations and warranties of Inergy contained in this Agreement that are qualified by materiality or Inergy Material Adverse Effect shall be true and correct when made and as of the Closing Date and all other representations and warranties shall be true and correct in all material respects when made and as of the Closing Date, in each case as though made at and as of the Closing Date (except that representations made as of a specific date shall be required to be true and correct as of such date only);

(f) A certificate of the Secretary of State of the State of Delaware, dated a recent date, that Inergy is in good standing;

(g) A cross-receipt executed by Inergy and delivered to Purchaser certifying that it has received the Purchase Price as of the Closing Date;

(h) An opinion addressed to Purchaser from legal counsel to Inergy, dated as of the Closing, in the form and substance attached hereto as Exhibit C; and

(i) The Registration Rights Agreement in substantially the form attached hereto as Exhibit B, which shall have been duly executed by Inergy.

Section 2.06 Purchaser Deliveries.

(a) Payment to Inergy of the Purchase Price hereto by wire transfer of immediately available funds to an account designated by Inergy in writing at least three (3) Business Days (or such shorter period as shall be agreeable to all parties hereto) prior to the Closing;

(b) A certificate of the Secretary or Assistant Secretary of the Purchaser, on behalf of Purchaser, certifying as to (1) the Partnership Agreement, (2) board resolutions authorizing the execution and delivery of this Agreement and all of the agreements and instruments to be executed and delivered by Purchaser in connection herewith, and the consummation of the transactions contemplated hereby and (3) its incumbent officers authorized to execute and deliver this Agreement and the other agreements and instruments contemplated hereby, setting forth the name and title and bearing the signatures of such officers;

(c) A certificate, dated the Closing Date and signed by (x) the President and Chief Executive Officer and (y) the Chief Financial Officer of Purchaser, in their capacities as such, stating that:

(i) Purchaser has performed and complied with the covenants and agreements contained in this Agreement which are required to be performed and complied with by Purchaser on or prior to the Closing Date; and

(ii) The representations and warranties of Purchaser contained in this Agreement that are qualified by materiality or Purchaser Material Adverse Effect shall be true and correct when made and as of the Closing Date and all other representations and warranties shall be true and correct in all material respects when made and as of the Closing Date, in each case as though made at and as of the Closing Date (except that representations made as of a specific date shall be required to be true and correct as of such date only).

(d) The Registration Rights Agreement in substantially the form attached hereto as Exhibit B, which shall have been duly executed by Purchaser; and

(e) A cross-receipt executed by Purchaser and delivered to Inergy certifying that it has received the Purchased Units as of the Closing Date.

Section 2.07 Price Per Unit. The amount per Special Unit the Purchaser will pay to Inergy to purchase the Purchased Units (the "Special Unit Price") shall be $32.47, an amount which represents the average closing price of the Common Units as reported by the Bloomberg Professional Financial Reporting Service for the ten (10) trading days immediately ending prior to the Closing Date.

Section 2.08 Lock-Up. Purchaser agrees that from and after Closing it will not sell any of the Purchased Units prior to the Anniversary Date.

ARTICLE III
REPRESENTATIONS AND WARRANTIES RELATED TO INERGY

Inergy represents and warrants to Purchaser as follows:

Section 3.01 Corporate Existence. Inergy (a) is a limited partnership duly formed, validly existing and in good standing under the laws of the State of Delaware; and (b) has all requisite power and authority, and has all governmental licenses, authorizations, consents and approvals necessary, to own, lease, use and operate its Properties and carry on its business as its business is now being conducted, except where the failure to obtain such licenses, authorizations, consents and approvals would not be reasonably likely to have an Inergy Material Adverse Effect. Each of Inergy's Subsidiaries that is a corporation is a corporation duly incorporated, validly existing and in good standing under the laws of the State or other jurisdiction of its incorporation and has all requisite power and authority, and has all governmental licenses, authorizations, consents and approvals necessary, to own, lease, use or operate its respective Properties and carry on its business as now being conducted, except where the failure to obtain such licenses, authorizations, consents and approvals would not be reasonably likely to have an Inergy Material Adverse Effect. Each of Inergy's other Subsidiaries has been duly formed, is validly existing and in good standing under the laws of the State or other jurisdiction of its organization and has all requisite power and authority, and has all governmental licenses, authorizations, consents and approvals necessary, to own, lease, use or operate its respective Properties and carry on its business as now being conducted, except where the failure to obtain such licenses, authorizations, consents and approvals would not be reasonably likely to have an Inergy Material Adverse Effect. None of Inergy or any of its Subsidiaries are in default in the performance, observance or fulfillment of any provision of, in the case of Inergy, the Partnership Agreement or its Certificate of Limited Partnership or, in the case of any Subsidiary of Inergy, its respective certificate of incorporation, certification of formation, bylaws, limited liability company agreement or other similar organizational documents. Each of Inergy and its Subsidiaries is duly qualified or licensed and in good standing as a foreign limited partnership,

limited liability company or corporation, as applicable, and is authorized to do business in each jurisdiction in which the ownership or leasing of its respective Properties or the character of its respective operations makes such qualification necessary, except where the failure to obtain such qualification, license, authorization or good standing would not be reasonably likely to have an Inergy Material Adverse Effect.

Section 3.02 Capitalization and Valid Issuance of Purchased Units.

(a) As of the date of this Agreement, the issued and outstanding limited partner interests of Inergy consist of 26,254,645 Common Units, 5,478,568 Senior Subordinated Units and 1,145,084 Junior Subordinated Units and the Incentive Distribution Rights, as defined in the Partnership Agreement. The only issued and outstanding general partner interests of Inergy are the interests of the General Partners described in the Partnership Agreement. All outstanding Common Units, Senior Subordinated Units, Junior Subordinated Units and Incentive Distribution Rights and the limited partner interests represented thereby have been duly authorized and validly issued in accordance with the Partnership Agreement and are fully paid (to the extent required under the Partnership Agreement) and nonassessable (except as such nonassessability may be affected by matters described in Section 17-607 of the Delaware Revised Uniform Limited Partnership Act (the "Delaware LP Act").

(b) Other than Inergy's Long-Term Incentive Plan, as amended, and Inergy's Employee Unit Purchase Plan, as amended and restated, Inergy has no equity compensation plans that contemplate the issuance of Common Units (or securities convertible into or exchangeable for Common Units). No indebtedness having the right to vote (or convertible into or exchangeable for securities having the right to vote) on any matters on which Inergy unitholders may vote are issued or outstanding. Except as set forth in the first sentence of this Section 3.02(b) or as are contained in the Partnership Agreement, there are no outstanding or authorized (i) options, warrants, preemptive rights, subscriptions, calls, or other rights, convertible or exchangeable securities, agreements, claims or commitments of any character obligating Inergy or any of its Subsidiaries to issue, transfer or sell any partnership interests or other equity interest in, Inergy or any of its Subsidiaries or securities convertible into or exchangeable for such partnership interests, (ii) obligations of Inergy or any of its Subsidiaries to repurchase, redeem or otherwise acquire any partnership interests or equity interests of Inergy or any of its Subsidiaries or any such securities or agreements listed in clause (i) of this sentence or (iii) voting trusts or similar agreements to which Inergy or any of its Subsidiaries is a party with respect to the voting of the equity interests of Inergy or any of its Subsidiaries, other than the Unitholder Agreement of United Propane, Inc. relating to the voting of its Common Units. None of the offering or sale of the Special Units or the registration of the Special Units pursuant to the Registration Rights Agreement, all as contemplated by this Agreement gives rise to any rights for or relating to the registration of any Common Units or other securities of the Partnership other than those rights granted under that certain Investors Rights Agreement dated as of January 12, 2001, by and among Inergy Partners, LLC (as predecessor to Inergy) and the investors named therein, that certain Registration Rights Agreement dated as of December 19, 2001, by and between Inergy and TJPCH Acquisition Corp., and those rights granted to the General Partners or any of their Affiliates (as such term is defined in the Partnership Agreement) under Section 7.12 of the Partnership Agreement.

(c) (i) All of the issued and outstanding equity interests of each of Inergy's Subsidiaries are owned, directly or indirectly, by Inergy free and clear of any Liens (except for such restrictions as may exist under applicable Law and except for such Liens as may be imposed under the Inergy Credit Facility), and all such ownership interests have been duly authorized, validly issued and are fully paid (to the extent required in the organizational documents of Inergy's Subsidiaries, as applicable) and non assessable (except as such nonassessability may be affected by matters arising under Section 18-607 of the Delaware LLC Act) and free of preemptive rights, with no personal liability attaching to the ownership thereof except where the failure to own such interests free and clear of any Liens would not be reasonably likely to have an Inergy Material Adverse Effect.

(d) The Special Units being purchased by Purchaser hereunder and the limited partner interests represented thereby, will be duly authorized by Inergy pursuant to the Partnership Agreement prior to the Closing and, when issued and delivered to Purchaser against payment therefor in accordance with the terms of this Agreement, will be validly issued, fully paid (to the extent required by the Partnership Agreement) and nonassessable (except as such nonassessability may be affected by matters described in Section 17-607 of the Delaware LP Act) and will be free of any and all Liens and restrictions on transfer, other than restrictions on transfer under the Partnership Agreement or this Agreement and under applicable state and federal securities laws and other than such Liens as are created by Purchaser.

(e) The Common Units are quoted on the NASDAQ.

Section 3.03 Inergy SEC Documents. Inergy has timely filed with the Commission all forms, registration statements, reports, schedules and statements required to be filed by it under the Exchange Act or the Securities Act (all such documents together with the Registration Statement, collectively "Inergy SEC Documents"). The Inergy SEC Documents, including, without limitation, any audited or unaudited financial statements and any notes thereto or schedules included therein (the "Inergy Financial Statements") at the time filed (in the case of registration statements, solely on the dates of effectiveness) (except to the extent corrected by a subsequently filed Inergy SEC Document filed prior to the date hereof) (a) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, (b) complied in all material respects with the applicable requirements of the Exchange Act and the Securities Act, as the case may be, (c) complied as to form in all material respects with applicable accounting requirements and with the published rules and regulations of the Commission with respect thereto, (d) were prepared in accordance with GAAP applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto or, in the case of unaudited statements, as permitted by Form 10-Q of the Commission), and (e) fairly present (subject in the case of unaudited statements to normal, recurring and year-end audit adjustments) in all material respects the consolidated financial position and status of the business of Inergy as of the dates thereof and the consolidated results of its operations and cash flows for the periods then ended. Ernst & Young LLP is an independent public accounting firm with respect to Inergy and the General Partners and has not resigned or been dismissed as independent public accountants of Inergy as a result of or in connection with any disagreement with Inergy on a matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.

Section 3.04 No Material Adverse Change. Except as set forth in or contemplated by the Inergy SEC Documents filed with the Commission on or prior to the date hereof and except for the proposed Stagecoach Acquisition which has been discussed with Purchaser, since the date of Inergy's most recent Form 10-K filing with the Commission, Inergy and its Subsidiaries have conducted their respective businesses in the ordinary course, consistent with past practice, and there has been no (a) change, event, occurrence, effect, fact, circumstance or condition that has had or would be reasonably likely to have an Inergy Material Adverse Effect, other than those occurring as a result of general economic or financial conditions or other developments that are not unique to Inergy and its Subsidiaries but also affect other Persons who participate or are engaged in the lines of business of which Inergy and its Subsidiaries participate or are engaged, except, in each case, to the extent such condition or development affects Inergy to a significantly greater extent than other similarly situated companies generally, (b) acquisition or disposition of any material asset by Inergy or any of its Subsidiaries or any contract or arrangement therefor, otherwise than for fair value in the ordinary course of business or as disclosed in the Inergy SEC Documents, or (c) material change in Inergy's accounting principles, practices or methods.

Section 3.05 Litigation. Except as set forth in the Inergy SEC Documents, there is no action, suit, or proceeding pending (including any investigation, litigation or inquiry) or, to Inergy's Knowledge, contemplated or threatened against or affecting any of the Inergy Parties or any of their respective officers, directors, properties or assets, which (individually or in the aggregate) (a) questions the validity of this Agreement or the Registration Rights Agreement or the right of Inergy to enter into this Agreement or the Registration Rights Agreement or to consummate the transactions contemplated hereby and thereby or (b) would be reasonably likely to result in an Inergy Material Adverse Effect.

Section 3.06 No Conflicts. The execution, delivery and performance by Inergy of the Basic Documents, the Stagecoach Purchase Agreement and any and all other agreements or instruments executed by Inergy in connection with the Stagecoach Acquisition hereunder or thereunder, and compliance by Inergy with the terms and provisions hereof and thereof, and the issuance and sale by Inergy of the Purchased Units, do not and will not (a) violate any provision of any Law or Permit having applicability to Inergy or any of its Subsidiaries or any of their respective Properties, (b) conflict with or result in a violation or breach of any provision of the Certificate of Limited Partnership or other organizational documents of Inergy, or the Partnership Agreement, or any organizational documents of any of Inergy's Subsidiaries, (c) require any consent, approval or notice under or result in a violation or breach of or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, cancellation or acceleration) under any contract, agreement, instrument, obligation, note, bond, mortgage, license, loan or credit agreement to which Inergy or any of its Subsidiaries is a party or by which Inergy or any of its Subsidiaries or any of their respective Properties may be bound, or (d) result in or require the creation or imposition of any Lien upon or with respect to any of the Properties now owned or hereafter acquired by Inergy or any of its Subsidiaries; with the exception of the conflicts stated in clause (b) of this Section 3.06, except where such conflict, violation, default, breach, termination, cancellation, failure to receive consent or approval, or acceleration with respect to the foregoing provisions of this Section 3.06 would not be, individually or in the aggregate, reasonably likely to have an Inergy Material Adverse Effect.

Section 3.07 Authority. Inergy has all necessary partnership power and authority to execute, deliver and perform its obligations under the Basic Documents, the Stagecoach Purchase Agreement and any and all other agreements or instruments executed by Inergy in connection with the Stagecoach Acquisition hereunder or thereunder; and the execution, delivery and performance by Inergy of the Basic Documents, the Stagecoach Purchase Agreement and any and all other agreements or instruments executed by Inergy in connection with the Stagecoach Acquisition hereunder or thereunder, have been duly authorized by all necessary action on its part; and the Basic Documents, the Stagecoach Purchase Agreement and any and all other agreements or instruments executed by Inergy in connection with the Stagecoach Acquisition hereunder or thereunder, constitute the legal, valid and binding obligations of Inergy, enforceable in accordance with their terms, except as such enforceability may be limited by bankruptcy, insolvency, fraudulent transfer and similar laws affecting creditors' rights generally or by general principles of equity. No approval from the holders of the Common Units is required in connection with Inergy's issuance and sale of the Purchased Units to Purchaser.

Section 3.08 Approvals. Except for the approvals required by the Commission in connection with Inergy's obligations under the Registration Rights Agreement, no authorization, consent, approval, waiver, license, qualification or written exemption from, nor any filing, declaration, qualification or registration with, any Governmental Authority or any other Person is required in connection with the execution, delivery or performance by Inergy of any of the Basic Documents, the Stagecoach Purchase Agreement and any and all other agreements or instruments executed by Inergy in connection with the Stagecoach Acquisition hereunder or thereunder, except where the failure to receive such authorization, consent, approval, waiver, license, qualification or written exemption from, or to make such filing, declaration, qualification or registration would not, individually or in the aggregate, be reasonably likely to have an Inergy Material Adverse Effect.

Section 3.09 MLP Status. Inergy has, for each taxable year beginning after September 31, 2001, during which Inergy was in existence, met the gross income requirements of Section 7704(c)(2) of the Internal Revenue Code of 1986, as amended.

Section 3.10 Offering. Assuming the accuracy of the representations and warranties of the Purchaser contained in this Agreement, the sale and issuance of the Purchased Units to the Purchaser pursuant to this Agreement is exempt from the registration requirements of the Securities Act, and neither Inergy nor any authorized agent acting on its behalf has taken or will take any action hereafter that would cause the loss of such exemptions.

Section 3.11 Investment Company Status. Inergy is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

Section 3.12 Certain Fees. No fees or commissions are or will be payable by Inergy to brokers, finders, or investment bankers with respect to the sale of any of the Purchased Units or the consummation of the transaction contemplated by this Agreement. Inergy agrees that it will indemnify and hold harmless Purchaser from and against any and all claims, demands, or liabilities for broker's, finder's, placement, or other similar fees or commissions incurred by Inergy or alleged to have been incurred by Inergy in connection with the sale of Purchased Units or the consummation of the transactions contemplated by this Agreement.

Section 3.13 No Side Agreements. There are no agreements by, among or between Inergy or any of its Affiliates, on the one hand, and Purchaser or any of its Affiliates, on the other hand, with respect to the transactions contemplated hereby nor promises or inducements for future transactions between or among any of such parties.

Section 3.14 Accretive Acquisition. The General Partners have determined, in good faith, that the Stagecoach Acquisition is an "Acquisition" (as defined in the Partnership Agreement) that satisfies the requirements of Section 5.7(b) of the Partnership Agreement and thus allows the issuance of the Purchased Units without the prior approval of the Inergy unitholders.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to Inergy that:

Section 4.01 Corporate Existence. Purchaser (a) is duly formed, legally existing and in good standing under the laws of its jurisdiction of organization; and (b) has all requisite power and authority, and has all governmental licenses, authorizations, consents and approvals necessary, to own, lease, use and operate its Properties and carry on its business as its business is now being conducted, except where the failure to obtain such licenses, authorizations, consents and approvals would not have or would not reasonably be expected to have a Purchaser Material Adverse Effect. Purchaser is not in default in the performance, observance or fulfillment of any provision of its organizational documents, except where such default would not have or would not be reasonably likely to have a Purchaser Material Adverse Effect.

Section 4.02 No Conflicts. The execution, delivery and performance by Purchaser of this Agreement, the Registration Rights Agreement and all other agreements and instruments to be executed and delivered by Purchaser pursuant hereto or thereto or in connection with the transactions contemplated by this Agreement, the Registration Rights Agreement or any such other agreements and instruments, and compliance by Purchaser with the terms and provisions hereof and thereof, and the purchase of the Purchased Units by Purchaser do not and will not (a) violate any provision of any Law or Permit having applicability to Purchaser or any of its Properties, (b) conflict with or result in a violation or breach of any provision of the organizational documents of Purchaser, (c) require any consent, approval or notice under or result in a violation or breach of or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, cancellation or acceleration) under any contract, agreement, instrument, obligation, note, bond, mortgage, license, loan or credit agreement to which Purchaser is a party or by which Purchaser or any of its Properties may be bound, or (d) result in or require the creation or imposition of any Lien upon or with respect to any of the Properties now owned or hereafter acquired by Purchaser; with the exception of the conflicts stated in clause (b) of this Section 4.02, except where such conflict, violation, default, breach, termination, cancellation, failure to receive consent or approval, or acceleration with respect to the foregoing provisions of this Section 4.02 would not, individually or in the aggregate, be reasonably likely to have a Purchaser Material Adverse Effect.

Section 4.03 Certain Fees. No fees or commissions are or will be payable by Purchaser to brokers, finders, or investment bankers with respect to the purchase of any of the Purchased Units or the consummation of the transaction contemplated by this Agreement. Purchaser agrees that it will indemnify and hold harmless Inergy from and against any and all claims, demands, or liabilities for broker's, finder's, placement, or other similar fees or commissions incurred by Purchaser or alleged to have been incurred by Purchaser in connection with the purchase of the Purchased Units or the consummation of the transactions contemplated by this Agreement.

Section 4.04 No Side Agreements. There are no other agreements by, among or between Purchaser and any of its Affiliates, on the one hand, and Inergy or any of its Affiliates, on the other hand, with respect to the transactions contemplated hereby nor promises or inducements for future transactions between or among any of such parties.

Section 4.05 Unregistered Securities.

(a) Investment. The Purchased Units are being acquired for its own account, not as a nominee or agent, and with no intention of distributing the Purchased Units or any part thereof, and that Purchaser has no present intention of selling or granting any participation in or otherwise distributing the same in any transaction in violation of the securities laws of the United States of America or any State, without prejudice, however, to Purchaser's right at all times to sell or otherwise dispose of all or any part of the Purchased Units under a registration statement under the Securities Act and applicable state securities laws or under an exemption from such registration available thereunder (including, without limitation, if available, Rule 144 promulgated thereunder). If Purchaser should in the future decide to dispose of any of the Purchased Units, Purchaser understands and agrees (a) that it may do so only (i) in compliance with the Securities Act and applicable state securities law, as then in effect, or (ii) in the manner contemplated by any registration statement pursuant to which such securities are being offered, and (b) that stop-transfer instructions to that effect will be in effect with respect to such securities.

(b) Nature of Purchaser. Purchaser represents and warrants to, and covenants and agrees with, Inergy that, (a) it is an "accredited investor" within the meaning of Rule 501 of Regulation D promulgated by the Securities and Exchange Commission pursuant to the Securities Act and (b) by reason of its business and financial experience it has such knowledge, sophistication and experience in making similar investments and in business and financial matters generally so as to be capable of evaluating the merits and risks of the prospective investment in the Purchased Units, is able to bear the economic risk of such investment and, at the present time, would be able to afford a complete loss of such investment.

(c) Receipt of Information; Authorization. Purchaser acknowledges that it has (a) had access to Inergy's periodic filings with the Commission, including Inergy's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and the current reports filed on Form 8-K, (b)had access to information regarding the proposed Stagecoach Acquisition and its potential effect on Inergy's operations and financial results and (c) been provided a reasonable opportunity to ask questions of and receive answers from Representatives of Inergy regarding such matters.

(d) Restricted Securities. Purchaser understands that the Purchased Units it is purchasing are characterized as "restricted securities" under the federal securities laws inasmuch as they are being acquired from Inergy in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Securities Act only in certain limited circumstances. In this connection, Purchaser represents that it is knowledgeable with respect to Rule 144 of the Commission promulgated under the Securities Act.

(e) Legend. It is understood that the certificates evidencing the Purchased Units will bear the following legend: "These securities have not been registered under the Securities Act of 1933, as amended. They may not be sold, offered for sale, pledged or hypothecated in the absence of a registration statement in effect with respect to the securities under such Act or an opinion of counsel satisfactory to the Company that such registration is not required or unless sold pursuant to Rule 144 of such Act."

ARTICLE V
INDEMNIFICATION, COSTS AND EXPENSES

Section 5.01 Indemnification by Inergy. Inergy agrees to indemnify Purchaser and its Representatives (collectively, "Purchaser Related Parties") from, and hold each of them harmless against, any and all actions, suits, proceedings (including any investigations, litigation or inquiries), demands, and causes of action, and, in connection therewith, and promptly upon demand, pay or reimburse each of them for all reasonable costs, losses, liabilities, damages, or expenses of any kind or nature whatsoever, including, without limitation, the reasonable fees and disbursements of counsel and all other reasonable expenses incurred in connection with investigating, defending or preparing to defend any such matter that may be incurred by them or asserted against or involve any of them as a result of, arising out of, or in any way related to the breach of any of the representations, warranties or covenants of Inergy contained herein, provided such claim for indemnification relating to a breach of a representation or warranty is made prior to the expiration of such representation or warranty.

Section 5.02 Indemnification by Purchaser. Purchaser agrees to indemnify Inergy, the General Partners and their respective Representatives (collectively, "Inergy Related Parties") from, and hold each of them harmless against, any and all actions, suits, proceedings (including any investigations, litigation or inquiries), demands, and causes of action, and, in connection therewith, and promptly upon demand, pay or reimburse each of them for all reasonable costs, losses, liabilities, damages, or expenses of any kind or nature whatsoever, including, without limitation, the reasonable fees and disbursements of counsel and all other reasonable expenses incurred in connection with investigating, defending or preparing to defend any such matter that may be incurred by them or asserted against or involve any of them as a result of, arising out of, or in any way related to the breach of any of the representations, warranties or covenants of Purchaser contained herein, provided such claim for indemnification relating to a breach of the representations and warranties is made prior to the expiration of such representations and warranties.

Section 5.03 Indemnification Procedure. Promptly after any Inergy Related Party or Purchaser Related Party (hereinafter, the "Indemnified Party") has received notice of any

indemnifiable claim hereunder, or the commencement of any action, suit or proceeding by a third person, which the Indemnified Party believes in good faith is an indemnifiable claim under this Agreement, the Indemnified Party shall give the indemnitor hereunder (the "Indemnifying Party") written notice of such claim or the commencement of such action, suit or proceeding, but failure to so notify the Indemnifying Party will not relieve the Indemnifying Party from any liability it may have to such Indemnified Party hereunder except to the extent that the Indemnifying Party is materially prejudiced by such failure. Such notice shall state the nature and the basis of such claim to the extent then known. The Indemnifying Party shall have the right to defend and settle, at its own expense and by its own counsel, any such matter as long as the Indemnifying Party pursues the same diligently and in good faith. If the Indemnifying Party undertakes to defend or settle, it shall promptly notify the Indemnified Party of its intention to do so, and the Indemnified Party shall cooperate with the Indemnifying Party and its counsel in all commercially reasonable respects in the defense thereof and the settlement thereof. Such cooperation shall include, but shall not be limited to, furnishing the Indemnifying Party with any books, records and other information reasonably requested by the Indemnifying Party and in the Indemnified Party's possession or control. Such cooperation of the Indemnified Party shall be at the cost of the Indemnifying Party. After the Indemnifying Party has notified the Indemnified Party of its intention to undertake to defend or settle any such asserted liability, and for so long as the Indemnifying Party diligently pursues such defense, the Indemnifying Party shall not be liable for any additional legal expenses incurred by the Indemnified Party in connection with any defense or settlement of such asserted liability; provided, however, that the Indemnified Party shall be entitled (i) at its expense, to participate in the defense of such asserted liability and the negotiations of the settlement thereof and (ii) if (A) the Indemnifying Party has failed to assume the defense and employ counsel or (B) if the defendants in any such action include both the Indemnified Party and the Indemnifying Party and counsel to the Indemnified Party shall have concluded that there may be reasonable defenses available to the Indemnified Party that are different from or in addition to those available to the Indemnifying Party or if the interests of the Indemnified Party reasonably may be deemed to conflict with the interests of the Indemnifying Party, then the Indemnified Party shall have the right to select a separate counsel and to assume such legal defense and otherwise to participate in the defense of such action, with the expenses and fees of such separate counsel and other expenses related to such participation to be reimbursed by the Indemnifying Party as incurred. Notwithstanding any other provision of this Agreement, the Indemnifying Party shall not settle any indemnified claim without the consent of the Indemnified Party, unless the settlement thereof imposes no liability or obligation on, and includes a complete release from liability of, the Indemnified Party.

ARTICLE VI
MISCELLANEOUS

Section 6.01 Interpretation and Survival of Provisions. Article, Section, Schedule, and Exhibit references are to this Agreement, unless otherwise specified. All references to instruments, documents, contracts, and agreements are references to such instruments, documents, contracts, and agreements as the same may be amended, supplemented, and otherwise modified from time to time, unless otherwise specified. The word "including" shall mean "including but not limited to." Whenever Inergy has an obligation under the Basic Documents, the expense of complying with that obligation shall be an expense of Inergy unless otherwise specified. Whenever any determination, consent, or approval is to be made or given

by Purchaser, such action shall be in Purchaser's sole discretion unless otherwise specified in this Agreement. If any provision in the Basic Documents is held to be illegal, invalid, not binding, or unenforceable, such provision shall be fully severable and the Basic Documents shall be construed and enforced as if such illegal, invalid, not binding, or unenforceable provision had never comprised a part of the Basic Documents, and the remaining provisions shall remain in full force and effect.

Section 6.02 Survival of Provisions. The representations and warranties set forth in Sections 3.02, 3.12, 3.13, 4.03, 4.04 and 4.05 hereunder shall survive the execution and delivery of this Agreement indefinitely, and the other representations and warranties set forth herein shall survive for a period of twelve (12) months following the Closing Date regardless of any investigation made by or on behalf of Inergy or Purchaser. The covenants made in this Agreement or any other Basic Document shall survive the Closing of the transactions described herein and remain operative and in full force and effect regardless of acceptance of any of the Purchased Units and payment therefor and repayment, conversion, exercise or repurchase thereof. All indemnification obligations of Inergy and Purchaser and the provisions of Article V shall remain operative and in full force and effect unless such obligations are expressly terminated in a writing referencing that individual Section, regardless of any purported general termination of this Agreement.

Section 6.03 No Waiver: Modifications in Writing.

(a) Delay. No failure or delay on the part of any party in exercising any right, power, or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power, or remedy preclude any other or further exercise thereof or the exercise of any right, power, or remedy. The remedies provided for herein are cumulative and are not exclusive of any remedies that may be available to a party at law or in equity or otherwise.

(b) Specific Waiver. Except as otherwise provided herein, no amendment, waiver, consent, modification, or termination of any provision of this Agreement or any other Basic Document shall be effective unless signed by each of the parties hereto or thereto affected by such amendment, waiver, consent, modification, or termination. Any amendment, supplement or modification of or to any provision of this Agreement or any other Basic Document, any waiver of any provision of this Agreement or any other Basic Document, and any consent to any departure by Inergy from the terms of any provision of this Agreement or any other Basic Document shall be effective only in the specific instance and for the specific purpose for which made or given. Except where notice is specifically required by this Agreement, no notice to or demand on Inergy in any case shall entitle Inergy to any other or further notice or demand in similar or other circumstances.

Section 6.04 Binding Effect; Assignment.

(a) Binding Effect. This Agreement shall be binding upon Inergy, Purchaser, and their respective successors and permitted assigns. Except as expressly provided in this Agreement, this Agreement shall not be construed so as to confer any right or benefit upon any Person other than the parties to this Agreement and their respective successors and permitted assigns.

(b) Assignment of Purchased Units. All or any portion of Purchased Units purchased pursuant to this Agreement may be sold, assigned or pledged by Purchaser, subject to compliance with applicable securities laws, Section 2.08 herein and the Registration Rights Agreement.

(c) Assignment of Rights. All or any portion of the rights and obligations of Purchaser under this Agreement may not be transferred by Purchaser without the written consent of Inergy.

Section 6.05 Communications. All notices and demands provided for hereunder shall be in writing and shall be given by registered or certified mail, return receipt requested, telecopy, air courier guaranteeing overnight delivery or personal delivery to the following addresses:

(a) If to Purchaser:

Inergy Holdings, L.P.
Two Brush Creek Boulevard, Suite 200
Kansas City, Missouri 64112
Attention: Laura L. Ozenberger
Facsimile: (816) 531-4680

(b) If to Inergy:

Inergy, L.P.
Two Brush Creek Boulevard., Suite 200
Kansas City, Missouri 64112
Attention: John J. Sherman
Facsimile: (816) 471-3854

or to such other address as Inergy or Purchaser may designate in writing. All notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; upon actual receipt if sent by certified mail, return receipt requested, or regular mail, if mailed; when receipt acknowledged, if sent via facsimile; and upon actual receipt when delivered to an air courier guaranteeing overnight delivery.

Section 6.06 Removal of Legend. Purchaser may request Inergy to remove the legend described in Section 4.05(e) from the certificates evidencing the Purchased Units by submitting to Inergy such certificates, together with an opinion of counsel to the effect that such legend is no longer required under the Securities Act or applicable state laws, as the case may be.

Section 6.07 Entire Agreement. This Agreement, the other Basic Documents and the other agreements and documents referred to herein are intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein and therein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein or therein with respect to the rights granted by Inergy or any of its Affiliates or Purchaser or any of their Affiliates set forth herein or therein. This Agreement, the other Basic Documents and the other agreements and documents referred to herein supersede all prior agreements and understandings between the parties with respect to such subject matter.

Section 6.08 Governing Law. This Agreement will be construed in accordance with and governed by the laws of the State of Delaware without regard to principles of conflicts of laws.

Section 6.09 Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement.

Section 6.10 Expenses.

Inergy hereby covenants and agrees to reimburse Purchaser for reasonable and documented costs and expenses incurred in connection with the negotiation, execution, delivery and performance of the Basic Documents and the transactions contemplated hereby and thereby (including, without limitation, reasonable legal, consulting and due diligence fees and expenses), provided that any request for such expense reimbursement by Purchaser be accompanied by a detailed invoice for such amount. If any action at law or equity is necessary to enforce or interpret the terms of the Basic Documents, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

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

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

INERGY, L.P.

By: Inergy GP, LLC,
its Managing General Partner

By: _____

R. Brooks Sherman, Jr.
Senior Vice President and Chief Financial Officer

INERGY HOLDINGS, L.P.

By: Inergy Holdings GP, LLC,
its General Partner

By: _____

Laura L. Ozenberger
Vice President, General Counsel and Secretary

EXHIBIT A

Amendment to Partnership Agreement

EXHIBIT B

Form of Registration Rights Agreement

Exhibit 99.1

For more information:
Mike Campbell, 816-842-8181
investorrelations@inergyservices.com

FOR IMMEDIATE RELEASE

Inergy, L.P. Completes Acquisition of Natural Gas Storage Facility in New York State

Kansas City, MO (August 9, 2005)—Inergy, L.P. (NASDAQ:NRGY) announced today that it has completed the previously announced acquisition of the membership interests of the entities that own the Stagecoach natural gas storage facility located in Tioga County, New York, for approximately $205 million.

In addition to the approximate $205 million purchase price for the in-service Stagecoach facility, Inergy, L.P. has purchased the rights to the Phase II expansion project of Stagecoach for $25 million. The Phase II expansion is expected to add approximately 13 Bcf of additional working gas capacity. In connection with the financing of the Phase II expansion rights, Inergy Holdings, L.P. (NASDAQ:NRGP) has purchased for cash 769,941 Special Units from Inergy, L.P. that, while not entitled to a current cash distribution, are convertible to Inergy, L.P. common units upon the Phase II expansion becoming commercially operational.

As previously announced, Inergy, L.P. expects EBITDA from its new operations to be approximately $20 million in fiscal year 2006, increasing to approximately $40 to $45 million in fiscal year 2008 which is expected to be the first full year of commercial operations for the Phase II expansion. Upon completion of the Phase II expansion, Inergy expects total invested capital in Stagecoach to be approximately $350 million.

Inergy, L.P., headquartered in Kansas City, Missouri, is among the fastest growing master limited partnerships in the country. The company's operations include the retail marketing, sale and distribution of propane to residential, commercial, industrial and agricultural customers. Today, the company serves over 600,000 retail customers from approximately 280 customer service centers throughout the eastern half of the United States. The company also operates a natural gas storage business and a supply logistics, transportation and wholesale marketing business that serves independent dealers and multi-state marketers in the United States and Canada.

Inergy Holdings, L.P.'s assets consist of its ownership interest in Inergy, L.P., including limited partnership interests, ownership of the general partners, and the incentive distribution rights.

This news release contains forward-looking statements, which are statements that are not historical in nature such as the expectation that the acquisition will be immediately accretive on a distributable cash flow per unit basis, that the EBITDA from operation of the Stagecoach facility will be approximately $20 million in fiscal year 2006 and increases to approximately $40 to $45 million in fiscal year 2008, that the phase II expansion will be approximately 13 Bcf of additional working gas capacity, and that the first full year of commercial operations for the Phase II expansion will be fiscal year 2008. Forward-looking statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or any underlying assumption proves

incorrect, actual results may vary materially from those anticipated, estimated or projected. Among the key factors that could cause actual results to differ materially from those referred to in the forward-looking statements are: weather conditions that vary significantly from historically normal conditions, the demand for high deliverability natural gas storage capacity in the Northeast, the general level of petroleum product demand and the availability of supplies, our ability to successfully implement our business plan for the Stagecoach facility, whether necessary regulatory approvals will be obtained, whether the Phase II expansion will become commercially operational, our ability to generate available cash for distribution to unitholders, and the costs and effects of legal and administrative proceedings against us or which may be brought against us. These and other risks and assumptions are described in Inergy's annual report on Form 10-K and other reports that are available from the United States Securities and Exchange Commission.

Corporate news, unit prices and additional information about Inergy, including reports from the United States Securities and Exchange Commission, are available on the company's Web site, www.InergyPropane.com. For more information, contact Mike Campbell in Inergy's Investor Relations Department at 816-842-8181 or via e-mail at investorrelations@inergyservices.com.

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