

BLACKSTONE GROUP L.P.

FORM 10-Q (Quarterly Report)

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2009**

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM TO**

Commission File Number: 001-33551

The Blackstone Group L.P.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

20-8875684
(I.R.S. Employer
Identification No.)

345 Park Avenue
New York, New York 10154
(Address of principal executive offices)(Zip Code)
(212) 583-5000
(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Non-accelerated filer ☐

(Do not check if a smaller reporting company)

Accelerated filer ☐

Smaller reporting company ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of the Registrant's voting common units representing limited partner interests outstanding as of July 31, 2009 was 161,716,032. The number of the Registrant's non-voting common units representing limited partner interests outstanding as of July 31, 2009 was 109,083,468.

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Forward-Looking Statements

This report may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 which reflect our current views with respect to, among other things, our operations and financial performance. You can identify these forward-looking statements by the use of words such as “outlook,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “seeks,” “approximately,” “predicts,” “intends,” “plans,” “estimates,” “anticipates” or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. We believe these factors include but are not limited to those described under the section entitled “Risk Factors” in our annual report on Form 10-K for the year ended December 31, 2008 and in this report, as such factors may be updated from time to time in our periodic filings with the SEC, which are accessible on the SEC’s website at www.sec.gov. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this

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report and in our other periodic filings. We undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

In this report, references to “Blackstone,” “we,” “us” or “our” refer to The Blackstone Group L.P. and its consolidated subsidiaries. Unless the context otherwise requires, references in this report to the ownership of our founder, Mr. Stephen A. Schwarzman, and other Blackstone personnel include the ownership of personal planning vehicles and family members of these individuals.

PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

THE BLACKSTONE GROUP L.P.

Condensed Consolidated Statements of Financial Condition (Unaudited)
(Dollars in Thousands, Except Unit Data)

	June 30, 2009	December 31, 2008
Assets		
Cash and Cash Equivalents	\$ 784,579	\$ 503,737
Cash Held by Blackstone Funds and Other	70,914	907,324
Investments	2,527,339	2,830,942
Accounts Receivable	245,392	312,067
Due from Brokers	714	48,506
Investment Subscriptions Paid in Advance	—	1,916
Due from Affiliates	361,161	861,434
Intangible Assets, Net	998,500	1,077,526
Goodwill	1,703,602	1,703,602
Other Assets	157,759	169,555
Deferred Tax Assets	848,772	845,578
Total Assets	<u>\$7,698,732</u>	<u>\$9,262,187</u>
Liabilities and Partners' Capital		
Loans Payable	\$ 78,048	\$ 387,000
Amounts Due to Non-Controlling Interest Holders	180,109	1,103,423
Securities Sold, Not Yet Purchased	310	894
Due to Affiliates	1,305,537	1,285,577
Accrued Compensation and Benefits	321,409	413,459
Accounts Payable, Accrued Expenses and Other Liabilities	163,451	180,259
Total Liabilities	<u>2,048,864</u>	<u>3,370,612</u>
Commitments and Contingencies		
Redeemable Non-Controlling Interests in Consolidated Entities	<u>454,823</u>	<u>362,462</u>
Partners' Capital		
Partners' Capital (common units: 275,932,505 issued and outstanding as of June 30, 2009; 273,891,358 issued and 272,998,484 outstanding as of December 31, 2008)	3,351,177	3,509,448
Accumulated Other Comprehensive Income (Loss)	576	(291)
Non-Controlling Interests in Consolidated Entities	73,294	198,197
Non-Controlling Interests in Blackstone Holdings	1,769,998	1,821,759
Total Partners' Capital	<u>5,195,045</u>	<u>5,529,113</u>
Total Liabilities and Partners' Capital	<u>\$7,698,732</u>	<u>\$9,262,187</u>

See notes to condensed consolidated financial statements.

THE BLACKSTONE GROUP L.P.
Condensed Consolidated Statements of Operations (Unaudited)
(Dollars in Thousands, Except Unit and Per Unit Data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Revenues				
Management and Advisory Fees	\$ 340,829	\$ 338,159	\$ 682,001	\$ 647,568
Performance Fees and Allocations	71,171	(13,722)	(143,077)	(202,409)
Investment Income (Loss)	(10,949)	22,766	(93,402)	(38,592)
Interest Income and Other	5,365	6,730	5,808	15,402
Total Revenues	406,416	353,933	451,330	421,969
Expenses				
Compensation and Benefits	937,751	1,028,808	1,750,098	2,005,955
Interest	87	5,689	1,486	8,432
General, Administrative and Other	112,276	107,799	217,876	202,533
Fund Expenses	1,592	21,793	4,604	44,745
Total Expenses	1,051,706	1,164,089	1,974,064	2,261,665
Other Income (Loss)				
Net Gains (Losses) from Fund Investment Activities	58,304	189,678	23,541	(25,958)
Income (Loss) Before Provision (Benefit) for Taxes	(586,986)	(620,478)	(1,499,193)	(1,865,654)
Provision (Benefit) for Taxes	10,885	(25,851)	28,616	(16,870)
Net Income (Loss)	(597,871)	(594,627)	(1,527,809)	(1,848,784)
Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	37,638	131,368	40,234	(52,826)
Net Income (Loss) Attributable to Non-Controlling Interests in Consolidated Entities	3,959	6,942	(37,072)	(7,974)
Net Income (Loss) Attributable to Non-Controlling Interests in Blackstone Holdings	(475,184)	(576,406)	(1,135,113)	(1,380,460)
Net Income (Loss) Attributable to The Blackstone Group L.P.	\$ (164,284)	\$ (156,531)	\$ (395,858)	\$ (407,524)
Net Loss Attributable to The Blackstone Group L.P.				
Per Common Unit — Basic and Diluted				
Common Units Entitled to Priority Distributions	\$ (0.60)	\$ (0.60)	\$ (1.44)	\$ (1.55)
Common Units Not Entitled to Priority Distributions	\$ (0.90)		\$ (2.04)	
Weighted-Average Common Units Outstanding — Basic and Diluted				
Common Units Entitled to Priority Distributions	275,199,027	263,610,181	274,416,111	263,378,650
Common Units Not Entitled to Priority Distributions	385,796	—	1,003,238	—
Revenues Earned from Affiliates				
Management and Advisory Fees	\$ 25,181	\$ 24,252	\$ 45,465	\$ 52,659

See notes to condensed consolidated financial statements.

THE BLACKSTONE GROUP L.P.
Condensed Consolidated Statements of Changes in Partners' Capital (Unaudited)
(Dollars in Thousands, Except Unit Data)

	The Blackstone Group L.P. Unitholders							
	Common Units	Partners' Capital	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interests in Consolidated Entities	Non-Controlling Interests in Blackstone Holdings	Total Partners' Capital	Redeemable Non-Controlling Interests in Consolidated Entities	Comprehensive Income (Loss)
Balance at December 31, 2008	272,998,484	\$ 3,509,448	\$ (291)	\$ 198,197	\$ 1,821,759	\$ 5,529,113	\$ 362,462	
Net Loss	—	(395,858)	—	(37,072)	(1,135,113)	(1,568,043)	40,234	\$ (1,527,809)
Currency Translation Adjustment	—	—	867	—	—	867	—	867
Capital Contributions	—	—	—	33,024	54	33,078	97,874	—
Capital Distributions	—	(82,572)	—	(11,936)	—	(94,508)	(32,965)	—
Transfer of Non- Controlling Interests in Consolidated Entities	—	—	—	15,438	(15,438)	—	—	—
Purchase of Interests from Certain Non- Controlling Interest Holders	—	(6,258)	—	—	—	(6,258)	—	—
Deferred Tax Effects Resulting from Acquisition of Ownership Interests from Non- Controlling Interest Holders	—	2,351	—	—	—	2,351	—	—
Equity-Based Compensator	—	368,416	—	—	1,110,528	1,478,944	—	—
Net Delivery of Vested Common Units	2,497,990	(28,648)	—	—	—	(28,648)	—	—
Repurchase of Common Units and Blackstone Holdings Partnership Units	(4,375,094)	(27,008)	—	—	(486)	(27,494)	—	—
Conversion of Blackstone Holdings Partnership Units to Blackstone Common Units	4,811,125	11,306	—	—	(11,306)	—	—	—
Certain Partners								

Allocations of Blackstone Profit Sharing Arrangements	—	—	—	(124,357)	—	(124,357)	—	—
Loss Attributable to Consolidated Blackstone Funds in Liquidation	—	—	—	—	—	—	(12,782)	—
Balance at June 30, 2009	<u>275,932,505</u>	<u>\$ 3,351,177</u>	<u>\$ 576</u>	<u>\$ 73,294</u>	<u>\$ 1,769,998</u>	<u>\$ 5,195,045</u>	<u>\$ 454,823</u>	<u>\$ (1,526,942)</u>

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See notes to condensed consolidated financial statements.

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THE BLACKSTONE GROUP L.P. Condensed Consolidated Statements of Changes in Partners' Capital (Unaudited) (Dollars in Thousands, Except Unit Data)

	The Blackstone Group L.P. Unitholders			Non-Controlling Interests in Consolidated Entities	Non-Controlling Interests in Blackstone Holdings	Total Partners' Capital	Redeemable Non-Controlling Interests in Consolidated Entities	Comprehensive Income (Loss)
	Common Units	Partners' Capital	Accumulated Other Comprehensive Income (Loss)					
Balance at December 31, 2007	259,826,700	\$4,226,500	\$ 345	\$ 515,886	\$ 3,103,288	\$ 7,846,019	\$ 2,438,266	
Net Loss	—	(407,524)	—	(7,974)	(1,380,460)	(1,795,958)	(52,826)	\$ (1,848,784)
Currency Translation Adjustment	—	—	714	1,464	—	2,178	—	2,178
Certain Partners Allocations of Blackstone Profit Sharing Arrangements	—	—	—	(103,195)	—	(103,195)	—	—
Capital Contributions	—	—	—	48,514	—	48,514	191,824	—
Capital Distributions	—	(157,993)	—	(131,417)	(404,310)	(693,720)	(203,648)	—
Consolidation of Partnership	—	—	—	—	—	—	159,624	—
Acquisition of Consolidated Blackstone Funds	—	—	—	120,874	—	120,874	90,188	—
Purchase of Interests from Certain Non-Controlling Interest Holders	—	(44,072)	—	—	(35,556)	(79,628)	—	—
Repurchase of Common Units	(10,000)	(195)	—	—	—	(195)	—	—
Deferred Tax Effects Resulting from Acquisition of Ownership Interests	—	(666)	—	—	—	(666)	—	—
Adjustment to Pre-IPO Reorganization Purchase Price	—	—	—	—	82,028	82,028	—	—
Equity-Based Compensation	—	400,942	—	—	1,290,796	1,691,738	—	—
Net Delivery of Vested Common Units	4,329,870	(17,228)	—	—	—	(17,228)	—	—
Balance at June 30, 2008	<u>264,146,570</u>	<u>\$3,999,764</u>	<u>\$ 1,059</u>	<u>\$ 444,152</u>	<u>\$ 2,655,786</u>	<u>\$ 7,100,761</u>	<u>\$ 2,623,428</u>	<u>\$ (1,846,606)</u>

See notes to condensed consolidated financial statements.

THE BLACKSTONE GROUP L.P.
Condensed Consolidated Statements of Cash Flows (Unaudited)
(Dollars in Thousands)

	For the Six Months Ended	
	June 30,	
	2009	2008
Operating Activities		
Net Income (Loss)	\$(1,527,809)	\$ (1,848,784)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:		
Blackstone Funds Related:		
Unrealized Depreciation (Appreciation) on Investments Allocable to Non-Controlling Interests in Consolidated Entities	(84,926)	88,688
Net Realized (Gains) Losses on Investments	91,559	(118,299)
Changes in Unrealized (Gains) Losses on Investments Allocable to Blackstone Group	92,976	55,053
Non-Cash Performance Fees and Allocations	12,271	113,622
Equity-Based Compensation Expense	1,500,566	1,720,268
Intangible Amortization	79,024	74,213
Other Non-Cash Amounts Included in Net Income	12,032	8,947
Cash Flows Due to Changes in Operating Assets and Liabilities:		
Cash Held by Blackstone Funds and Other	836,410	84,268
Due from Brokers	47,791	153,356
Accounts Receivable	66,762	366,233
Due from Affiliates	500,106	(31,856)
Other Assets	24,668	(9,785)
Accrued Compensation and Benefits	(113,671)	18,288
Accounts Payable, Accrued Expenses and Other Liabilities	(906,952)	(30,226)
Due to Affiliates	(251,064)	(70,010)
Amounts Due to Non-Controlling Interest Holders	—	(51,869)
Cash Acquired from Consolidated Fund	—	3
Blackstone Funds Related:		
Investments Purchased	(261,084)	(17,912,140)
Cash Proceeds from Sale of Investments	573,927	17,661,009
Net Cash Provided by Operating Activities	692,586	270,979
Investing Activities		
Purchase of Furniture, Equipment and Leasehold Improvements	(12,893)	(23,227)
Cash Paid for Acquisitions, Net of Cash Acquired	—	(336,571)
Changes in Restricted Cash	1,399	(8,910)
Net Cash Used in Investing Activities	(11,494)	(368,708)
Financing Activities		
Distributions to Non-Controlling Interest Holders in Consolidated Entities	(45,373)	(726,323)
Contributions from Non-Controlling Interest Holders in Consolidated Entities	99,049	278,462
Distributions to Predecessor Owners	—	(20,917)
Purchase of Interests from Certain Non-Controlling Interest Holders	(6,258)	(79,627)

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See notes to condensed consolidated financial statements.

THE BLACKSTONE GROUP L.P.
Condensed Consolidated Statements of Cash Flows (Unaudited)—(Continued)
(Dollars in Thousands)

	For the Six Months Ended June 30,	
	2009	2008
Net Settlement of Vested Common Units and Repurchase of Common Units	\$ (56,142)	\$ (17,423)
Proceeds from Loans Payable	1,218	458,862
Repayment of Loans Payable	(310,172)	(288,281)
Distributions to Common Unitholders	(82,572)	(157,993)
Net Cash Provided by (Used in) Financing Activities	(400,250)	(553,240)
Net Increase (Decrease) in Cash and Cash Equivalents	280,842	(650,969)
Cash and Cash Equivalents, Beginning of Period	503,737	868,629
Cash and Cash Equivalents, End of Period	<u>\$ 784,579</u>	<u>\$ 217,660</u>
Supplemental Disclosure of Cash Flows Information		
Payments for Interest	<u>\$ 1,456</u>	<u>\$ 9,376</u>
Payments for Income Taxes	<u>\$ 27,726</u>	<u>\$ 24,683</u>
Supplemental Disclosure of Non-Cash Financing Activities		
Net Activities Related to Capital Transactions of Consolidated Blackstone Funds	<u>\$ 3,936</u>	<u>\$ —</u>
Reduction of Due to Limited Partners Account to Fund Sidepocket Investment	<u>\$ (5)</u>	<u>\$ —</u>
Contributions Related to Transfers by Affiliated Partners	<u>\$ 5</u>	<u>\$ —</u>
In-kind Redemption of Capital	<u>\$ (907)</u>	<u>\$ —</u>
In-kind Contribution of Capital	<u>\$ 907</u>	<u>\$ —</u>
Transfer of Interests to Non-Controlling Interest Holders	<u>\$ 15,438</u>	<u>\$ —</u>
Settlement of Vested Common Units	<u>\$ 135,491</u>	<u>\$ 165,250</u>
Conversion of Blackstone Holdings Units to Common Units	<u>\$ 11,306</u>	<u>\$ —</u>
Reorganization of the Partnership:		
Accounts Payable, Accrued Expenses and Other Liabilities	<u>\$ —</u>	<u>\$ (82,028)</u>
Non-Controlling Interests in Consolidated Entities	<u>\$ —</u>	<u>\$ 82,028</u>
Exchange of Founders and Senior Managing Directors' Interests in Blackstone Holdings:		
Deferred Tax Asset	<u>\$ (15,674)</u>	<u>\$ 4,440</u>
Due to Affiliates	<u>\$ 13,323</u>	<u>\$ (3,774)</u>
Partners' Capital	<u>\$ 2,351</u>	<u>\$ (666)</u>
Acquisition of GSO Capital Partners LP:		
Fair Value of Assets Acquired	<u>\$ —</u>	<u>\$1,018,747</u>
Cash Paid for Acquisition	<u>—</u>	<u>(356,972)</u>
Fair Value of Non-Controlling Interests in Consolidated Entities and Liabilities Assumed	<u>—</u>	<u>(381,375)</u>
Acquisition of GSO Capital Partners LP — Units Issued	<u>\$ —</u>	<u>\$ 280,400</u>

See notes to condensed consolidated financial statements.

THE BLACKSTONE GROUP L.P.

Notes to Condensed Consolidated Financial Statements

(All Dollars Are in Thousands, Except Unit and Per Unit Data, Except Where Noted)

1. ORGANIZATION AND BASIS OF PRESENTATION

The Blackstone Group L.P. (the “Partnership”), together with its consolidated subsidiaries (collectively, “Blackstone”), is a leading global alternative asset manager and provider of financial advisory services. The alternative asset management businesses include the management of corporate private equity funds, real estate funds, funds of hedge funds, credit-oriented funds, collateralized loan obligation (“CLO”) vehicles and publicly traded closed-end mutual funds and related entities that invest in such funds, collectively referred to as the “Blackstone Funds”, and separate accounts programs. “Carry Funds” refers to the corporate private equity funds and certain of the real estate funds and credit-oriented funds that are managed by Blackstone. Blackstone also provides various financial advisory services, including corporate and mergers and acquisitions advisory, restructuring and reorganization advisory and fund placement services.

Basis of Presentation — The accompanying unaudited condensed consolidated financial statements of the Partnership have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and the instructions to Form 10-Q. The condensed consolidated financial statements, including these notes, are unaudited and exclude some of the disclosures required in annual financial statements. Management believes it has made all necessary adjustments (consisting of only normal recurring items) so that the condensed consolidated financial statements are presented fairly and that estimates made in preparing its condensed consolidated financial statements are reasonable and prudent. The operating results presented for interim periods are not necessarily indicative of the results that may be expected for any other interim period or for the entire year. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements included in the Partnership’s Annual Report on Form 10-K filed with the Securities and Exchange Commission.

Certain of the Blackstone Funds are included in the condensed consolidated financial statements of the Partnership. Consequently, the condensed consolidated financial statements of the Partnership reflect the assets, liabilities, revenues, expenses and cash flows of these consolidated Blackstone Funds on a gross basis. The majority economic ownership interests in these funds are reflected as Non-Controlling Interests in Consolidated Entities and Redeemable Non-Controlling Interests in Consolidated Entities in the condensed consolidated financial statements. The consolidation of these Blackstone Funds has no net effect on the Partnership’s Net Income (Loss) or Partners’ Capital.

The Partnership’s interest in Blackstone Holdings, defined below, is within the scope of the Emerging Issues Task Force (“EITF”) Issue No. 04-5, *Determining Whether a General Partner, or the General Partners as a Group, Controls a Limited Partnership or Similar Entity When the Limited Partners Have Certain Rights* (“EITF 04-5”). Although the Partnership has a minority economic interest in Blackstone Holdings, it has a majority voting interest and controls the management of Blackstone Holdings. Additionally, although the Blackstone Holdings’ limited partners hold a majority economic interest in Blackstone Holdings, they do not have the right to dissolve the partnership or have substantive kick-out rights or participating rights that would overcome the presumption of control by the Partnership. Accordingly, the Partnership consolidates Blackstone Holdings and records non-controlling interests for the economic interests of limited partners of the Blackstone Holdings partnerships.

On January 1, 2009, in order to simplify Blackstone’s structure and ease the related administrative burden and costs, Blackstone effected an internal restructuring to reduce the number of holding partnerships from five to four by causing Blackstone Holdings III L.P. to transfer all of its assets and liabilities to Blackstone Holdings IV L.P. In connection therewith, Blackstone Holdings IV L.P. was renamed Blackstone Holdings III L.P. and Blackstone Holdings V L.P. was renamed Blackstone Holdings IV L.P. The economic interests of the Partnership

THE BLACKSTONE GROUP L.P.

Notes to Condensed Consolidated Financial Statements—(Continued)
(All Dollars Are in Thousands, Except Unit and Per Unit Data, Except Where Noted)

in Blackstone's business remain entirely unaffected. "Blackstone Holdings" refers to the five holding partnerships prior to the January 2009 reorganization and the four holdings partnerships subsequent to the January 2009 reorganization.

Certain prior period financial statement balances have been reclassified to conform to the current presentation.

Acquisition of GSO Capital Partners LP — On March 3, 2008, the Partnership acquired GSO Capital Partners LP and certain of its affiliates ("GSO"). GSO is an alternative asset manager specializing in the credit markets. GSO manages various multi-strategy credit hedge funds, mezzanine funds, senior debt funds and various CLO vehicles. GSO's results have been included in the Credit and Marketable Alternatives segment, formerly known as Marketable Alternative Asset Management, from the date of acquisition.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments, At Fair Value — The Blackstone Funds are, for GAAP purposes, investment companies under the AICPA Audit and Accounting Guide *Investment Companies* that reflect their investments, including majority-owned and controlled investments (the "Portfolio Companies") as well as Securities Sold, Not Yet Purchased at fair value. The Partnership has retained the specialized accounting for the Blackstone Funds pursuant to EITF Issue No. 85-12, *Retention of Specialized Accounting for Investments in Consolidation* ("EITF 85-12"). Thus, such consolidated funds' investments are reflected on the Condensed Consolidated Statements of Financial Condition at fair value, with unrealized gains and losses resulting from changes in fair value reflected as a component of Net Gains (Losses) from Fund Investment Activities in the Condensed Consolidated Statements of Operations. Fair value is the amount that would be received to sell an asset or paid to transfer a liability, in an orderly transaction between market participants at the measurement date (i.e., the exit price).

The fair value of the Partnership's Investments and Securities Sold, Not Yet Purchased are based on observable market prices when available. Such prices are based on the last sales price on the measurement date, or, if no sales occurred on such date, at the close of business "bid" price and if sold short, at the "ask" price or at the "mid" price depending on the facts and circumstances. Futures and options contracts are valued based on closing market prices. Forward and swap contracts are valued based on market rates or prices obtained from recognized financial data service providers.

A significant number of the investments, including our carry fund investments, have been valued by the Partnership, in the absence of observable market prices, using the valuation methodologies described below. Additional information regarding these investments is provided in Note 4 to the condensed consolidated financial statements. For some investments, little market activity may exist; management's determination of fair value is then based on the best information available in the circumstances and may incorporate management's own assumptions, including appropriate risk adjustments for nonperformance and liquidity risks. The Partnership estimates the fair value of investments when market prices are not observable as follows:

Corporate private equity, real estate and debt investments — For investments for which observable market prices do not exist, such investments are reported at fair value as determined by the Partnership. Fair value is determined by reference to projected net earnings, earnings before interest, taxes, depreciation and amortization ("EBITDA") and balance sheets, public market or private transactions, valuations for comparable companies and other measures which, in many cases, are unaudited at the time received. With respect to real estate investments, in determining fair values management considers projected operating cash flows and balance sheets, sales of

THE BLACKSTONE GROUP L.P.

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comparable assets, if any, and replacement costs, among other measures. The methods used to estimate the fair value of private investments include the discounted cash flow method (using a likely next buyer's capital structure and not Blackstone's, or the applicable Blackstone Fund's existing capital structure) and/or capitalization rates ("cap rates") analysis. Valuations may also be derived by reference to observable valuation measures for comparable companies or assets (e.g., multiplying a key performance metric of the investee company or asset, such as EBITDA, by a relevant valuation multiple observed in the range of comparable companies or transactions), adjusted by management for differences between the investment and the referenced comparables and, in some instances, by reference to option pricing models or other similar methods. Corporate private equity and real estate investments may also be valued at cost for a period of time after an acquisition as the best indicator of fair value. These valuation methodologies involve a significant degree of management judgment.

Funds of hedge funds — Blackstone Funds' direct investments in hedge funds ("Investee Funds") are stated at fair value, based on the information provided by the Investee Funds which reflects the Partnership's share of the fair value of the net assets of the investment fund. If the Partnership determines, based on its own due diligence and investment procedures, that the valuation for any Investee Fund based on information provided by the Investee Fund's management does not represent fair value, the Partnership will estimate the fair value of the Investee Fund in good faith and in a manner that it reasonably chooses, in accordance with its valuation policies.

In certain cases, debt and equity securities are valued on the basis of prices from an orderly transaction between market participants provided by reputable dealers or pricing services. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrixes, market transactions in comparable investments and various relationships between investments.

Certain Blackstone Funds sell securities that they do not own, and will therefore be obligated to purchase such securities at a future date. The value of an open short position is recorded as a liability, and the fund records unrealized appreciation or depreciation to the extent of the difference between the proceeds received and the value of the open short position. The applicable Blackstone Fund records a realized gain or loss when a short position is closed. By entering into short sales, the applicable Blackstone Fund bears the market risk of increases in value of the security sold short. The unrealized appreciation or depreciation as well as the realized gain or loss associated with short positions is included in the Condensed Consolidated Statements of Operations as Net Gains (Losses) from Fund Investment Activities.

Securities transactions are recorded on a trade date basis.

Recent Accounting Developments — The Financial Accounting Standards Board ("FASB") issued SFAS No. 141(R), *Business Combinations*, in December 2007 and FASB Staff Position FAS 141(R)-1, *Accounting for Assets Acquired and Liabilities Assumed in a Business Combination That Arise From Contingencies*, in April 2009 (collectively "SFAS No. 141(R)"). SFAS No. 141(R) requires the acquiring entity in a business combination to recognize the full fair value of assets, liabilities, contractual contingencies and contingent consideration obtained in the transaction (whether for a full or partial acquisition); establishes the acquisition date fair value as the measurement objective for all assets acquired and liabilities assumed; requires expensing of most transaction and restructuring costs; and requires the acquirer to disclose to investors and other users all of the information needed to evaluate and understand the nature and financial effect of the business combination. SFAS No. 141(R) applies to all transactions or other events in which the Partnership obtains control of one or more businesses, including those sometimes referred to as "true mergers" or "mergers of equals" and

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combinations achieved without the transfer of consideration, for example, by contract alone or through the lapse of minority veto rights. SFAS No. 141(R) applies prospectively to business combinations for which the acquisition date is on or after January 1, 2009. The Partnership had no such transactions for the six-month period ended June 30, 2009.

In December 2007, the FASB issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements — an amendment of Accounting Research Bulletin No. 51* (“SFAS No. 160”). SFAS No. 160 requires reporting entities to present non-controlling (minority) interests as equity (as opposed to a liability or mezzanine equity) and provides guidance on the accounting for transactions between an entity and non-controlling interests. SFAS No. 160 applies prospectively as of January 1, 2009, except for the presentation and disclosure requirements which are applied retrospectively for all periods presented. The Partnership adopted SFAS No. 160 effective January 1, 2009 and as a result, (a) with respect to the Condensed Consolidated Statements of Financial Condition, the Redeemable Non-Controlling Interests in Consolidated Entities was renamed as such and remained classified as mezzanine equity and the non-redeemable Non-Controlling Interests in Consolidated Entities and Non-Controlling Interests in Blackstone Holdings have been reclassified as components of Partners’ Capital, (b) with respect to the Condensed Consolidated Statements of Operations, Net Income (Loss) is now presented before non-controlling interests, the Net Income (Loss) attributable to the three categories of non-controlling interests discussed in (a) above are now presented separately, and the Condensed Consolidated Statement of Operations now nets to Net Income (Loss) Attributable to The Blackstone Group L.P., and (c) with respect to the Condensed Consolidated Statement of Changes in Partners’ Capital, roll forward columns have now been added for each component of non-controlling interests discussed in (a) above.

In March 2008, the EITF reached a consensus on Issue No. 07-4, *Application of the Two-Class Method under FASB Statement No. 128, Earnings Per Share, to Master Limited Partnerships* (“EITF 07-4”). EITF 07-4 applies to master limited partnerships that make incentive equity distributions. EITF 07-4 is to be applied retrospectively beginning with financial statements issued in the interim periods of fiscal years beginning after December 15, 2008. The Partnership adopted EITF 07-4 on January 1, 2009. The adoption of EITF 07-4 did not have a material impact on the Partnership’s condensed consolidated financial statements.

In April 2008, the FASB issued Staff Position No. FAS 142-3, *Determination of the Useful Life of Intangible Assets* (“FSP FAS No. 142-3”). FSP FAS No. 142-3 amends the factors an entity should consider in developing renewal or extension assumptions used in determining the useful life of recognized intangible assets under SFAS No. 142, *Goodwill and Other Intangible Assets*. FSP FAS No. 142-3 affects entities with recognized intangible assets and is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. The new guidance applies prospectively to (1) intangible assets that are acquired individually or with a group of other assets and (2) both intangible assets acquired in business combinations and asset acquisitions. The adoption of FSP FAS No. 142-3 did not have a material impact on the Partnership’s condensed consolidated financial statements.

In June 2008, the FASB issued Staff Position EITF No. 03-6-1, *Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities* (“FSP EITF No. 03-6-1”). FSP EITF No. 03-6-1 addresses whether instruments granted in share-based payment transactions are participating securities prior to vesting and therefore need to be included in the earnings allocation in calculating earnings per share under the two-class method described in SFAS No. 128, *Earnings per Share*. FSP EITF No. 03-6-1 requires entities to treat unvested share-based payment awards that have non-forfeitable rights to dividend or dividend equivalents as a separate class of securities in calculating earnings per share. This FSP is effective for fiscal years beginning after December 15, 2008; earlier application is not permitted. The Partnership adopted FSP

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EITF No. 03-6-1 effective January 1, 2009 and includes unvested participating Blackstone Common Units as a component of Common Units Entitled to Priority Distributions — Basic in the calculation of earnings per common unit for all periods presented, due to their equivalent distribution rights as Blackstone Common Units. The impact of the adoption and retroactive application on 2008 was as follows:

	Three Months Ended June 30, 2008		Six Months Ended June 30, 2008		Year Ended December 31, 2008	
	Originally	Upon	Originally	Upon	Originally	Upon
	Reported	Adoption	Reported	Adoption	Reported	Adoption
Net Loss Per Common Unit — Basic and Diluted						
Common Units Entitled to Priority Distributions	\$ (0.60)	\$ (0.60)	\$ (1.57)	\$ (1.55)	\$ (4.36)	\$ (4.32)
Common Units Not Entitled to Priority Distributions					\$ (3.09)	\$ (3.06)

In April 2009, the FASB issued Staff Position No. 157-4, *Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly* (“FSP FAS No. 157-4”). FSP FAS No. 157-4 provides additional guidance for estimating fair value in accordance with SFAS No. 157, *Fair Value Measures*. FSP FAS No. 157-4 is effective for financial statements issued for interim or annual periods ending after June 15, 2009. The adoption of FSP FAS No. 157-4 did not have a material impact on the Partnership’s condensed consolidated financial statements.

In April 2009, the FASB issued Staff Position No. 107-1 and APB 28-1, *Interim Disclosures about Fair Value of Financial Instruments* (“FSP FAS No. 107-1”). FSP FAS No. 107-1 amends SFAS No. 107, *Disclosures about Fair Value of Financial Instruments*, to require disclosures about fair value of financial instruments in interim reporting periods. Such disclosures were previously required only in annual financial statements. FSP FAS No. 107-1 is effective for financial statements issued for interim or annual periods ending after June 15, 2009. The Partnership adopted FSP FAS No. 107-1 effective with the issuance of its June 30, 2009 financial statements. The adoption of FSP FAS No. 107-1 resulted in the inclusion of interim financial statement disclosures which had previously been annual, notably the inclusion in Note 4 of the summarized financial information for the Partnership’s equity method investments.

In May 2009, the FASB issued SFAS No. 165, *Subsequent Events* (“SFAS No. 165”). SFAS No. 165 is intended to establish general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. It requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for selecting that date, that is, whether that date represents the date the financial statements were issued or were available to be issued. SFAS No. 165 is effective for interim or annual financial periods ending after June 15, 2009. The Partnership adopted SFAS No. 165 effective with the issuance of its June 30, 2009 financial statements. The adoption of SFAS No. 165 resulted in the additional required disclosure regarding subsequent events.

In June 2009, the FASB issued SFAS No. 167, *Amendments to FASB Interpretation No. 46(R)* (“SFAS No. 167”), which amends the consolidation guidance applicable to variable interest entities (“VIEs”). The amendments will significantly affect the overall consolidation analysis under Interpretation 46(R). SFAS No. 167

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is effective as of the beginning of the first fiscal year that begins after November 15, 2009 and early adoption is prohibited. The Partnership is currently evaluating the impact of SFAS No. 167 on its condensed consolidated financial statements.

In June 2009, the FASB issued SFAS No. 168, *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles — a replacement of FASB Statement No. 162* (“SFAS No. 168”). SFAS No. 168 establishes the FASB Standards Accounting Codification (“Codification”) as the source of authoritative GAAP recognized by the FASB to be applied to nongovernmental entities, and rules and interpretive releases of the SEC as authoritative GAAP for SEC registrants. The Codification will supersede all the existing non-SEC accounting and reporting standards upon its effective date and subsequently, the FASB will not issue new standards in the form of Statements, FASB Staff Positions or Emerging Issues Task Force Abstracts. SFAS No. 168 also replaces SFAS No. 162, *The Hierarchy of Generally Accepted Accounting Principles*, given that once in effect, the Codification will carry the same level of authority. SFAS No. 168 is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The adoption of SFAS No. 168 will be limited to disclosure in the condensed consolidated financial statements and the manner in which the Partnership refers to GAAP authoritative literature.

3. GOODWILL AND INTANGIBLE ASSETS

Goodwill

The following table outlines changes to the carrying amount of Goodwill as of June 30, 2009:

	<u>Goodwill</u>
Balance at December 31, 2008	\$ 1,703,602
Impairment	—
Balance at June 30, 2009	<u>\$ 1,703,602</u>

Total Goodwill has been allocated to each of the Partnership’s segments as follows: Corporate Private Equity – \$694,512; Real Estate – \$421,739; Credit and Marketable Alternatives – \$518,477; and Financial Advisory – \$68,874.

Intangible Assets

The following table outlines changes to the carrying amount of Intangible Assets, Net as of June 30, 2009:

	<u>Intangible Assets</u>
Contractual Rights	\$1,348,370
Accumulated Amortization	(349,870)
Intangible Assets, Net	<u>\$ 998,500</u>

Amortization expense associated with intangible assets was \$39.5 million and \$40.7 million for the three months ended June 30, 2009 and 2008, respectively, and \$79.0 million and \$74.2 million for the six months ended June 30, 2009 and 2008, respectively, and is included in General, Administrative and Other in the accompanying Condensed Consolidated Statements of Operations. Amortization of intangible assets held at June 30, 2009 is expected to be approximately \$158.0 million for the year ended December 31, 2009.

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4. INVESTMENTS

Investments

A summary of Investments consists of the following:

	June 30, 2009	December 31, 2008
Investments of Consolidated Blackstone Funds	\$ 1,188,910	\$ 1,556,261
Equity Method Investments	1,080,504	1,063,615
Performance Fees and Allocations	218,579	147,421
Other Investments	39,346	63,645
	<u>\$ 2,527,339</u>	<u>\$ 2,830,942</u>

Blackstone's share of Investments of Consolidated Blackstone Funds totaled \$362.7 million and \$409.2 million at June 30, 2009 and December 31, 2008, respectively. Equity Method Investments represents investments in non-consolidated funds as described below, of which Blackstone's share totaled \$1.0 billion and \$1.0 billion at June 30, 2009 and December 31, 2008, respectively.

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Investments of Consolidated Blackstone Funds

The following table presents a condensed summary of the investments held by the consolidated Blackstone Funds that are reported at fair value. These investments are presented as a percentage of Investments of Consolidated Blackstone Funds:

Geographic Region / Instrument Type / Industry Description or Investment Strategy	Fair Value		Percentage of Investments of Consolidated Blackstone Funds	
	June 30, 2009	December 31, 2008	June 30, 2009	December 31, 2008
United States and Canada				
Investment Funds, principally related to credit and marketable alternative funds				
Credit Driven	\$ 346,988	\$ 695,620	29.2%	44.7%
Diversified Investments	348,823	345,033	29.4%	22.2%
Equity	79,573	34,499	6.7%	2.2%
Other	483	648	—	0.1%
Investment Funds Total (Cost: 2009 — \$936,318; 2008 — \$1,283,697)	775,867	1,075,800	65.3%	69.2%
Equity Securities, principally related to credit and marketable alternatives and corporate private equity funds				
Manufacturing	18,862	17,782	1.6%	1.1%
Services	82,154	81,543	7.0%	5.2%
Natural Resources	649	551	0.1%	—
Real Estate Assets	386	1,769	—	0.1%
Equity Securities Total (Cost: 2009 — \$111,706; 2008 — \$112,739)	102,051	101,645	8.7%	6.4%
Partnership and LLC Interests, principally related to corporate private equity and real estate funds				
Real Estate Assets	57,447	103,453	4.8%	6.6%
Services	88,022	98,592	7.4%	6.3%
Manufacturing	30,021	23,599	2.5%	1.5%
Natural Resources	357	317	—	—
Credit Driven	1,156	19,659	0.1%	1.3%
Partnership and LLC Interests Total (Cost: 2009 — \$289,878; 2008 — \$294,846)	177,003	245,620	14.8%	15.7%
Debt Instruments, principally related to credit and marketable alternatives funds				
Manufacturing	4,099	4,251	0.3%	0.3%
Services	5,989	4,093	0.5%	0.3%
Real Estate Assets	577	485	—	—
Debt Instruments Total (Cost: 2009 — \$10,233; 2008 — \$9,396)	10,665	8,829	0.8%	0.6%
United States and Canada Total (Cost: 2009 — \$1,348,135; 2008 — \$1,700,678)	1,065,586	1,431,894	89.6%	91.9%

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Geographic Region / Instrument Type / Industry Description or Investment Strategy	Fair Value		Percentage of Investments of Consolidated Blackstone Funds	
	June 30, 2009	December 31, 2008	June 30, 2009	December 31, 2008
Europe				
Equity Securities, principally related to credit and marketable alternatives and corporate private equity funds				
Manufacturing	\$11,398	\$ 9,105	1.0%	0.6%
Services	27,813	29,635	2.3%	1.9%
Equity Securities Total (Cost: 2009 — \$47,137; 2008 — \$45,295)	39,211	38,740	3.3%	2.5%
Partnership and LLC Interests, principally related to corporate private equity and real estate funds				
Services	28,648	31,572	2.4%	2.0%
Real Estate Assets	9,251	13,674	0.8%	0.9%
Partnership and LLC Interests Total (Cost: 2009 — \$47,481; 2008 — \$46,104)	37,899	45,246	3.2%	2.9%
Debt Instruments, principally related to credit and marketable alternatives funds				
Manufacturing	308	187	—	—
Services	659	—	0.1%	—
Debt Instruments Total (Cost: 2009 \$1,639; 2008 \$1,256)	967	187	0.1%	—
Europe Total (Cost: 2009 — \$96,257; 2008 — \$92,655)	78,077	84,173	6.6%	5.4%
Asia				
Equity Securities, principally related to credit and marketable alternatives and corporate private equity funds				
Services	6,549	11,201	0.6%	0.8%
Manufacturing	7,309	8,654	0.6%	0.6%
Natural Resources	—	442	—	—
Real Estate Assets	—	368	—	—
Diversified Investments	4,209	—	0.4%	—
Equity Securities Total (Cost: 2009 — \$17,522; 2008 — \$22,155)	18,067	20,665	1.6%	1.4%
Partnership and LLC Interests, principally related to corporate private equity and real estate funds				
Manufacturing	828	1,184	0.1%	0.1%
Real Estate Assets	704	707	—	—
Services	79	45	—	—
Partnership and LLC Interests Total (Cost: 2009 — \$1,833; 2008 — \$1,811)	1,611	1,936	0.1%	0.1%
Debt Instruments, principally related to credit and marketable alternatives funds (Cost: 2009 \$241; 2008 \$256)	166	151	—	—
Asia Total (Cost: 2009 — \$19,596; 2008 — \$24,222)	19,844	22,752	1.7%	1.5%

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Geographic Region / Instrument Type / Industry Description or Investment Strategy	Fair Value		Percentage of Investments of Consolidated Blackstone Funds	
	June 30, 2009	December 31, 2008	June 30, 2009	December 31, 2008
Other				
Equity Securities, principally related to corporate private equity funds				
Natural Resources	\$ 1,422	\$ 1,022	0.1%	0.1%
Services	2,724	2,737	0.2%	0.3%
Equity Securities Total (Cost: 2009 — \$2,707; 2008 — \$2,606)	4,146	3,759	0.3%	0.4%
Partnership and LLC Interests, principally related to corporate private equity and real estate funds				
Natural Resources	21,166	13,599	1.8%	0.9%
Services	91	84	—	0.1%
Partnership and LLC Interests Total (Cost: 2009 — \$7,163; 2008 — \$5,063)	21,257	13,683	1.8%	1.0%
Other Total (Cost: 2009 — \$9,870; 2008 — \$7,669)	25,403	17,442	2.1%	1.2%
Total Investments of Consolidated Blackstone Funds (Cost: 2009 — \$1,473,858; 2008 — \$1,825,224)	\$1,188,910	\$1,556,261	100.0%	100.0%

At June 30, 2009 and December 31, 2008, there were no individual investments, including consideration of derivative contracts, with fair values exceeding 5.0% of Blackstone's net assets. At June 30, 2009 and December 31, 2008, consideration was given as to whether any individual consolidated fund of hedge funds, feeder fund or any other affiliate exceeded 5.0% of Blackstone's net assets. At December 31, 2008, Blackport Capital Fund Ltd. had a fair value of \$594.5 million and was the sole feeder fund investment to exceed the 5.0% threshold.

Securities Sold, Not Yet Purchased . The following table presents the Partnership's Securities Sold, Not Yet Purchased held by the consolidated Blackstone Funds, which were principally held by one of Blackstone's proprietary hedge funds. These investments are presented as a percentage of Securities Sold, Not Yet Purchased.

Geographic Region / Instrument Type / Industry Class	Fair Value		Percentage of Securities Sold Not Yet Purchased	
	June 30, 2009	December 31, 2008	June 30, 2009	December 31, 2008
Asia — Equity Instruments				
Natural Resources	\$ 107	\$ 77	34.5%	8.6%
Services	115	611	37.1%	68.3%
Manufacturing	71	—	22.9%	—
Real Estate Assets	—	206	—	23.1%
Diversified Investments	17	—	5.5%	—
Total (Proceeds: 2009 — \$236; 2008 — \$782)	\$ 310	\$ 894	100.0%	100.0%

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Realized and Net Change in Unrealized Gains (Losses) from Blackstone Funds. Net Gains (Losses) from Fund Investment Activities on the Condensed Consolidated Statements of Operations include net realized gains (losses) from realizations and sales of investments and the net change in unrealized gains (losses) resulting from changes in fair value of the consolidated Blackstone Funds' investments. The following table presents the realized and net change in unrealized gains (losses) on investments held through the consolidated Blackstone Funds:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Realized Gains (Losses)	\$(44,055)	\$ 42,405	\$(104,408)	\$ 19,902
Net Change in Unrealized Gains (Losses)	92,624	106,226	96,877	(130,835)
	<u>\$ 48,569</u>	<u>\$148,631</u>	<u>\$ (7,531)</u>	<u>\$(110,933)</u>

The following reconciles the Realized and Net Change in Unrealized Gains (Losses) from Blackstone Funds presented above to the Other Income (Loss) — Net Gains (Losses) from Fund Investment Activities in the Condensed Consolidated Statements of Operations:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Realized and Net Change in Unrealized Gains (Losses) from Blackstone Funds	\$48,569	\$148,631	\$(7,531)	\$(110,933)
Reclassification to Investment Income (Loss) and Other Attributable to Blackstone				
Side-by-Side Investment Vehicles	(1,945)	1,096	14,872	7,459
Interest and Dividend Income and Other Attributable to Consolidated Blackstone Funds	11,680	39,951	16,200	77,516
Other Income — Net Gains (Losses) from Fund Investment Activities	<u>\$58,304</u>	<u>\$189,678</u>	<u>\$23,541</u>	<u>\$ (25,958)</u>

Investments in Variable Interest Entities. Blackstone consolidates certain variable interest entities ("VIEs") in addition to those entities consolidated under EITF 04-5, when it is determined that Blackstone is the primary beneficiary, either directly or indirectly, through a consolidated entity or affiliate. The assets of the consolidated VIEs are classified principally within Investments. The liabilities of the consolidated VIEs are non-recourse to Blackstone.

FASB Staff Position Financial Accounting Standard No. 140-4 and FASB Interpretation Number 46R-8, *Disclosures about Transfers of Financial Assets and Interests in Variable Interest Entities* ("FSP FAS No. 140-4 and FIN 46R-8") provides disclosure requirements for, among other things, involvements with VIEs. Those involvements include when Blackstone (1) consolidates an entity because it is the primary beneficiary, (2) has a significant variable interest in the entity, or (3) is the sponsor of the entity.

These VIEs include investments in corporate private equity, real estate, credit-oriented and funds of hedge funds assets. The disclosures under FSP FAS No. 140-4 and FIN 46R-8 are presented on a fully aggregated basis. The investment strategies of Blackstone Funds differ by product; however, the fundamental risks of the Blackstone Funds have similar characteristics, including loss of invested capital and loss of incentive fees and

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performance fees and allocations. Accordingly, disaggregation of Blackstone's involvement with VIEs would not provide more useful information. In Blackstone's role as general partner or investment advisor, it generally considers itself the sponsor of the applicable Blackstone Fund. For certain of these funds, Blackstone is determined to be the primary beneficiary and hence consolidates such funds within the condensed consolidated financial statements.

FIN 46(R) requires an analysis to (i) determine whether an entity in which Blackstone holds a variable interest is a variable interest entity, and (ii) whether Blackstone's involvement, through holding interests directly or indirectly in the entity or contractually through other variable interests (e.g., incentive and management fees), would be expected to absorb a majority of the variability of the entity. Performance of that analysis requires the exercise of judgment. Blackstone determines whether it is the primary beneficiary of a VIE at the time it becomes involved with a variable interest entity and reconsiders that conclusion based on certain events. In evaluating whether Blackstone is the primary beneficiary, Blackstone evaluates its economic interests in the fund held either directly by Blackstone or indirectly through employees. The consolidation analysis under FIN 46(R) can generally be performed qualitatively. However, if it is not readily apparent that Blackstone is not the primary beneficiary, a quantitative expected losses and expected residual returns calculation will be performed. Investments and redemptions (either by Blackstone, affiliates of Blackstone or third parties) or amendments to the governing documents of the respective Blackstone Fund could affect an entity's status as a VIE or the determination of the primary beneficiary.

For those VIEs in which Blackstone is the sponsor, Blackstone may have an obligation as general partner to provide commitments to such funds. During the three and six months ended June 30, 2009, Blackstone did not provide any support other than its obligated amount.

At June 30, 2009, Blackstone was the primary beneficiary of VIEs whose gross assets were \$601.5 million, which is the carrying amount of such financial assets in the condensed consolidated financial statements. Blackstone is also a significant variable interest holder or sponsor in VIEs which are not consolidated, as Blackstone is not the primary beneficiary. At June 30, 2009, assets recognized in the Partnership's Condensed Consolidated Statements of Financial Condition related to our variable interests in these unconsolidated entities were \$79.6 million with no liabilities. Assets consisted of \$56.4 million of receivables and \$23.1 million of investments. Blackstone's aggregate maximum exposure to loss was \$79.6 million as of June 30, 2009.

Performance Fees and Allocations

Blackstone manages corporate private equity funds, real estate funds, funds of hedge funds and credit-oriented funds that are not consolidated. The Partnership records as revenue (and/or adjusts previously recorded revenue) to reflect the amount that would be due pursuant to the fund agreements at each period end as if the fund agreements were terminated at that date. In certain performance fee arrangements related to certain funds of hedge funds and credit-oriented funds in the Credit and Marketable Alternatives segment, Blackstone is entitled to receive performance fees and allocations when the return on assets under management exceeds certain benchmark returns or other performance targets. In such arrangements, performance fees and allocations are accrued monthly or quarterly based on measuring account / fund performance to date versus the performance benchmark stated in the investment management agreement.

Equity Method Investments

Blackstone invests in corporate private equity funds, real estate funds, funds of hedge funds and credit-oriented funds that are not consolidated. The Partnership accounts for these investments under the equity method

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of accounting. Blackstone's share of operating income generated by these investments is recorded as a component of Investment Income (Loss). That amount reflects the fair value gains and losses of the associated funds' underlying investments since Blackstone retains the specialized investment company accounting of these funds pursuant to EITF 85-12.

A summary of equity method investments follows:

	Equity Held		Equity in Net Income (Loss)			
	December 31,		Three Months Ended June 30,		Six Months Ended June 30,	
	June 30, 2009	2008	2009	2008	2009	2008
Equity Method Investments	<u>\$1,080,504</u>	<u>\$1,063,615</u>	<u>\$ (42,553)</u>	<u>\$ 25,185</u>	<u>\$ (102,078)</u>	<u>\$ (29,049)</u>

The summarized financial information of the funds in which the Partnership has an equity method investment, presented before any cross-fund eliminations, is as follows:

	June 30, 2009 and the Six Months Then Ended			
	Corporate Private Equity	Real Estate	Credit and Marketable Alternatives	Total
Statement of Financial Condition				
Assets				
Investments	\$16,703,320	\$ 7,401,173	\$14,142,044	\$38,246,537
Other Assets	120,732	548,941	3,069,519	3,739,192
Total Assets	<u>\$16,824,052</u>	<u>\$ 7,950,114</u>	<u>\$17,211,563</u>	<u>\$41,985,729</u>
Liabilities and Partners' Capital				
Debt	\$ 158,909	\$ 127,370	\$ 1,344,688	\$ 1,630,967
Other Liabilities	73,757	253,634	1,766,636	2,094,027
Total Liabilities	232,666	381,004	3,111,324	3,724,994
Partners' Capital	16,591,386	7,569,110	14,100,239	38,260,735
Total Liabilities and Partners' Capital	<u>\$16,824,052</u>	<u>\$ 7,950,114</u>	<u>\$17,211,563</u>	<u>\$41,985,729</u>
Statement of Income				
Interest Income	\$ 9,840	\$ 4,906	\$ 265,307	\$ 280,053
Other Income	7,380	15,721	27,137	50,238
Interest Expense	(3,070)	(2,935)	(16,536)	(22,541)
Other Expenses	(20,468)	(12,647)	(69,090)	(102,205)
Net Realized and Unrealized Gain (Loss) from Investments	(4,978)	(3,706,723)	1,184,542	(2,527,159)
Net Income (Loss)	<u>\$ (11,296)</u>	<u>\$ (3,701,678)</u>	<u>\$ 1,391,360</u>	<u>\$ (2,321,614)</u>

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Notes to Condensed Consolidated Financial Statements—(Continued)
(All Dollars Are in Thousands, Except Unit and Per Unit Data, Except Where Noted)

Other Investments

Other Investments consist primarily of investment securities held by Blackstone for its own account. The following table presents Blackstone’s realized and net change in unrealized gains (losses) in other investments:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Realized Gains (Losses)	\$ 12	\$ 99	\$ (1,654)	\$ 355
Net Change in Unrealized Gains (Losses)	1,482	(1,695)	1,623	(2,209)
	<u>\$ 1,494</u>	<u>\$ (1,596)</u>	<u>\$ (31)</u>	<u>\$ (1,854)</u>

Fair Value Measurements

SFAS No. 157, *Fair Value Measurements*, (“SFAS No. 157”), establishes a hierarchal disclosure framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is affected by a number of factors, including the type of investment, the characteristics specific to the investment and the state of the marketplace including the existence and transparency of transactions between market participants. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices in an orderly market generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Investments measured and reported at fair value are classified and disclosed in one of the following categories.

- Level I — Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments in Level I include listed equities and listed derivatives. As required by SFAS No. 157, the Partnership does not adjust the quoted price for these investments, even in situations where Blackstone holds a large position and a sale could reasonably impact the quoted price.
- Level II — Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include corporate bonds and loans, less liquid and restricted equity securities and certain over-the-counter derivatives.
- Level III — Pricing inputs are unobservable for the investment and includes situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. Investments that are included in this category generally include general and limited partnership interests in corporate private equity and real estate funds, credit-oriented funds, funds of hedge funds, distressed debt and non-investment grade residual interests in securitizations and collateralized debt obligations.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given investment is based on the lowest level of input that is significant to the fair value measurement. The Partnership’s assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

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The following table summarizes the valuation of Blackstone's investments by the above SFAS No. 157 fair value hierarchy levels as of June 30, 2009 and December 31, 2008, respectively:

	June 30, 2009			Total
	Level I	Level II	Level III	
Investments of Consolidated Blackstone Funds	\$59,242	\$ 396	\$1,129,272	\$1,188,910
Other Investments	23,297	—	16,049	39,346
Securities Sold, Not Yet Purchased	310	—	—	310

	December 31, 2008			Total
	Level I	Level II	Level III	
Investments of Consolidated Blackstone Funds	\$58,406	\$ 994	\$1,496,861	\$1,556,261
Other Investments	22,499	—	41,146	63,645
Securities Sold, Not Yet Purchased	894	—	—	894

The following table summarizes the Level III investments by valuation methodology as of June 30, 2009:

Fair Value Based on	Corporate Private Equity	Real Estate	Credit and Marketable Alternatives	Total Investment Company Holdings
Third-Party Fund Managers	—	—	68%	68%
Specific Valuation Metrics	22%	7%	3%	32%
	22%	7%	71%	100%

The changes in investments measured at fair value for which the Partnership has used Level III inputs to determine fair value are as follows. The following table does not include gains or losses that were reported in Level III in prior years or for instruments that were transferred out of Level III prior to the end of the current reporting period.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Balance, Beginning of Period	\$1,190,644	\$2,274,684	\$1,538,007	\$2,362,542
Transfer In (Out) of Level III, Net	(2,334)	160,040	(2,386)	160,040
Purchases (Sales), Net	(63,465)	6,703	(372,272)	29,959
Realized Gains (Losses), Net	(93,138)	2,777	(98,360)	9,565
Changes in Unrealized Gains (Losses) Included in Earnings Related to Investments Still Held at the Reporting Date	113,614	19,011	80,332	(98,891)
Balance, End of Period	<u>\$1,145,321</u>	<u>\$2,463,215</u>	<u>\$1,145,321</u>	<u>\$2,463,215</u>

Total realized and unrealized gains and losses recorded for Level III investments are reported in Net Gains (Losses) from Fund Investment Activities in the Condensed Consolidated Statements of Operations.

THE BLACKSTONE GROUP L.P.**Notes to Condensed Consolidated Financial Statements—(Continued)**
(All Dollars Are in Thousands, Except Unit and Per Unit Data, Except Where Noted)**5. LOANS PAYABLE**

On May 11, 2009, Blackstone entered into a new committed revolving credit facility for \$850 million.

As of June 30, 2009, Blackstone had no outstanding borrowings under its revolving credit facility.

6. INCOME TAXES

The Blackstone Holdings Partnerships operate in the U.S. as partnerships for U.S. federal income tax purposes and generally as corporate entities in non-U.S. jurisdictions; accordingly, these entities in some cases are subject to the New York City unincorporated business tax or, in the case of non-U.S. entities, to non-U.S. corporate income taxes. In addition, certain wholly-owned entities of the Partnership are subject to federal, state and local corporate income taxes.

Blackstone adopted SFAS No. 160 effective January 1, 2009. As a result of the adoption, Blackstone is required to calculate its effective tax rate on Consolidated Income (Loss) Before Provision for Taxes as opposed to the Net Income (Loss) Attributable to The Blackstone Group L.P. Accordingly, under SFAS No. 160, Blackstone's effective tax rate was (1.85)% and 4.17% for the three months ended June 30, 2009 and 2008, respectively, and (1.91)% and 0.90% for the six months ended June 30, 2009 and 2008, respectively. Blackstone's income tax provision was an expense of \$10.9 million and a benefit of \$25.9 million for the three months ending June 30, 2009 and 2008, respectively, and an expense of \$28.6 million and a benefit of \$16.9 million for the six months ending June 30, 2009 and 2008, respectively.

Prior to the adoption of SFAS No. 160, after eliminating the effects of non-controlling interests, Blackstone's effective tax rate would have been (3.53)% for the three months ended June 30, 2009, which is comparable to the 15.62% effective tax rate that was reported for the three months ended June 30, 2008, and (5.14)% for the six months ended June 30, 2009, which is comparable to the 5.72% effective tax rate that was reported for the six months ended June 30, 2008. Blackstone's corresponding income tax provision would have been an expense of \$5.6 million for the three months ended June 30, 2009, which is comparable to the benefit of \$29.0 million reported for the three months ended June 30, 2008, and an expense of \$19.3 million for the six months ended June 30, 2009, which is comparable to the benefit of \$24.7 million reported for the six months ended June 30, 2008.

Blackstone's effective tax rates for the three and six months ended June 30, 2009 were due to the following: (1) certain wholly-owned subsidiaries were subject to federal, state and local corporate income taxes on income allocated to Blackstone, and certain non-U.S. corporate entities continue to be subject to non-U.S. corporate income tax, and (2) a portion of the compensation charges that contribute to Blackstone's net loss are not deductible for tax purposes.

7. NET LOSS PER COMMON UNIT

Beginning in the third quarter of 2008, certain unitholders exchanged Blackstone Holdings Partnership Units for Blackstone Common Units. Until the Blackstone Common Units issued in such exchanges are transferred to third parties, the exchanging unitholders will forego any priority distributions referred to below. As a result, net loss available to the common unitholders was allocated between common units entitled to priority distributions and common units not entitled to priority distributions. The Partnership has calculated net loss per unit in accordance with EITF Issue No. 03-06, *Participating Securities and the Two-Class Method Under FASB Statement 128* ("EITF 03-06") and FSP EITF No. 03-6-1.

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Notes to Condensed Consolidated Financial Statements—(Continued)
(All Dollars Are in Thousands, Except Unit and Per Unit Data, Except Where Noted)

Basic and diluted net loss per common unit for the three and six months ended June 30, 2009 is calculated as follows:

	Three Months Ended June 30, 2009		Six Months Ended June 30, 2009	
	Basic	Diluted	Basic	Diluted
Total Undistributed Loss				
Net Loss Allocable to Common Unit Holders	\$ (164,284)	\$ (164,284)	\$ (395,858)	\$ (395,858)
Less: Distributions to Common Unitholders	(83,371)	(83,371)	(165,517)	(165,517)
Total Undistributed Loss	<u>\$ (247,655)</u>	<u>\$ (247,655)</u>	<u>\$ (561,375)</u>	<u>\$ (561,375)</u>
Allocation of Total Undistributed Loss				
Undistributed Loss — Common Unitholders				
Entitled to Priority Distributions	\$ (247,308)	\$ (247,308)	\$ (559,173)	\$ (559,173)
Undistributed Loss — Common Unitholders Not Entitled to Priority Distributions	(347)	(347)	(2,202)	(2,202)
Total Undistributed Loss	<u>\$ (247,655)</u>	<u>\$ (247,655)</u>	<u>\$ (561,375)</u>	<u>\$ (561,375)</u>
Net Loss Per Common Unit — Common Units Entitled to Priority Distributions				
Undistributed Loss per Common Unit	\$ (0.90)	\$ (0.90)	\$ (2.04)	\$ (2.04)
Priority Distributions	0.30	0.30	0.60	0.60
Net Loss Per Common Unit — Common Units Entitled to Priority Distributions	<u>\$ (0.60)</u>	<u>\$ (0.60)</u>	<u>\$ (1.44)</u>	<u>\$ (1.44)</u>
Net Loss Per Common Unit — Common Units Not Entitled to Priority Distributions Undistributed Loss per Common Unit				
Undistributed Loss per Common Unit	\$ (0.90)	\$ (0.90)	\$ (2.04)	\$ (2.04)
Priority Distributions	—	—	—	—
Net Loss Per Common Unit — Common Units Not Entitled to Priority Distributions	<u>\$ (0.90)</u>	<u>\$ (0.90)</u>	<u>\$ (2.04)</u>	<u>\$ (2.04)</u>
Weighted-Average Common Units Outstanding —				
Common Units Entitled to Priority Distributions	275,199,027	275,199,027	274,416,111	274,416,111
Common Units Not Entitled to Priority Distributions	385,796	385,796	1,003,238	1,003,238
Total Weighted-Average Common Units Outstanding	<u>275,584,823</u>	<u>275,584,823</u>	<u>275,419,349</u>	<u>275,419,349</u>

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Notes to Condensed Consolidated Financial Statements—(Continued)
(All Dollars Are in Thousands, Except Unit and Per Unit Data, Except Where Noted)

For the three months ended June 30, 2009, a weighted-average total of 24,175,810 unvested deferred restricted common units and 823,827,409 Blackstone Holdings Partnership Units were anti-dilutive and as such have been excluded from the calculation of diluted earnings per unit. For the six months ended June 30, 2009, a weighted-average total of 25,185,306 unvested deferred restricted common units and 827,280,867 Blackstone Holdings Partnership Units were anti-dilutive and as such have been excluded from the calculation of diluted earnings per unit.

Basic and diluted net loss per common unit for the three and six months ended June 30, 2008 was as follows:

	Three Months Ended June 30, 2008		Six Months Ended June 30, 2008	
	Basic	Diluted	Basic	Diluted
Net Loss Allocable to Common Unit Holders	\$ (156,531)	\$ (156,531)	\$ (407,524)	\$ (407,524)
Weighted-Average Common Units Outstanding	263,610,181	263,610,181	263,378,650	263,378,650
Net Loss per Common Unit	\$ (0.60)	\$ (0.60)	\$ (1.55)	\$ (1.55)

For the three months ended June 30, 2008, a weighted-average total of 31,078,615 unvested deferred restricted common units and 836,010,555 Blackstone Holdings Partnership Units were anti-dilutive and as such have been excluded from the calculation of diluted earnings per unit. For the six months ended June 30, 2008, a weighted-average total of 31,569,772 unvested deferred restricted common units and 833,995,410 Blackstone Holdings Partnership Units were anti-dilutive and as such have been excluded from the calculation of diluted earnings per unit.

Cash Distribution Policy

Blackstone's current intention is to distribute to its common unitholders substantially all of The Blackstone Group L.P.'s net after-tax share of our annual adjusted cash flows from operations in excess of amounts determined by its general partner to be necessary or appropriate to provide for the conduct of its business, to make appropriate investments in our business and our funds, to comply with applicable law, any of its debt instruments or other agreements, or to provide for future distributions to its common unitholders for any ensuing quarter. The declaration and payment of any distributions will be at the sole discretion of the general partner, which may change the distribution policy at any time.

The partnership agreements of the Blackstone Holdings partnerships provide that until December 31, 2009, the income (and accordingly distributions) of Blackstone Holdings are to be allocated each year:

- first, to The Blackstone Group L.P.'s wholly-owned subsidiaries until sufficient income has been so allocated to permit The Blackstone Group L.P. to make aggregate distributions to its common unitholders of \$1.20 per common unit on an annualized basis for such year;
- second, to the other partners of the Blackstone Holdings partnerships until an equivalent amount of income on a partnership interest basis has been allocated to such other partners for such year; and
- thereafter, pro rata to all partners of the Blackstone Holdings partnerships in accordance with their respective partnership interests.

THE BLACKSTONE GROUP L.P.**Notes to Condensed Consolidated Financial Statements—(Continued)**
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In addition, the partnership agreements of the Blackstone Holdings partnerships will provide for cash distributions, referred to as “tax distributions,” to the partners of such partnerships if the wholly-owned subsidiaries of The Blackstone Group L.P., which are the general partners of the Blackstone Holdings partnerships, determine that the taxable income of the relevant partnership will give rise to taxable income for its partners. Generally, these tax distributions will be computed based on Blackstone’s estimate of the net taxable income of the relevant partnership allocable to a partner multiplied by an assumed tax rate equal to the highest effective marginal combined U.S. federal, state and local income tax rate prescribed for an individual or corporate resident in New York, New York (taking into account the nondeductibility of certain expenses and the character of our income). The Blackstone Holdings partnerships will make tax distributions only to the extent distributions from such partnerships for the relevant year were otherwise insufficient to cover such tax liabilities.

Until December 31, 2009, Blackstone personnel and others with respect to their Blackstone Holdings Partnership Units will not receive any distributions (other than tax distributions in the circumstances specified above) for a year unless and until our common unitholders receive aggregate distributions of \$1.20 per common unit for such year. Blackstone does not intend to maintain this priority allocation after December 31, 2009.

Unit Repurchase Program

In January 2008, Blackstone announced that the Board of Directors of its general partner, Blackstone Group Management L.L.C., had authorized the repurchase by Blackstone of up to \$500 million of Blackstone Common Units and Blackstone Holdings Partnership Units. Under this unit repurchase program, units may be repurchased from time to time in open market transactions, in privately negotiated transactions or otherwise. The timing and the actual number of Blackstone Common Units and Blackstone Holdings Partnership Units repurchased will depend on a variety of factors, including legal requirements, price and economic and market conditions. This unit repurchase program may be suspended or discontinued at any time and does not have a specified expiration date.

During the six months ended June 30, 2009, Blackstone repurchased a combination of 4,629,866 Blackstone Common Units and Blackstone Holdings Partnership Units as part of the unit repurchase program for a total cost of \$29.6 million. During the three months ended June 30, 2009, Blackstone repurchased 218,164 Blackstone Common Units and Blackstone Holdings Partnership Units as part of the unit repurchase program for a total cost of \$2.4 million. As of June 30, 2009, the amount remaining available for repurchases was \$340.3 million under this program. The repurchase resulted in a decrease in Blackstone’s ownership interest in Blackstone Holdings equity of \$16.6 million.

During the six months ended June 30, 2008, Blackstone repurchased a combination of 8,329,101 vested and unvested Blackstone Holdings Partnership Units as part of the repurchase program. The repurchase resulted in a decrease in Blackstone’s ownership interest in Blackstone Holdings equity of \$89.2 million.

8. EQUITY-BASED COMPENSATION

The Partnership has granted equity-based compensation awards to Blackstone’s senior managing directors, non-partner professionals, non-professionals and selected external advisors under the Partnership’s 2007 Equity Incentive Plan (the “Equity Plan”), the majority of which to date were granted in connection with the IPO. The Equity Plan allows for the granting of options, unit appreciation rights or other unit-based awards (units, restricted units, restricted common units, deferred restricted common units, phantom restricted common units or other unit-based awards based in whole or in part on the fair value of the Blackstone Common Units or Blackstone Holdings Partnership Units). As of January 1, 2009, the Partnership had the ability to grant 163,574,323 units under the Equity Plan during the year ending December 31, 2009.

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For the three and six months ended June 30, 2009, the Partnership recorded compensation expense of \$762.7 million and \$1.5 billion, respectively, in relation to its equity-based awards with corresponding tax benefits of \$4.1 million and \$6.5 million, respectively. The Partnership recorded compensation expense of \$805.6 million and \$1.7 billion in relation to its equity-based awards with corresponding tax benefits of \$3.9 million and \$9.4 million for the three and six months ended June 30, 2008, respectively. As of June 30, 2009, there was \$7.7 billion of estimated unrecognized compensation expense related to unvested awards. That cost is expected to be recognized over a weighted-average period of 4.5 years.

Total vested and unvested outstanding units, including Blackstone Common Units, Blackstone Holdings Partnership Units, deferred restricted common units and options were 1,120,027,419 as of June 30, 2009. Total outstanding unvested phantom units were 280,587 as of June 30, 2009.

A summary of the status of the Partnership's unvested equity-based awards as of June 30, 2009 and a summary of changes during the period January 1, 2009 through June 30, 2009, are presented below:

	<u>Blackstone Holdings</u>		<u>The Blackstone Group L.P.</u>			
	<u>Partnership Units</u>	<u>Weighted-Average Grant Date Fair Value</u>	<u>Equity Settled Awards</u>		<u>Cash Settled Awards</u>	
<u>Unvested Units</u>			<u>Deferred Restricted Common Units and Options</u>	<u>Weighted-Average Grant Date Fair Value</u>	<u>Phantom Units</u>	<u>Weighted-Average Grant Date Fair Value</u>
Balance, December 31, 2008	354,311,432	\$ 30.89	28,569,608	\$ 25.90	532,794	\$ 26.09
Granted	1,702,463	6.50	41,040	3.62	—	—
Vested	(76,959,442)	30.96	(4,783,742)	28.32	(239,556)	26.78
Exchanged	—	—	(3,322)	5.80	3,322	5.80
Forfeited	(7,563,387)	30.43	(3,371,601)	25.64	(32,581)	26.22
Balance, June 30, 2009	<u>271,491,066</u>	30.74	<u>20,451,983</u>	25.51	<u>263,979</u>	25.23

In March 2008, the Partnership modified certain senior managing directors' Blackstone Holdings Partnership Unit award agreements and subsequently repurchased, under the unit repurchase program, both vested and unvested units in conjunction with the modifications. At the date of such modifications, the Partnership recognized total compensation expense of \$167.2 million, which was included in the total equity-based compensation expense of \$914.7 million for the three months ended March 31, 2008, related to the modifications and cash settlement.

Units Expected to Vest

The following unvested units, as of June 30, 2009, are expected to vest:

	<u>Units</u>	<u>Weighted-Average Service Period in Years</u>
Blackstone Holdings Partnership Units	254,802,509	4.4
Deferred Restricted Blackstone Common Units and Options	16,697,220	4.6
Total Equity-Based Awards	<u>271,499,729</u>	4.4
Phantom Units	<u>230,486</u>	0.9

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Notes to Condensed Consolidated Financial Statements—(Continued)
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9. RELATED PARTY TRANSACTIONS

Affiliate Receivables and Payables

Blackstone Group considers its Founder, senior managing directors, employees, the Blackstone Funds and the Portfolio Companies to be affiliates. As of June 30, 2009 and December 31, 2008, Due from Affiliates and Due to Affiliates were comprised of the following:

	June 30, 2009	December 31, 2008
Due from Affiliates		
Primarily Interest Bearing Advances Made on Behalf of Certain Non-Controlling Interest Holders and Blackstone Employees for Investments in Blackstone Funds	\$ 147,293	\$ 175,268
Amounts Due from Portfolio Companies and Funds	92,257	72,376
Management and Performance Fees Due from Non-Consolidated Funds of Funds	55,424	50,774
Payments Made on Behalf of Non-Consolidated Entities	46,139	58,536
Advances Made to Certain Non-Controlling Interest Holders and Blackstone Employees	11,155	8,130
Investments Redeemed in Non-Consolidated Funds of Funds	8,893	496,350
	<u>\$ 361,161</u>	<u>\$ 861,434</u>
Due to Affiliates		
Due to Certain Non-Controlling Interest Holders in Connection with the Tax Receivable Agreement	\$ 720,488	\$ 722,449
Accrual for Potential Repayment of Previously Received Performance Fees and Allocations	506,519	260,018
Distributions Received on Behalf of Certain Non-Controlling Interest Holders and Blackstone Employees	48,669	262,737
Distributions Received on Behalf of Non-Consolidated Entities	23,808	22,938
Payments Made by Non-Consolidated Entities	6,053	17,435
	<u>\$ 1,305,537</u>	<u>\$ 1,285,577</u>

Interests of the Founder, Senior Managing Directors and Employees

In addition, the Founder, senior managing directors and employees invest on a discretionary basis in the Blackstone Funds both directly and through consolidated entities. Their investments may be subject to preferential management fee and performance fee and allocation arrangements. As of June 30, 2009 and December 31, 2008, the Founder's, other senior managing directors' and employees' investments aggregated \$515.5 million and \$507.2 million, respectively, and the Founder's, other senior managing directors' and employees' share of the Net Income (Loss) Attributable to Redeemable Non-Controlling and Non-Controlling Interests in Consolidated Entities aggregated \$12.4 million and \$52.6 million for the three months ended June 30, 2009 and 2008, respectively, and \$(21.6) million and \$(13.9) million for the six months ended June 30, 2009 and 2008, respectively.

THE BLACKSTONE GROUP L.P.**Notes to Condensed Consolidated Financial Statements—(Continued)**
(All Dollars Are in Thousands, Except Unit and Per Unit Data, Except Where Noted)**Loans to Affiliates**

Loans to affiliates consist of interest-bearing advances to certain Blackstone individuals to finance their investments in certain Blackstone Funds. These loans earn interest at Blackstone's cost of borrowing and such interest totaled \$0.5 million and \$1.6 million for the three months ended June 30, 2009 and 2008, respectively, and \$0.9 million and \$3.1 million for the six months ended June 30, 2009 and 2008, respectively. No such loans that were outstanding as of June 30, 2009 were made to any director or executive officer of Blackstone since March 22, 2007, the date of Blackstone's initial filing with the Securities and Exchange Commission of a registration statement relating to its initial public offering.

Contingent Repayment Guarantee

Blackstone and its personnel who have received carried interest distributions have guaranteed payment on a several basis (subject to a cap), to the carry funds of any contingent repayment (clawback) obligation with respect to the excess carried interest allocated to the general partners of such funds and indirectly received thereby to the extent that either Blackstone or its personnel fails to fulfill its clawback obligation, if any.

Carried interest is subject to clawback to the extent that the carried interest actually distributed to date exceeds the amount due to Blackstone based on cumulative results. As such, the accrual for contingent repayments ("clawback"), which is a component of Due to Affiliates, represents all amounts previously distributed to Blackstone Holdings and non-controlling interest holders that would need to be repaid to the Blackstone Funds if the Blackstone carry funds were to be liquidated based on the current fair value of the underlying funds' investments as of June 30, 2009 and December 31, 2008. The actual clawback liability, however, does not become realized until the end of a fund's life or one year after a realized loss is incurred, depending on the fund. As of June 30, 2009, such obligations were \$506.5 million, of which \$220.0 million related to Blackstone Holdings and \$286.5 million related to non-controlling interest holders. As of December 31, 2008, such obligations were \$260.0 million, of which \$109.8 million related to Blackstone Holdings and \$150.2 million related to non-controlling interest holders.

Tax Receivable Agreement

Blackstone used a portion of the proceeds from the IPO and the sale of non-voting common units to Beijing Wonderful Investments to purchase interests in the predecessor businesses from certain non-controlling interest holders. In addition, holders of Blackstone Holdings Partnership Units may exchange their Blackstone Holdings Partnership Units for Blackstone Common Units on a one-for-one basis. The purchase and subsequent exchanges are expected to result in increases in the tax basis of the tangible and intangible assets of Blackstone Holdings and therefore reduce the amount of tax that Blackstone's wholly-owned subsidiaries would otherwise be required to pay in the future.

Certain subsidiaries of the Partnership which are corporate taxpayers have entered into tax receivable agreements with each of certain non-controlling interest holders and additional tax receivable agreements have been executed, and will continue to be executed, with newly-admitted senior managing directors and others who acquire Blackstone Holdings Partnership Units. The agreements provide for the payment by the corporate taxpayers to such owners of 85% of the amount of cash savings, if any, in U.S. federal, state and local income tax that the corporate taxpayers actually realize as result of the aforementioned increases in tax basis and of certain other tax benefits related to entering into these tax receivable agreements. For purposes of the tax receivable agreements, cash savings in income tax will be computed by comparing the actual income tax liability of the corporate taxpayers to the amount of such taxes that the corporate taxpayers would have been required to pay had

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Notes to Condensed Consolidated Financial Statements—(Continued)
(All Dollars Are in Thousands, Except Unit and Per Unit Data, Except Where Noted)

there been no increase to the tax basis of the tangible and intangible assets of Blackstone Holdings as a result of the exchanges and had the corporate taxpayers not entered into the tax receivable agreements.

Assuming no material changes in the relevant tax law and that the corporate taxpayers earn sufficient taxable income to realize the full tax benefit of the increased amortization of the assets, the expected future payments under the tax receivable agreements (which are taxable to the recipients) will aggregate \$720.5 million over the next 15 years. The present value of these estimated payments totals \$146.4 million assuming a 15% discount rate and using Blackstone's most recent projections relating to the estimated timing of the benefit to be received. Future payments under the tax receivable agreements in respect of subsequent exchanges would be in addition to these amounts. The payments under the tax receivable agreement are not conditioned upon continued ownership of Blackstone equity interests by the pre-IPO owners and the others mentioned above. In January 2009 payments totaling \$17.0 million were made to certain pre-IPO owners in accordance with the tax receivable agreement and related to tax benefits we received for the 2007 taxable year.

10. COMMITMENTS AND CONTINGENCIES

Guarantees — Blackstone had approximately \$6.0 million of letters of credit outstanding to provide collateral support related to a credit facility at June 30, 2009.

Certain real estate funds guarantee payments to third parties in connection with the on-going business activities and/or acquisitions of their Portfolio Companies. At June 30, 2009, such guarantees amounted to \$14.3 million.

Debt Covenants — Blackstone's debt obligations contain various customary loan covenants. In management's opinion, these covenants do not materially restrict Blackstone's investment or financing strategy. Blackstone was in compliance with all of its loan covenants as of June 30, 2009.

Investment Commitments — The Blackstone Funds had signed investment commitments with respect to investments representing commitments of \$26.0 million as of June 30, 2009. Included in this is \$0.1 million of signed investment commitments for portfolio company acquisitions in the process of closing.

The general partners of the Blackstone Funds had unfunded commitments to each of their respective funds totaling \$1.4 billion as of June 30, 2009.

Certain of Blackstone's funds of hedge funds not consolidated in these financial statements have unfunded investment commitments to unaffiliated hedge funds of \$727.6 million as of June 30, 2009. The funds of hedge funds consolidated in these financial statements may, but are not required to, allocate assets to these funds.

Contingent Obligations (Clawback) — Included within Net Gains (Losses) from Fund Investment Activities in the Condensed Consolidated Statements of Operations are gains from Blackstone Fund investments. The portion of net gains (losses) attributable to non-controlling interest holders is included within Non-Controlling Interests in Income of Consolidated Entities. Net gains (losses) attributable to non-controlling interest holders are net of carried interest earned by Blackstone. Carried interest is subject to clawback to the extent that the carried interest received to date exceeds the amount due to Blackstone based on cumulative results. If, at June 30, 2009, all of the investments held by the carry funds, which are at fair value, were deemed worthless, a possibility that management views as remote, the amount of carried interest subject to potential clawback would be \$1.4 billion, on an after tax basis where applicable, of which \$338.5 million related to

THE BLACKSTONE GROUP L.P.

Notes to Condensed Consolidated Financial Statements—(Continued)
(All Dollars Are in Thousands, Except Unit and Per Unit Data, Except Where Noted)

Blackstone Holdings and \$1.1 billion related to current and former Blackstone personnel. These amounts are inclusive of the amounts described in Note 9 under Contingent Repayment Guarantee. A portion of the carried interest paid to current and former Blackstone personnel is held in segregated accounts in the event of a cash clawback obligation. These segregated accounts and most of the collateralized accounts are not included in the financial statements of the Partnership. At June 30, 2009, \$473.4 million was held in such segregated accounts.

Contingent Performance Fees and Allocations — Through June 30, 2009, \$7.0 million of performance fees and allocations has been recorded attributable to hedge funds where the measurement period has not ended.

Litigation — From time to time, Blackstone is named as a defendant in legal actions relating to transactions conducted in the ordinary course of business. After consultation with legal counsel, management believes the ultimate liability arising from such actions that existed as of June 30, 2009, if any, will not materially affect Blackstone's results of operations, financial position or cash flows.

11. SEGMENT REPORTING

Blackstone transacts its primary business in the United States and substantially all of its revenues are generated domestically.

Blackstone conducts its alternative asset management and financial advisory businesses through four segments:

- **Corporate Private Equity** — Blackstone's Corporate Private Equity segment comprises its management of corporate private equity funds.
- **Real Estate** — Blackstone's Real Estate segment comprises its management of general real estate funds and internationally focused real estate funds.
- **Credit and Marketable Alternatives** — Blackstone's Credit and Marketable Alternatives segment, whose consistent focus is current earnings, comprises its management of funds of hedge funds, credit-oriented funds, CLO vehicles, publicly-traded closed-end mutual funds and separate accounts programs. GSO's results have been included in this segment from the date of acquisition. This segment, formerly known as Marketable Alternative Asset Management, has been renamed to better reflect the product mix in this segment. This does not reflect a change to the underlying businesses or how they are reflected in Blackstone's results of operations.
- **Financial Advisory** — Blackstone's Financial Advisory segment comprises its corporate and mergers and acquisitions advisory services, restructuring and reorganization advisory services and Park Hill Group, which provides fund placement services for alternative investment funds.

These business segments are differentiated by their various sources of income, with the Corporate Private Equity, Real Estate and Credit and Marketable Alternatives segments primarily earning their income from management fees and investment returns on assets under management, while the Financial Advisory segment primarily earns its income from fees related to investment banking services and advice and fund placement services.

Economic Net Income ("ENI") is a key performance measure used by management. ENI represents segment net income excluding the impact of income taxes and IPO and acquisition-related items, including charges associated with equity-based compensation, the amortization of intangibles and corporate actions including

THE BLACKSTONE GROUP L.P.

Notes to Condensed Consolidated Financial Statements—(Continued)
(All Dollars Are in Thousands, Except Unit and Per Unit Data, Except Where Noted)

acquisitions. For segment reporting purposes, revenues and expenses are presented on a basis that deconsolidates the investment funds we manage. The aggregate of ENI for all segments equals Total Segment ENI. ENI is used by management primarily in making resource deployment and compensation decisions across Blackstone's four segments.

Management makes operating decisions and assesses the performance of each of Blackstone's business segments based on financial and operating metrics and data that is presented without the consolidation of any of the Blackstone Funds that are consolidated into the condensed consolidated financial statements. Consequently, all segment data excludes the assets, liabilities and operating results related to the Blackstone Funds.

The following table presents the financial data for Blackstone's four segments for the three months ended June 30, 2009 and as of and for the six months ended June 30, 2009:

	Three Months Ended June 30, 2009				
	Corporate Private Equity	Real Estate	Credit and Marketable Alternatives	Financial Advisory	Total Reportable Segments
Segment Revenues					
Management Fees					
Base Management Fees	\$ 67,740	\$ 81,517	\$ 96,293	\$ —	\$245,550
Advisory Fees	—	—	—	82,503	82,503
Transaction and Other Fees	15,711	2,879	687	—	19,277
Management Fee Offsets	(566)	(486)	(4,365)	—	(5,417)
Total Management and Advisory Fees	82,885	83,910	92,615	82,503	341,913
Performance Fees and Allocations	97,185	(47,370)	22,419	—	72,234
Investment Income (Loss) and Other	18,516	(55,461)	25,375	996	(10,574)
Total Revenues	198,586	(18,921)	140,409	83,499	403,573
Expenses					
Compensation and Benefits	54,263	(6,824)*	57,406	54,239	159,084
Other Operating Expenses	20,553	12,978	16,461	21,734	71,726
Total Expenses	74,816	6,154	73,867	75,973	230,810
Economic Net Income (Loss)	\$ 123,770	\$(25,075)	\$ 66,542	\$ 7,526	\$172,763

* The credit balance in Compensation and Benefits for the Real Estate segment is primarily the result of a reversal of \$47.4 million of prior period carried interest allocations made to certain partners that are participating in the Partnership's profit sharing arrangements.

THE BLACKSTONE GROUP L.P.

Notes to Condensed Consolidated Financial Statements—(Continued)
(All Dollars Are in Thousands, Except Unit and Per Unit Data, Except Where Noted)

	June 30, 2009 and the Six Months then Ended				
	Corporate Private Equity	Real Estate	Credit and Marketable Alternatives	Financial Advisory	Total Reportable Segments
Segment Revenues					
Management Fees					
Base Management Fees	\$ 136,171	\$ 161,715	\$ 192,796	\$ —	\$ 490,682
Advisory Fees	—	—	—	173,443	173,443
Transaction and Other Fees	29,693	6,019	1,130	—	36,842
Management Fee Offsets	(4,220)	(1,679)	(8,578)	—	(14,477)
Total Management and Advisory Fees	161,644	166,055	185,348	173,443	686,490
Performance Fees and Allocations	102,003	(275,943)	32,341	—	(141,599)
Investment Income (Loss) and Other	3,035	(121,588)	21,923	1,097	(95,533)
Total Revenues	266,682	(231,476)	239,612	174,540	449,358
Expenses					
Compensation and Benefits	49,139	(44,143)*	118,540	105,191	228,727
Other Operating Expenses	40,661	25,593	40,106	34,710	141,070
Total Expenses	89,800	(18,550)	158,646	139,901	369,797
Economic Net Income (Loss)	\$ 176,882	\$ (212,926)	\$ 80,966	\$ 34,639	\$ 79,561
Segment Assets	\$ 2,381,115	\$ 1,436,641	\$ 2,262,340	\$ 752,775	\$ 6,832,871

* The credit balance in Compensation and Benefits for the Real Estate segment is primarily the result of a reversal of \$117.5 million of prior period carried interest allocations made to certain partners that are participating in the Partnership's profit sharing arrangements.

The following table reconciles the Total Segments to Blackstone's Income (Loss) Before Provision for Taxes and Total Assets for the three months ended June 30, 2009 and as of and for the six months ended June 30, 2009:

	Three Months Ended June 30, 2009		
	Total Segments	Consolidation Adjustments and Reconciling Items	Blackstone Consolidated
Revenues	\$403,573	\$ 2,843(a)	\$ 406,416
Expenses	\$230,810	\$ 820,896(b)	\$1,051,706
Other Income	\$ —	\$ 58,304(c)	\$ 58,304
Economic Net Income	\$172,763	\$ (759,749)(d)	\$ (586,986)

THE BLACKSTONE GROUP L.P.

Notes to Condensed Consolidated Financial Statements—(Continued)
(All Dollars Are in Thousands, Except Unit and Per Unit Data, Except Where Noted)

	June 30, 2009 and the Six Months then Ended		
	Total Segments	Consolidation Adjustments and Reconciling Items	Blackstone Consolidated
Revenues	\$ 449,358	\$ 1,972(a)	\$ 451,330
Expenses	\$ 369,797	\$ 1,604,267(b)	\$ 1,974,064
Other Income	\$ —	\$ 23,541(c)	\$ 23,541
Economic Net Income	\$ 79,561	\$(1,578,754)(d)	\$(1,499,193)
Total Assets	\$6,832,871	\$ 865,861(e)	\$ 7,698,732

- (a) The Revenues adjustment principally represents management and performance fees and allocations earned from Blackstone Funds to arrive at Blackstone consolidated revenues which were eliminated in consolidation.
- (b) The Expenses adjustment represents the addition of expenses of the consolidated Blackstone Funds to the Blackstone unconsolidated expenses, amortization of intangibles and expenses related to equity-based compensation to arrive at Blackstone consolidated expenses.
- (c) The Other Income adjustment results from the following:

	Three Months Ended June 30, 2009	Six Months Ended June 30, 2009
Fund Management Fees and Performance Fees and Allocations Eliminated in Consolidation	\$ (3,150)	\$ (4,752)
Fund Expenses Added in Consolidation	2,491	6,073
Non-Controlling Interests in Income of Consolidated Entities	58,963	22,220
Total Consolidation Adjustments	<u>\$ 58,304</u>	<u>\$ 23,541</u>

- (d) The reconciliation of Economic Net Income to Income Before Provision for Taxes as reported in the Condensed Consolidated Statements of Operations consists of the following:

	Three Months Ended June 30, 2009	Six Months Ended June 30, 2009
Economic Net Income	\$ 172,763	\$ 79,561
Adjustments		
Amortization of Intangibles	(39,511)	(79,024)
IPO and Acquisition-Related Charges	(761,834)	(1,502,891)
Income Associated with Non-Controlling Interests in Income of Consolidated Entities	41,596	3,161
Total Adjustments	<u>(759,749)</u>	<u>(1,578,754)</u>
Income (Loss) Before Provision for Taxes	<u>\$ (586,986)</u>	<u>\$ (1,499,193)</u>

- (e) The Total Assets adjustment represents the addition of assets of the consolidated Blackstone Funds to the Blackstone unconsolidated assets to arrive at Blackstone consolidated assets.

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Notes to Condensed Consolidated Financial Statements—(Continued)
(All Dollars Are in Thousands, Except Unit and Per Unit Data, Except Where Noted)

The following table presents financial data for Blackstone's four segments for the three and six months ended June 30, 2008:

	Three Months Ended June 30, 2008				
	Corporate Private Equity	Real Estate	Credit and Marketable Alternatives	Financial Advisory	Total Reportable Segments
Segment Revenues					
Management Fees					
Base Management Fees	\$ 66,967	\$ 67,977	\$ 127,465	\$ —	\$262,409
Advisory Fees	—	—	—	71,080	71,080
Transaction and Other Fees	19,161	6,854	2,884	—	28,899
Management Fee Offsets	(15,232)	(326)	(16)	—	(15,574)
Total Management and Advisory Fees	70,896	74,505	130,333	71,080	346,814
Performance Fees and Allocations	21,960	(77,133)	45,027	—	(10,146)
Investment Income (Loss) and Other	(489)	(10,837)	49,741	1,382	39,797
Total Revenues	92,367	(13,465)	225,101	72,462	376,465
Expenses					
Compensation and Benefits	40,283	32,083	84,162	48,574	205,102
Other Operating Expenses	20,799	13,532	25,014	12,093	71,438
Total Expenses	61,082	45,615	109,176	60,667	276,540
Economic Net Income (Loss)	\$ 31,285	\$ (59,080)	\$ 115,925	\$ 11,795	\$ 99,925
	Six Months Ended June 30, 2008				
	Corporate Private Equity	Real Estate	Credit and Marketable Alternatives	Financial Advisory	Total Reportable Segments
Segment Revenues					
Management Fees					
Base Management Fees	\$ 134,303	\$ 134,728	\$ 230,652	\$ —	\$ 499,683
Advisory Fees	—	—	—	139,643	139,643
Transaction and Other Fees	29,998	18,649	4,012	—	52,659
Management Fee Offsets	(23,642)	(730)	(16)	—	(24,388)
Total Management and Advisory Fees	140,659	152,647	234,648	139,643	667,597
Performance Fees and Allocations	(141,470)	(107,195)	50,085	—	(198,580)
Investment Income (Loss) and Other	(23,565)	(11,411)	(29,661)	3,935	(60,702)
Total Revenues	(24,376)	34,041	255,072	143,578	408,315
Expenses					
Compensation and Benefits	(40,469)*	67,771	140,435	95,541	263,278
Other Operating Expenses	42,973	29,294	43,302	23,110	138,679
Total Expenses	2,504	97,065	183,737	118,651	401,957
Economic Net Income (Loss)	\$ (26,880)	\$ (63,024)	\$ 71,335	\$ 24,927	\$ 6,358

* The credit balance in Compensation and Benefits for the Corporate Private Equity segment is primarily the result of a reversal of \$101.6 million of prior period carried interest allocations made to certain partners that are participating in the Partnership's profit sharing arrangements.

THE BLACKSTONE GROUP L.P.

Notes to Condensed Consolidated Financial Statements—(Continued)
(All Dollars Are in Thousands, Except Unit and Per Unit Data, Except Where Noted)

The following table reconciles the Total Segments to Blackstone's Income Before Provision for Taxes for the three and six months ended June 30, 2008:

	Three Months Ended June 30, 2008		
	Total Segments	Consolidation Adjustments and Reconciling Items	Blackstone Consolidated
Revenues	\$376,465	\$ (22,532)(a)	\$ 353,933
Expenses	\$276,540	\$ 887,549(b)	\$1,164,089
Other Income	\$ —	\$ 189,678(c)	\$ 189,678
Economic Net Income	\$ 99,925	\$ (720,403)(d)	\$ (620,478)

	Six Months Ended June 30, 2008		
	Total Segments	Consolidation Adjustments and Reconciling Items	Blackstone Consolidated
Revenues	\$408,315	\$ 13,654(a)	\$ 421,969
Expenses	\$401,957	\$ 1,859,708(b)	\$ 2,261,665
Other Income	\$ —	\$ (25,958)(c)	\$ (25,958)
Economic Net Income	\$ 6,358	\$ (1,872,012)(d)	\$(1,865,654)

- (a) The Revenues adjustment principally represents management and performance fees and allocations earned from Blackstone Funds to arrive at Blackstone consolidated revenues which were eliminated in consolidation.
- (b) The Expenses adjustment represents the addition of expenses of the consolidated Blackstone Funds to the Blackstone unconsolidated expenses to arrive at Blackstone consolidated expenses.
- (c) The Other Income adjustment results from the following:

	Three Months Ended June 30, 2008	Six Months Ended June 30, 2008
Fund Management Fees and Performance Fees and Allocations Eliminated in Consolidation	\$ 21,582	\$ (17,738)
Fund Expenses Added in Consolidation	24,108	46,902
Non-Controlling Interests in Income of Consolidated Entities	143,988	(55,122)
Total Consolidation Adjustments	\$ 189,678	\$ (25,958)

- (d) The reconciliation of Economic Net Income to Income Before Benefit for Taxes as reported in the Condensed Consolidated Statements of Operations consists of the following:

	Three Months Ended June 30, 2008	Six Months Ended June 30, 2008
Economic Net Income	\$ 99,925	\$ 6,358
Adjustments		
Amortization of Intangibles	(40,685)	(74,213)
IPO and Acquisition-Related Charges	(818,026)	(1,736,997)
Income (Loss) Associated with Non-Controlling Interests in Income (Loss) of Consolidated Entities	138,308	(60,802)
Total Adjustments	(720,403)	(1,872,012)
Income (Loss) Before Benefit for Taxes	\$ (620,478)	\$ (1,865,654)

THE BLACKSTONE GROUP L.P.

Notes to Condensed Consolidated Financial Statements—(Continued)
(All Dollars Are in Thousands, Except Unit and Per Unit Data, Except Where Noted)

12. SUBSEQUENT EVENTS

There have been no subsequent events through August 7, 2009, the date that Blackstone's condensed consolidated financial statements were available to be issued, that require recognition or disclosure in such condensed consolidated financial statements.

ITEM 1A. UNAUDITED SUPPLEMENTAL PRESENTATION OF STATEMENTS OF FINANCIAL CONDITION

THE BLACKSTONE GROUP L.P.

**Unaudited Condensed Consolidated Statements of Financial Condition
(Dollars in Thousands)**

	June 30, 2009			
	<u>Consolidated Operating Partnerships</u>	<u>Consolidated Blackstone Funds (a)</u>	<u>Reclasses and Eliminations</u>	<u>Consolidated</u>
Assets				
Cash and Cash Equivalents	\$ 784,579	\$ —	\$ —	\$ 784,579
Cash Held by Blackstone Funds and Other	51,211	19,703	—	70,914
Investments	1,686,273	1,050,874	(209,808)	2,527,339
Accounts Receivable	241,771	3,621	—	245,392
Due from Brokers	—	714	—	714
Due from Affiliates	360,877	15,915	(15,631)	361,161
Intangible Assets, Net	998,500	—	—	998,500
Goodwill	1,703,602	—	—	1,703,602
Other Assets	157,286	532	(59)	157,759
Deferred Tax Assets	848,772	—	—	848,772
Total Assets	<u>\$6,832,871</u>	<u>\$ 1,091,359</u>	<u>\$ (225,498)</u>	<u>\$7,698,732</u>
Liabilities and Partners' Capital				
Loans Payable	\$ 78,048	\$ —	\$ —	\$ 78,048
Amounts Due to Non-Controlling Interest Holders	59,459	120,650	—	180,109
Securities Sold, Not Yet Purchased	—	310	—	310
Due to Affiliates	1,297,215	23,953	(15,631)	1,305,537
Accrued Compensation and Benefits	319,260	2,149	—	321,409
Accounts Payable, Accrued Expenses and Other Liabilities	158,287	5,223	(59)	163,451
Total Liabilities	<u>1,912,269</u>	<u>152,285</u>	<u>(15,690)</u>	<u>2,048,864</u>
Redeemable Non-Controlling Interests in Consolidated Entities	<u>—</u>	<u>—</u>	<u>454,823</u>	<u>454,823</u>
Partners' Capital				
Partners' Capital	3,351,177	664,631	(664,631)	3,351,177
Accumulated Other Comprehensive Income	576	—	—	576
Non-Controlling Interests in Consolidated Entities	(201,149)	274,443	—	73,294
Non-Controlling Interests in Blackstone Holdings	1,769,998	—	—	1,769,998
Total Partners' Capital	<u>4,920,602</u>	<u>939,074</u>	<u>(664,631)</u>	<u>5,195,045</u>
Total Liabilities and Partners' Capital	<u>\$6,832,871</u>	<u>\$ 1,091,359</u>	<u>\$ (225,498)</u>	<u>\$7,698,732</u>

THE BLACKSTONE GROUP L.P.
Unaudited Condensed Consolidated Statements of Financial Condition—(Continued)
(Dollars in Thousands)

	December 31, 2008			
	Consolidated Operating Partnerships	Consolidated Blackstone Funds (a)	Reclasses and Eliminations	Consolidated
Assets				
Cash and Cash Equivalents	\$ 503,737	\$ —	\$ —	\$ 503,737
Cash Held by Blackstone Funds and Other	57,536	849,788	—	907,324
Investments	1,650,071	1,385,132	(204,261)	2,830,942
Accounts Receivable	309,201	2,866	—	312,067
Due from Brokers	—	48,506	—	48,506
Investment Subscriptions Paid in Advance	6,697	—	(4,781)	1,916
Due from Affiliates	1,057,362	216	(196,144)	861,434
Intangible Assets, Net	1,077,526	—	—	1,077,526
Goodwill	1,703,602	—	—	1,703,602
Other Assets	169,333	222	—	169,555
Deferred Tax Assets	845,578	—	—	845,578
Total Assets	<u>\$7,380,643</u>	<u>\$ 2,286,730</u>	<u>\$ (405,186)</u>	<u>\$9,262,187</u>
Liabilities and Partners' Capital				
Loans Payable	\$ 387,000	\$ —	\$ —	\$ 387,000
Amounts Due to Non-Controlling Interest Holders	105,942	1,009,780	(12,299)	1,103,423
Securities Sold, Not Yet Purchased	—	894	—	894
Due to Affiliates	1,064,980	362,526	(141,929)	1,285,577
Accrued Compensation and Benefits	410,593	2,866	—	413,459
Accounts Payable, Accrued Expenses and Other Liabilities	176,418	112,699	(108,858)	180,259
Total Liabilities	<u>2,144,933</u>	<u>1,488,765</u>	<u>(263,086)</u>	<u>3,370,612</u>
Redeemable Non-Controlling Interests in Consolidated Entities	<u>—</u>	<u>—</u>	<u>362,462</u>	<u>362,462</u>
Partners' Capital				
Partners' Capital	3,509,448	504,562	(504,562)	3,509,448
Accumulated Other Comprehensive Income (Loss)	(291)	—	—	(291)
Non-Controlling Interests in Consolidated Entities	(95,206)	293,403	—	198,197
Non-Controlling Interests in Blackstone Holdings	1,821,759	—	—	1,821,759
Total Partners' Capital	<u>5,235,710</u>	<u>797,965</u>	<u>(504,562)</u>	<u>5,529,113</u>
Total Liabilities and Partners' Capital	<u>\$7,380,643</u>	<u>\$ 2,286,730</u>	<u>\$ (405,186)</u>	<u>\$9,262,187</u>

(a) The consolidated Blackstone Funds consisted of the following:

Blackstone Distressed Securities Fund L.P.
Blackstone Kailix Fund L.P.*
Blackstone Market Opportunities Fund L.P.

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Blackstone Strategic Alliance Fund L.P.
Blackstone Strategic Equity Fund L.P.
Blackstone Value Recovery Fund L.P.
BTD CP Holdings, LP**
GSO Legacy Associates 2 LLC
GSO Legacy Associates LLC
GSO Co-Investment Partners LLC**
The Asia Opportunities Fund L.P.
Corporate private equity side-by-side investment vehicles
Real estate side-by-side investment vehicles
Mezzanine fund side-by-side investment vehicles

* Consolidated as of December 31, 2008 only.

** Consolidated as of June 30, 2009 only.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with The Blackstone Group L.P.'s condensed consolidated financial statements and the related notes included in this Quarterly Report on Form 10-Q.

On March 3, 2008, we acquired GSO Capital Partners LP and certain of its affiliates ("GSO"). GSO is an alternative asset manager specializing in the leveraged finance marketplace. GSO manages various credit-oriented funds, separately managed accounts and collateralized loan obligation ("CLO") vehicles. GSO's results are included in our Credit and Marketable Alternatives segment from the date of acquisition.

Our Business

Blackstone is one of the largest independent alternative asset managers in the world. We also provide a range of financial advisory services, including corporate and mergers and acquisitions advisory, restructuring and reorganization advisory and fund placement services.

Our business is organized into four business segments:

- **Corporate Private Equity.** We are a world leader in private equity investing, having managed five general private equity funds, as well as one specialized fund focusing on media and communications-related investments, since we established this business in 1987. In addition, we are in the process of raising our seventh private equity fund and are seeking to launch new investment funds to make infrastructure and clean technology investments. Through our corporate private equity funds we pursue transactions throughout the world, including leveraged buyout acquisitions of seasoned companies, transactions involving growth equity or start-up businesses in established industries, minority investments, corporate partnerships, distressed debt, structured securities and industry consolidations, in all cases in strictly friendly transactions.
- **Real Estate.** We are a world leader in real estate investing with an assortment of real estate funds that are diversified geographically and across a variety of sectors. We launched our first real estate fund in 1994 and have managed six opportunistic real estate funds, two internationally focused real estate funds, a European focused real estate fund and a number of debt-focused real estate funds. Our real estate funds have made significant investments in lodging, major urban office buildings and a variety of real estate operating companies. In addition, our debt-focused funds target real estate debt related investment opportunities in the public and private markets, primarily in the United States and Europe.
- **Credit and Marketable Alternatives.** Established in 1990, our credit and marketable alternatives segment is comprised of our management of funds of hedge funds, credit-oriented funds, CLO vehicles and publicly-traded closed-end mutual funds. These products are intended to provide investors with consistent distributions of current income. In addition, we provide investment advice to institutional investors in dedicated accounts (i.e., separately managed accounts). This segment, formerly known as Marketable Alternative Asset Management, has been renamed to better reflect the product mix in this segment. This does not reflect a change to the underlying businesses or how they are reflected in reporting our results of operations.
- **Financial Advisory.** Our financial advisory segment serves a diverse and global group of clients with corporate and mergers and acquisitions advisory services, restructuring and reorganization advisory services and fund placement services for alternative investment funds.

We generate our revenue from fees earned pursuant to contractual arrangements with funds, fund investors and fund portfolio companies (including management, transaction and monitoring fees), and from corporate and

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mergers and acquisitions advisory services, restructuring and reorganization advisory services and fund placement services for alternative investment funds. We invest in the funds we manage and, in most cases, receive an allocation of income (i.e., a “carried interest”) or an incentive fee from an investment fund in the event that specified cumulative investment returns are achieved. The composition of our revenues will vary based on market conditions and the cyclical nature of the different businesses in which we operate. Net investment gains and resultant investment income generated by the Blackstone Funds over a fund’s investment cycle, principally corporate private equity and real estate funds, are driven by value created by our operating and strategic initiatives as well as overall market conditions. Our funds initially record fund investments at cost and then such investments are subsequently recorded at fair value. Fair values are affected by changes in the stock market, fundamentals of the portfolio company, the portfolio company’s industry, the overall economy, as well as other market conditions.

Business Environment

Global equity and debt markets recovered much of their previous losses in the second quarter of 2009, while the macro-economic backdrop remained challenged. In the United States and Europe, equities markets rose for the first time since the second quarter of 2007, after U.S. markets reached a 12-year low and European markets reached a 6-year low in March 2009. Emerging markets across Asia and Latin America rose even more quickly and ended the second quarter of 2009 35-75% higher than year-end 2008 levels.

High yield credit spreads tightened sharply to 978 basis points over Treasury securities at the end of June 2009, compared with credit spreads of 1,700 basis points over Treasury securities at year-end 2008. Despite this dramatic tightening, spreads remain well above historic averages and credit trends continue to be weak across both consumer and commercial asset classes. Investors returned to investing in high yield debt and issuance increased. Notwithstanding the meaningful rally in credit, bank lenders have not increased their appetite to make long-term capital commitments. Therefore, the volume of new leveraged transactions remains low given the overall global economic weakness and lack of financing.

Commercial real estate trends in the U.S. and Europe worsened in the second quarter of 2009, with lower occupancy and pricing trends. Global hospitality trends also declined, including revenue per available room (“RevPAR”), an important industry metric.

Commodities prices continued their upward climb. Crude oil ended the second quarter of 2009 at \$70 per barrel, 41% higher than at the end of March 2009 and 57% higher than at year-end 2008. The dollar generally weakened against most currencies in the quarter, reversing the gains of the first quarter. In the second quarter of 2009, the dollar declined approximately 6% against the Euro, 13% against the Pound Sterling and 3% against the Japanese Yen.

Global economies appear to be benefiting from substantial government stimulus. Though economic trends in developed nations were negative in the second quarter of 2009, the rate of decline has slowed. Emerging nations, such as China and India, continue to have favorable growth trends. The consumer price index (CPI) increased 0.8% in the second quarter of 2009 on a seasonally adjusted basis and declined 1.4% over the preceding twelve month period.

The duration of current economic and market conditions is unknown. Blackstone’s businesses are materially affected by conditions in the financial markets and economic conditions in the United States, Western Europe, Asia and to a lesser extent elsewhere in the world.

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Key Financial Measures and Indicators

Our key financial measures and indicators are discussed below.

Revenues

Revenues primarily consist of management and advisory fees, performance fees and allocations and investment income.

Management and Advisory Fees. Management and advisory fees consist of (1) fund management fees and (2) advisory fees.

(1) *Fund Management Fees.* Fund management fees are comprised of:

- (a) *Base Management Fees.* Base management fees are fees charged directly to the fund or fund investors. Base management fees are calculated as follows:
 - (i) For carry funds, generally as a percentage of the investment fund's capital commitment during the investment period and a percentage of invested capital after the investment period;
 - (ii) For credit-oriented and real estate funds structured like a hedge fund, generally as a percentage of the fund's net asset value;
 - (iii) For hedge funds, generally as a percentage of assets under management;
 - (iv) For CLOs at cost and closed-end mutual funds, generally as a percentage of each fund's total assets; and
 - (v) For separately managed accounts, generally as a percentage of net asset value.

Refer to "Item 1. Business, Incentive Arrangements / Fee Structure" in our 2008 Annual Report on Form 10-K which provides additional information regarding the manner in which Base Management Fees are generated.

- (b) *Transaction and Other Fees.* Transaction and other fees (including monitoring fees) are comprised of fees charged directly to funds and fund portfolio companies. Our investment advisory agreements generally require that the investment advisor share a portion of certain fees with the limited partners of the fund. Transaction and other fees are net of amounts, if any, shared with limited partners.
 - (c) *Management Fee Offsets.* Our investment advisory agreements generally require that the investment advisor share a portion of certain expenses with the limited partners of the fund. These shared items ("management fee reductions") reduce the management fees received from the limited partners. Management fee offsets are comprised principally of broken deal and placement fee expenses.
- (2) *Advisory Fees.* Advisory fees consist of advisory retainer and transaction-based fee arrangements related to mergers, acquisitions, restructurings, divestitures and fund placement services for alternative investment funds.

Performance Fees and Allocations. Performance fees and allocations represent the allocations of profits ("carried interest") which are a component of our general partner interests in the carry funds. We are entitled to carried interest from an investment carry fund in the event investors in the fund achieve cumulative investment returns in excess of a specified rate. In certain performance fee arrangements related to funds of hedge funds and some credit-oriented funds in our Credit and Marketable Alternatives segment, we are entitled to receive performance fees and allocations subject to certain net loss carry-forward provisions (known as a "highwater mark") and, in some cases, when the return on assets under management exceeds certain benchmark returns or other performance targets. In all cases, each fund is considered separately in that regard and for a given fund,

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performance fees and allocations can never be negative over the life of the fund. For our carry funds, Performance Fees and Allocations are realized when the underlying investment in a fund is profitably realized and the fund's cumulative investment returns are in excess of a specified rate. For our hedge funds, Performance Fees and Allocations are realized at the end of each fund's measurement period, as applicable to the performance fee or allocation.

Investment Income. Blackstone invests in corporate private equity funds, real estate funds, funds of hedge funds and credit-oriented funds that are not consolidated. The Partnership accounts for these investments under the equity method of accounting. Blackstone's share of operating income (loss) generated by these investments is recorded as a component of Investment Income (Loss). Investment Income (Loss) is realized when we redeem all or a portion of our investment or when we receive cash income, such as from a dividend or distribution, from an investment in one of our funds which is not consolidated. Unrealized Investment Income (Loss) results from changes in the fair value of the underlying investment as well as the reversal of unrealized gain (loss) at the time an investment is realized.

Interest Income and Other . Interest Income and Other principally includes interest earned from the investing of Blackstone's available Cash and Cash Equivalents and any foreign exchange transaction amounts.

Expenses

Compensation and Benefits Expense. The bulk of our compensation is performance-related, generally paid as a percentage of revenues or profits. Compensation and benefits expense reflects (1) employee compensation and benefits expense paid and payable to our employees, including our senior managing directors, (2) equity-based compensation associated with grants of equity-based awards to senior managing directors, other employees and selected other individuals engaged in our businesses and (3) performance payment arrangements for Blackstone personnel and profit sharing interests in carried interest.

Other Operating Expenses. The balance of our expenses represent general and administrative expenses including interest expense, occupancy and equipment expenses and other expenses, which consist principally of professional fees, public company costs, travel and related expenses, communications and information services and depreciation and amortization.

Fund Expenses. The expenses of our consolidated Blackstone Funds consist primarily of interest expense, professional fees and other third-party expenses.

Other Income

Other Income (Losses) — Net Income from Fund Investment Activities represents amounts attributable to funds that Blackstone includes in its condensed consolidated financial statements with such results allocated to non-controlling interest holders.

Non-Controlling Interests

A majority of our investment funds are unconsolidated or we record significant non-controlling interests in income of consolidated entities relating to the ownership interests of the limited partners of the Blackstone Holdings Partnerships and the limited partner interests in our consolidated investment funds. The Blackstone Group L.P. is, through wholly-owned subsidiaries, the sole general partner of each of the Blackstone Holdings partnerships. The Blackstone Group L.P. consolidates the financial results of Blackstone Holdings and its consolidated subsidiaries, and the ownership interest of the limited partners of Blackstone Holdings is reflected as Non-Controlling Interests in Blackstone Holdings. The limited partner interests of the consolidated Blackstone Funds is presented as Redeemable Non-Controlling Interests in Consolidated Entities in situations where the limited partner has, or will have, the option of redeeming their interests from consolidated Blackstone Fund,

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which is principally from our funds of hedge funds and certain credit-oriented funds. Limited partners interests in the consolidated Blackstone Funds where the redemption option does not exist, which is principally our carry funds, is recorded as Non-Controlling Interests in Consolidated Entities.

Income Taxes

The Blackstone Holdings partnerships and certain of their subsidiaries operate in the United States as partnerships for U.S. federal income tax purposes and generally as corporate entities in non-U.S. jurisdictions. As a result, our income is not subject to U.S. federal and state income taxes. Generally, the tax liability related to income earned by these entities represents obligations of the individual partners and members. A portion of our income may be subject to the New York City unincorporated business tax and other non-U.S. income taxes applicable to income earned in non-U.S. jurisdictions. In addition, certain of the wholly-owned subsidiaries of The Blackstone Group L.P. and the Blackstone Holdings partnerships are subject to corporate federal, state and local income taxes that are reflected in our consolidated financial statements.

There remains some uncertainty regarding Blackstone's future taxation levels. In June 2007, a bill was introduced in the U.S. Senate that would preclude Blackstone from qualifying for treatment as a partnership for U.S. federal income tax purposes under the publicly traded partnership rules. In addition, the U.S. Congress has recently considered other bills relating to the taxation of investment partnerships. Legislation has been introduced into the U.S. Congress this year that is substantially similar to a bill passed by the U.S. House of Representatives in 2008 that would generally (1) treat carried interest as non-qualifying income under the tax rules applicable to publicly traded partnerships, which would require Blackstone to hold interests in entities earning such income through taxable subsidiary corporations, and (2) tax carried interest as ordinary income for U.S. federal income tax purposes, rather than in accordance with the character of income derived by the underlying fund, which is in many cases capital gain. In addition, the Obama administration proposed in its published revenue proposals for 2010 that the current law regarding the treatment of carried interest be changed to treat such income as income received in connection with the performance of services and subject to ordinary income tax. If any such legislation or similar legislation were to be enacted and it applied to us, it would materially increase the amount of taxes payable by Blackstone and/or its unitholders.

Economic Net Income

Economic Net Income ("ENI") represents segment net income excluding the impact of income taxes and IPO and acquisition-related items, including charges associated with equity-based compensation, the amortization of intangibles and corporate actions including acquisitions. For segment reporting purposes, revenues and expenses are presented on a basis that deconsolidates the investment funds we manage. ENI is used by management primarily in making resource deployment and compensation decisions across Blackstone's four segments. (See Note 11. "Segment Reporting" in the "Notes to the Condensed Consolidated Financial Statements" in Part I. Item 1. Financial Statements.)

Net Fee Related Earnings from Operations

Net Fee Related Earnings from Operations, which is a component of Adjusted Cash Flows from Operations, is a supplemental non-GAAP financial measure that reflects our earnings from operations excluding the income related to the performance fees and allocations and related carry plan costs and income earned from Blackstone's investments in the Blackstone Funds. Management uses Net Fee Related Earnings from Operations as a measure to assess whether recurring revenue from our businesses more than adequately covers all of our operating expenses and generates profitability. Net Fee Related Earnings from Operations equals (i) contractual revenues and interest income, (ii) less compensation expenses, which include amortization of non-IPO and acquisition-related equity-based awards, but exclude amortization of IPO and acquisition-based equity awards, carried interest and incentive fee compensation, (iii) less other operating expenses and (iv) less cash taxes calculated in a manner similar to our ENI provision for income taxes. See "Liquidity and Capital Resources — Liquidity and

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Capital Resources” below for a detailed discussion of Net Fee Related Earnings from Operations. This measure should be considered in addition to, and not as a substitute for, or superior to, financial measures presented in accordance with GAAP.

Blackstone uses Earnings Before Interest, Taxes and Depreciation and Amortization from Net Fee Related Earnings from Operations (“EBITDA-NFRE”) as a measure of segment performance and a useful indicator of our ability to cover our recurring operating expenses. EBITDA-NFRE equals Net Fee Related Earnings from Operations before segment level interest expense, segment level depreciation and amortization and the cash taxes included in Net Fee Related Earnings from Operations.

Adjusted Cash Flows from Operations

Adjusted Cash Flows from Operations, which is derived from our segment reported results, is a supplemental non-GAAP financial measure we use to assess liquidity and amounts available for distribution to owners. Adjusted Cash Flows from Operations is intended to reflect the cash flows attributable to Blackstone without the effects of the consolidation of the Blackstone Funds. The equivalent GAAP measure is Net Cash Provided by (Used in) Operating Activities. See “Liquidity and Capital Resources — Liquidity and Capital Resources” below for our detailed discussion of Adjusted Cash Flows from Operations. This measure should be considered in addition to, and not as a substitute for, or superior to, financial measures presented in accordance with GAAP.

Operating Metrics

The alternative asset management business is a complex business that is primarily based on managing third party capital and does not require substantial capital investment to support rapid growth. However, there also can be volatility associated with its earnings and cash flows. Since our inception, we have developed and used various key operating metrics to assess and monitor the operating performance of our various alternative asset management businesses in order to monitor the effectiveness of our value creating strategies.

Assets Under Management. Assets Under Management refers to the assets we manage. Our Assets Under Management equal the sum of:

- (1) the fair value of the investments held by our carry funds plus the capital that we are entitled to call from investors in those funds pursuant to the terms of their capital commitments to those funds (plus the fair value of co-investments arranged by us that were made by limited partners of our funds in portfolio companies of such funds and as to which we receive fees or a carried interest allocation);
- (2) the net asset value of our funds of hedge funds, hedge funds and our closed-end mutual funds;
- (3) the fair value of assets we manage pursuant to separately managed accounts; and
- (4) the amount of capital raised for our CLOs.

Our carry funds are commitment-based drawdown structured funds that do not permit investors to redeem their interests at their election. Interests related to our funds of hedge funds and certain of our credit-oriented funds are generally subject to annual, semi-annual or quarterly withdrawal or redemption by investors upon advance written notice, with the majority of our funds requiring from 60 days up to 95 days depending on the fund and the liquidity profile of the underlying assets. Investment advisory agreements related to separately managed accounts may generally be terminated by an investor on 30 to 90 days’ notice.

Fee-Earning Assets Under Management . Fee-Earning Assets Under Management refers to the assets we manage on which we derive management and incentive fees. Our Fee-Earning Assets Under Management generally equal the sum of:

- (1) for our carry funds where the investment period has not expired, the amount of capital commitments;
- (2) for our carry funds where the investment period has expired, the remaining amount of invested capital;

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- (3) the invested capital of co-investments arranged by us that were made by limited partners of our funds in portfolio companies of such funds and as to which we receive fees;
- (4) the net asset value of our funds of hedge funds, hedge funds and our closed-end mutual funds;
- (5) the fair value of assets we manage pursuant to separately managed accounts; and
- (6) the gross amount of assets of our CLOs at cost.

Our calculations of assets under management and fee-earning assets under management may differ from the calculations of other asset managers, and as a result this measure may not be comparable to similar measures presented by other asset managers. In addition, our calculation of assets under management includes commitments to and the fair value of invested capital in our funds from Blackstone and our personnel regardless of whether such commitments or invested capital are subject to fees. Our definitions of assets under management or fee-earning assets under management are not based on any definition of assets under management or fee-earning assets under management that is set forth in the agreements governing the investment funds that we manage.

For our carry funds, total assets under management includes the fair value of the investments held whereas fee-earning assets under management includes the amount of capital commitments or the remaining amount of invested capital at cost depending on whether the investment period has or has not expired. As such, fee-earning assets under management may be greater than total assets under management when the aggregate fair value of the remaining investments is less than the cost of those investments.

Limited Partner Capital Invested. Limited Partner Capital Invested represents the amount of Limited Partner capital commitments which were invested by our carry funds during each period presented, plus the capital invested through co-investments arranged by us that were made by limited partners in investments of our carry funds as to which we receive fees or a carried interest allocation.

We manage our business using both financial measures and our key operating metrics since we believe that these metrics measure the productivity of our investment activities.

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Condensed Consolidated Results of Operations

Following is a discussion of our condensed consolidated results of operations for the three and six months ended June 30, 2009 and 2008. For a more detailed discussion of the factors that affected the results of our four business segments (which are presented on a basis that deconsolidates the investment funds we manage) in these periods, see “Segment Analysis” below.

The following table sets forth information regarding our consolidated results of operations for the three and six months ended June 30, 2009 and 2008.

	Three Months Ended June 30,		2009 vs. 2008		Six Months Ended June 30,		2009 vs. 2008	
	2009	2008	\$	%	2009	2008	\$	%
(Dollars in Thousands)								
Revenues								
Management and Advisory Fees	\$ 340,829	\$ 338,159	\$ 2,670	1%	\$ 682,001	\$ 647,568	\$ 34,433	5%
Performance Fees and Allocations	71,171	(13,722)	84,893	—	(143,077)	(202,409)	59,332	29%
Investment Income (Loss)	(10,949)	22,766	(33,715)	—	(93,402)	(38,592)	(54,810)	-142%
Interest Income and Other	5,365	6,730	(1,365)	20%	5,808	15,402	(9,594)	-62%
Total Revenues	<u>406,416</u>	<u>353,933</u>	<u>52,483</u>	<u>15%</u>	<u>451,330</u>	<u>421,969</u>	<u>29,361</u>	<u>7%</u>
Expenses								
Compensation and Benefits	937,751	1,028,808	(91,057)	-9%	1,750,098	2,005,955	(255,857)	-13%
Interest	87	5,689	(5,602)	98%	1,486	8,432	(6,946)	-82%
General, Administrative and Other	112,276	107,799	4,477	4%	217,876	202,533	15,343	8%
Fund Expenses	1,592	21,793	(20,201)	93%	4,604	44,745	(40,141)	-90%
Total Expenses	<u>1,051,706</u>	<u>1,164,089</u>	<u>(112,383)</u>	<u>10%</u>	<u>1,974,064</u>	<u>2,261,665</u>	<u>(287,601)</u>	<u>-13%</u>
Other Income (Loss)								
Net Gains (Losses) from Fund Investment Activities	58,304	189,678	(131,374)	69%	23,541	(25,958)	49,499	—
Income (Loss) Before Provision (Benefit) for Taxes	<u>(586,986)</u>	<u>(620,478)</u>	<u>33,492</u>	<u>5%</u>	<u>(1,499,193)</u>	<u>(1,865,654)</u>	<u>366,461</u>	<u>20%</u>
Provision (Benefit) for Taxes	<u>10,885</u>	<u>(25,851)</u>	<u>36,736</u>	<u>—</u>	<u>28,616</u>	<u>(16,870)</u>	<u>45,486</u>	<u>—</u>
Net Income (Loss)	<u>(597,871)</u>	<u>(594,627)</u>	<u>(3,244)</u>	<u>-1%</u>	<u>(1,527,809)</u>	<u>(1,848,784)</u>	<u>320,975</u>	<u>17%</u>
Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	37,638	131,368	(93,730)	71%	40,234	(52,826)	93,060	—
Net Income (Loss) Attributable to Non-Controlling Interests in Consolidated Entities	3,959	6,942	(2,983)	43%	(37,072)	(7,974)	(29,098)	—
Net Income (Loss) Attributable to Non-Controlling Interests in Blackstone Holdings	<u>(475,184)</u>	<u>(576,406)</u>	<u>101,222</u>	<u>18%</u>	<u>(1,135,113)</u>	<u>(1,380,460)</u>	<u>245,347</u>	<u>18%</u>
Net Income (Loss) Attributable to The Blackstone Group L.P.	<u>\$ (164,284)</u>	<u>\$ (156,531)</u>	<u>\$ (7,753)</u>	<u>-5%</u>	<u>\$ (395,858)</u>	<u>\$ (407,524)</u>	<u>\$ 11,666</u>	<u>3%</u>

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The following table presents certain operating metrics for the three and six months ended June 30, 2009 and 2008. For a description of how assets under management is determined, please see “Key Financial Measures and Indicators —Operating Metrics—Assets Under Management.”

	Three Months Ended June 30,		2009 vs. 2008		Six Months Ended June 30,		2009 vs. 2008	
	2009	2008	\$	%	2009	2008	\$	%
(Dollars in Thousands)								
Fee-Earning Assets Under Management (End of Period)	\$93,505,402	\$ 99,728,667	\$ (6,223,265)	-6%	\$93,505,402	\$ 99,728,667	\$ (6,223,265)	-6%
Assets Under Management								
Balance, Beginning of Period	\$92,545,168	\$113,530,571			\$94,559,217	\$102,427,372		
Inflows (a)	1,382,312	7,146,729			4,080,248	21,238,611		
Outflows (b)	(2,835,311)	(1,668,911)			(4,313,396)	(2,472,783)		
Market Appreciation (Depreciation) (c)	2,376,312	404,644			(857,588)	(1,780,167)		
Balance, End of Period	\$93,468,481	\$119,413,033	\$(25,944,552)	-22%	\$93,468,481	\$119,413,033	\$(25,944,552)	-22%
Capital Deployed								
Limited Partner Capital Invested	\$ 703,056	\$ 1,794,598	\$ (1,091,542)	-61%	\$ 1,322,678	\$ 2,523,308	\$ (1,200,630)	-48%

- (a) Inflows represent contributions by limited partners and Blackstone and its employees in our funds of hedge funds, credit-oriented funds and closed-end mutual funds, increases in available capital for our carry funds (capital raises, callable capital and increased side-by-side commitments) and CLOs and increases in the capital we manage pursuant to separately managed account programs. For 2008, this also includes the assets under management of GSO at the closing date of the acquisition.
- (b) Outflows represent redemptions by limited partners and Blackstone and its employees in our funds of hedge funds, credit-oriented funds and closed-end mutual funds, client withdrawals from our separately managed account programs, decreases in available capital for our carry funds (expired capital, expense drawdowns and decreased side-by-side commitments) and realizations from the disposition of assets by our carry funds. Also included is the distribution of funds associated with the liquidation of our proprietary single manager hedge funds.
- (c) Market appreciation (depreciation) includes realized and unrealized gains (losses) on portfolio investments and the impact of foreign exchange rate fluctuations.

Revenues

Management and Advisory Fees were \$340.8 million for the three months ended June 30, 2009, an increase of \$2.7 million, or 1%, compared to \$338.2 million for the three months ended June 30, 2008. The change was principally driven by increased advisory fees generated by both our restructuring and reorganization advisory services and corporate and mergers and acquisitions advisory services businesses, as well as an increase in management fees in our Real Estate segment. These increases were partially offset by a decline in management fees earned in our Credit and Marketable Alternatives segment, driven primarily by lower Fee Earning Assets Under Management.

Performance Fees and Allocations were \$71.2 million for the three months ended June 30, 2009, an increase of \$84.9 million compared to \$(13.7) million for the three months ended June 30, 2008. The increase was driven principally by positive performance in one of our private equity investment funds and a decrease in the reversal of prior period carried interest allocations to certain personnel in our real estate investment funds. These positive drivers were partially offset by a reduction in performance fees generated by certain of our credit-oriented funds. Additionally, the second quarter of 2008 included performance fees associated with one of our then-existing proprietary single manager hedge funds which was liquidated in the first quarter of 2009.

Investment Income (Loss) was \$(10.9) million for the three months ended June 30, 2009, a decrease of \$33.7 million compared to \$22.8 million for the three months ended June 30, 2008. The change was principally

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due to a net depreciation in the fair value of the underlying portfolio investments in our real estate investment funds and the reduction in total capital we had invested in our funds of hedge funds compared with the second quarter of 2008. Additionally, the second quarter of 2008 included investment income associated with one of our then-existing proprietary single manager hedge funds. These decreases were partially offset by net appreciation in the fair value of the underlying portfolio investments in our private equity investment funds.

Interest Income and Other was \$5.4 million for the three months ended June 30, 2009, a decrease of \$1.4 million, or 20%, compared to \$6.7 million for the three months ended June 30, 2008. The change primarily reflected decreased interest earned on bank deposits and Treasury securities, partially offset by an increase in foreign exchange gains.

Management and Advisory Fees were \$682.0 million for the six months ended June 30, 2009, an increase of \$34.4 million, or 5%, compared to \$647.6 million for the six months ended June 30, 2008. The change was principally driven by an increase in advisory fees generated by both our restructuring and reorganization advisory services and corporate and mergers and acquisitions advisory services businesses, as well as an increase in management fees in our Corporate Private Equity and Real Estate segments. The increases were partially offset by a decline in management fees earned in our Credit and Marketable Alternatives segment reflecting reduced Fee Earning Assets Under Management.

Performance Fees and Allocations were \$(143.1) million for the six months ended June 30, 2009, an increase of \$59.3 million, or 29%, compared to \$(202.4) million for the six months ended June 30, 2008. The increase was driven principally by positive performance in one of our private equity investment funds. This increase was partially offset by a net depreciation in the fair value of the underlying portfolio investments in our real estate investment funds, as well as a reduction in performance fees generated by certain of our credit-oriented funds. Additionally, the second quarter of 2008 included performance fees associated with one of our then-existing proprietary single manager hedge funds which was liquidated in the first quarter of 2009.

Investment Income (Loss) was \$(93.4) million for the six months ended June 30, 2009, a decrease of \$54.8 million compared to \$(38.6) million for the six months ended June 30, 2008. The change was due principally to net depreciation in the fair value of the underlying portfolio investments in our real estate investment funds. This decrease was partially offset by net appreciation in the fair value of the underlying portfolio investments in our private equity investment funds and improved returns on our investment in our funds of hedge funds and certain of our proprietary single manager hedge funds and credit-oriented funds for the six months ended June 30, 2009 compared to the six months ended June 30, 2008.

Interest Income and Other was \$5.8 million for the six months ended June 30, 2009, a decrease of \$9.6 million, or 62%, compared to \$15.4 million for the six months ended June 30, 2008. The change primarily reflected decreased interest earned on bank deposits and Treasury securities.

Expenses

Expenses were \$1.1 billion for the three months ended June 30, 2009, a decrease of \$112.4 million, or 10%, compared to \$1.2 billion for the three months ended June 30, 2008. The change reflected decreased Compensation and Benefits of \$91.1 million, principally resulting from a decline in amortization of equity-based compensation expense of \$42.9 million. Additionally, reversal of prior period carried interest allocations of \$28.1 million to certain personnel, principally resulting from a net depreciation in the fair value of certain portfolio investments in our real estate funds, contributed to the overall decrease in Compensation and Benefits. Fund Expenses decreased \$20.2 million from the second quarter of 2008 due principally to a decrease in interest expenses associated with our then-existing proprietary hedge funds. General, Administrative and Other were \$112.3 million, a slight increase from \$107.8 million for the three months ended June 30, 2008.

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Expenses were \$2.0 billion for the six months ended June 30, 2009, a decrease of \$287.6 million, or 13%, compared to \$2.3 billion for the six months ended June 30, 2008. The primary driver of the decrease was a reduction in Compensation and Benefits of \$255.9 million, principally resulting from a decline in amortization of equity-based compensation expense of \$219.5 million, as well as a \$132.2 million reversal of prior period carried interest allocations to certain personnel. Partially offsetting these decreases to Compensation and Benefits was an increase in personnel compensation, which is tied to increased Net Fee Related Earnings from Operations. Fund Expenses decreased \$40.1 million from the six months ended June 30, 2008, due principally to a decrease in interest expenses associated with our then-existing proprietary hedge funds. General, Administrative and Other increased \$15.3 million, primarily due to an increase in occupancy costs, bad debt expenses and incremental amortization expense associated with intangible assets related to our acquisition of GSO in March 2008.

Other Income (Loss)

Other Income was \$58.3 million for the three months ended June 30, 2009, a decrease of \$131.4 million, or 69%, as compared to \$189.7 million for the three months ended June 30, 2008. The change was primarily related to a decrease in unrealized gains associated with our then-existing proprietary hedge fund.

Other Income (Loss) was \$23.5 million for the six months ended June 30, 2009, an increase of \$49.5 million as compared to a loss of \$(26.0) million for the six months ended June 30, 2008. The change was principally driven by an increase in income generated by our Credit and Marketable Alternatives segment, partially offset by an increase in unrealized losses in our real estate funds. The primary drivers of the increase in income from the six months ended June 30, 2008 in our Credit and Marketable Alternatives segment were decreased losses associated with the liquidation of one of our proprietary single manager hedge funds and unrealized gains in certain of our funds of hedge and proprietary hedge funds. These positive drivers were partially offset by a decrease in unrealized gains and interest income associated with one of our then-existing proprietary single manager hedge funds.

Fee-Earning Assets Under Management

Fee-Earning Assets Under Management were \$93.5 billion at June 30, 2009, a decrease of \$6.2 billion, or 6%, compared to \$99.7 billion at June 30, 2008. The decrease was primarily due to a reduction in the fair value of the underlying portfolio investments in our funds of hedge funds and credit-oriented funds, as well as the liquidation of our proprietary single manager hedge funds in the first quarter of 2009. These decreases were partially offset by additional capital raised for our funds of hedge funds, credit-oriented funds and European focused real estate fund since June 30, 2008.

Assets Under Management

Assets Under Management were \$93.5 billion at June 30, 2009, a decrease of \$25.9 billion, or 22%, compared to \$119.4 billion at June 30, 2008, as a result of the factors discussed above.

Capital Deployed

Limited Partner Capital Invested was \$703.1 million for the three months ended June 30, 2009, a decrease of \$1.1 billion, or 61%, compared to \$1.8 billion for the three months ended June 30, 2008. Limited Partner Capital Invested was \$1.3 billion for the six months ended June 30, 2009, a decrease of \$1.2 billion, or 48%, compared to \$2.5 billion for the six months ended June 30, 2008. The change for both periods reflected a decrease in the size and volume of consummated transactions, particularly in our corporate private equity funds and certain of our credit-oriented funds, reflecting fewer attractive investment opportunities during the second quarter and first six months of 2009.

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Segment Analysis

Discussed below is our ENI for each of our segments. This information is reflected in the manner utilized by our senior management to make operating decisions, assess performance and allocate resources. References to “our” sectors or investments may also refer to portfolio companies and investments of the underlying funds that we manage.

For segment reporting purposes, revenues and expenses are presented on a basis that deconsolidates the investment funds we manage. As a result, segment revenues are greater than those presented on a consolidated GAAP basis because fund management fees recognized in certain segments are received from the Blackstone Funds and eliminated in consolidation when presented on a consolidated GAAP basis. Furthermore, segment expenses are lower than related amounts presented on a consolidated GAAP basis due to the exclusion of fund expenses that are paid by Limited Partners and the elimination of non-controlling interests.

Corporate Private Equity

The following table presents our results of operations for our Corporate Private Equity segment:

	Three Months Ended June 30,		2009 vs. 2008		Six Months Ended June 30,		2009 vs. 2008	
	2009	2008	\$	%	2009	2008	\$	%
(Dollars in Thousands)								
Segment Revenues								
Management Fees								
Base Management Fees	\$ 67,740	\$ 66,967	\$ 773	1%	\$136,171	\$ 134,303	\$ 1,868	1%
Transaction and Other Fees	15,711	19,161	(3,450)	-18%	29,693	29,998	(305)	-1%
Management Fee Offsets	(566)	(15,232)	14,666	96%	(4,220)	(23,642)	19,422	82%
Total Management Fees	82,885	70,896	11,989	17%	161,644	140,659	20,985	15%
Performance Fees and Allocations	97,185	21,960	75,225	—	102,003	(141,470)	243,473	—
Investment Income (Loss) and Other	18,516	(489)	19,005	—	3,035	(23,565)	26,600	—
Total Revenues	<u>198,586</u>	<u>92,367</u>	<u>106,219</u>	<u>115%</u>	<u>266,682</u>	<u>(24,376)</u>	<u>291,058</u>	<u>—</u>
Expenses								
Compensation and Benefits	54,263	40,283	13,980	35%	49,139	(40,469)	89,608	—
Other Operating Expenses	20,553	20,799	(246)	-1%	40,661	42,973	(2,312)	-5%
Total Expenses	<u>74,816</u>	<u>61,082</u>	<u>13,734</u>	<u>22%</u>	<u>89,800</u>	<u>2,504</u>	<u>87,296</u>	<u>—</u>
Economic Net Income (Loss)	<u>\$123,770</u>	<u>\$ 31,285</u>	<u>\$ 92,485</u>	<u>—</u>	<u>\$176,882</u>	<u>\$ (26,880)</u>	<u>\$203,762</u>	<u>—</u>

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The following operating metrics are used in the management of this business segment:

	Three Months Ended June 30,		2009 vs. 2008		Six Months Ended June 30,		2009 vs. 2008	
	2009	2008	\$	%	2009	2008	\$	%
(Dollars in Thousands)								
Fee-Earning Assets Under Management (End of Period)	<u>\$25,244,050</u>	<u>\$25,229,438</u>	<u>\$ 14,612</u>	<u>0%</u>	<u>\$25,244,050</u>	<u>\$25,229,438</u>	<u>\$ 14,612</u>	<u>0%</u>
Assets Under Management								
Balance, Beginning of Period	\$23,202,949	\$30,651,023			\$23,933,511	\$31,802,951		
Inflows, including Commitments	3,451	19,736			4,079	78,396		
Outflows, including Distributions	—	(411,799)			(49,786)	(706,420)		
Market Appreciation (Depreciation)	659,687	40,380			(21,717)	(875,587)		
Balance, End of Period	<u>\$23,866,087</u>	<u>\$30,299,340</u>	<u>\$(6,433,253)</u>	<u>-21%</u>	<u>\$23,866,087</u>	<u>\$30,299,340</u>	<u>\$(6,433,253)</u>	<u>-21%</u>
Capital Deployed								
Limited Partner Capital Invested	<u>\$ 338,269</u>	<u>\$ 775,944</u>	<u>\$ (437,675)</u>	<u>-56%</u>	<u>\$ 534,409</u>	<u>\$ 1,116,063</u>	<u>\$ (581,654)</u>	<u>-52%</u>

Revenues

Revenues were \$198.6 million for the three months ended June 30, 2009, an increase of \$106.2 million compared to \$92.4 million for the three months ended June 30, 2008. The increase in Performance Fees and Allocations was driven by the positive performance in one of our investments funds. The increase in Investment Income (Loss) and Other was principally driven by net appreciation in the fair value of the segment's underlying portfolio investments of approximately 3% in the second quarter of 2009. The fair value of the underlying portfolio investments was virtually unchanged in the second quarter of 2008. The net appreciation was driven by increases in the value of certain energy, healthcare, industrial and entertainment and recreation portfolio investments, as well as overall gains on foreign exchange translation, partially offset by decreases in certain media and communications, hospitality and financial services portfolio investments. The decrease in Management Fee Offsets was due primarily to a reduction of spending on due diligence for potential transactions. Transaction and Other Fees decreased \$3.5 million, driven by fewer closed fee-earning transactions during the second quarter of 2009.

Revenues were \$266.7 million for the six months ended June 30, 2009, an increase of \$291.1 million as compared to \$(24.4) million for the six months ended June 30, 2008. The increases in both Performance Fees and Allocations and Investment Income (Loss) and Other were principally driven by positive performance in one of our investment funds. Additionally, the fair value of the segment's underlying portfolio investments was virtually unchanged in the six months ended June 30, 2009 compared to a net depreciation of approximately 5% in the six months ended June 30, 2008. For the six months ended June 30, 2009, increases in the value of certain food and beverage, entertainment and recreation, healthcare and industrial portfolio investments were virtually offset by declines in the value of certain media and communications, hospitality and financial services portfolio investments. Management Fee Offsets decreased as a result of reduced spending on due diligence for potential transactions and decreased amortization of fees related to the organization and marketing of our funds.

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Expenses

Expenses were \$74.8 million for the three months ended June 30, 2009, an increase of \$13.7 million, or 22%, compared to \$61.1 million for the three months ended June 30, 2008. Compensation and Benefits increased \$14.0 million, primarily due to an increase in personnel compensation related to an increase in Net Fee Related Earnings from Operations for the segment.

Expenses were \$89.8 million for the six months ended June 30, 2009, an increase of \$87.3 million compared to \$2.5 million for the six months ended June 30, 2008. The six months ended June 30, 2008 included a \$101.6 million reversal of prior period carried interest allocations to certain personnel, which resulted from the net depreciation in fair value of certain portfolio investments, compared with a reversal of \$27.8 million in the six months ended June 30, 2009, which also reflected a change to our carry compensation plan. As a result, Compensation and Benefits increased, principally related to this reduction in compensation reversals. An increase in personnel compensation, due principally to an increase in Net Fee Related Earnings from Operations for the segment, also contributed to the increase in Compensation and Benefits. Other Operating Expenses decreased \$2.3 million, driven principally by a decrease in professional fees.

Fee-Earning Assets Under Management

Fee-Earning Assets Under Management were \$25.2 billion at June 30, 2009, relatively flat compared to June 30, 2008. Contributions of \$356.4 million in funds which charge a fee based upon invested capital were virtually offset by net depreciation in the fair value of the segment's underlying portfolio investments of \$332.0 million.

Assets Under Management

Assets Under Management were \$23.9 billion at June 30, 2009, a decrease of \$6.4 billion, or 21%, compared with \$30.3 billion at June 30, 2008. The decrease was primarily driven by net depreciation in the fair value of the segment's underlying portfolio investments of \$6.2 billion.

Capital Deployed

Limited Partner Capital Invested was \$338.3 million for the three months ended June 30, 2009, a decrease of \$437.7 million, or 56%, compared to \$775.9 million for the three months ended June 30, 2008. Limited Partner Capital Invested was \$534.4 million for the six months ended June 30, 2009, a decrease of \$581.7 million, or 52%, compared to \$1.1 billion for the six months ended June 30, 2008. These decreases reflect fewer and smaller transactions in the three and six months ended June 30, 2009 compared to the three and six months ended June 30, 2008, respectively.

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Real Estate

The following table presents our results of operations for our Real Estate segment:

	Three Months Ended June 30,		2009 vs. 2008		Six Months Ended June 30,		2009 vs. 2008	
	2009	2008	\$	%	2009	2008	\$	%
(Dollars in Thousands)								
Segment Revenues								
Management Fees								
Base Management Fees	\$ 81,517	\$ 67,977	\$ 13,540	20%	\$ 161,715	\$ 134,728	\$ 26,987	20%
Transaction and Other Fees	2,879	6,854	(3,975)	-58%	6,019	18,649	(12,630)	-68%
Management Fee Offsets	(486)	(326)	(160)	-49%	(1,679)	(730)	(949)	-130%
Total Management Fees	83,910	74,505	9,405	13%	166,055	152,647	13,408	9%
Performance Fees and Allocations	(47,370)	(77,133)	29,763	39%	(275,943)	(107,195)	(168,748)	-157%
Investment Income (Loss) and Other	(55,461)	(10,837)	(44,624)	—	(121,588)	(11,411)	(110,177)	—
Total Revenues	(18,921)	(13,465)	(5,456)	-41%	(231,476)	34,041	(265,517)	—
Expenses								
Compensation and Benefits	(6,824)	32,083	(38,907)	—	(44,143)	67,771	(111,914)	—
Other Operating Expenses	12,978	13,532	(554)	-4%	25,593	29,294	(3,701)	-13%
Total Expenses	6,154	45,615	(39,461)	-87%	(18,550)	97,065	(115,615)	—
Economic Net Income (Loss)	\$(25,075)	\$(59,080)	\$ 34,005	58%	\$(212,926)	\$ (63,024)	\$(149,902)	—

The following operating metrics are used in the management of this business segment:

	Three Months Ended June 30,		2009 vs. 2008		Six Months Ended June 30,		2009 vs. 2008	
	2009	2008	\$	%	2009	2008	\$	%
(Dollars in Thousands)								
Fee-Earning Assets Under Management (End of Period)								
	<u>\$23,525,181</u>	<u>\$21,084,770</u>	<u>\$ 2,440,411</u>	<u>12%</u>	<u>\$23,525,181</u>	<u>\$21,084,770</u>	<u>\$ 2,440,411</u>	<u>12%</u>
Assets Under Management								
Balance, Beginning of Period	\$21,454,095	\$26,278,298			\$24,154,642	\$26,128,049		
Inflows, including Commitments	308,408	3,266,641			316,536	3,443,614		
Outflows, including Distributions	(50,628)	—			(430,323)	(31,293)		
Market Appreciation (Depreciation)	(1,516,397)	(368,525)			(3,845,377)	(363,956)		
Balance, End of Period	<u>\$20,195,478</u>	<u>\$29,176,414</u>	<u>\$(8,980,936)</u>	<u>-31%</u>	<u>\$20,195,478</u>	<u>\$29,176,414</u>	<u>\$(8,980,936)</u>	<u>-31%</u>
Capital Deployed								
Limited Partner Capital Invested	<u>\$ 252,687</u>	<u>\$ 209,779</u>	<u>\$ 42,908</u>	<u>20%</u>	<u>\$ 467,810</u>	<u>\$ 578,981</u>	<u>\$ (111,171)</u>	<u>-19%</u>

Revenues

Revenues were \$(18.9) million for the three months ended June 30, 2009, a decrease of \$5.5 million, or 41%, compared to \$(13.5) million for the three months ended June 30, 2008. The decrease in Investment Income (Loss) and Other was due principally to net depreciation in the fair value of the segment's underlying portfolio investments of approximately 19% as a result of a reduction in the fair value of certain portfolio investments, reflecting revisions to the operating projections for certain portfolio companies, particularly in the office and

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lodging sectors. Office fundamentals continued to deteriorate during the second quarter of 2009. Leasing activity accelerated in the second quarter of 2009 compared to the first quarter of 2009, primarily due to a decline in asking rents. However, the leasing activity was still below historical norms and vacancies continued to increase. Additionally, the current economic environment continued to exert pressure on the operating results of both domestic and foreign hospitality assets as evidenced by continued year-over-year declines in revenue per available room ("RevPAR"), an important hospitality industry metric. The negative \$47.4 million of Performance Fees and Allocations was principally comprised of the reversal of prior period carried interest allocations to certain personnel, with an offsetting reduction to Compensation and Benefits. Performance Fees and Allocations in the second quarter of 2008 were principally comprised of the reversal of Blackstone's prior period carried interest allocations of \$74.1 million. Base Management Fees increased \$13.5 million, driven by a \$2.4 billion increase in Fee Earning Assets Under Management from the second quarter of 2008.

Revenues were \$(231.5) million for the six months ended June 30, 2009, a decrease of \$265.5 million compared to \$34.0 million for the six months ended June 30, 2008. The decreases in both Performance Fees and Allocations and Investment Income (Loss) and Other were due primarily to net depreciation in the fair value of the segment's underlying portfolio investments as a result of a reduction in the fair value of certain portfolio investments due to revised operating projections for our portfolio companies, particularly in the office and lodging sectors. Base Management Fees increased \$27.0 million, driven by an increase in Fee Earning Assets Under Management from the six months ended June 30, 2008. Transaction and Other Fees decreased \$12.6 million, primarily due to fewer closed fee-earning transactions during the six months ended June 30, 2009.

Expenses

Expenses were \$6.2 million for the three months ended June 30, 2009, a decrease of \$39.5 million, or 87%, compared to \$45.6 million for the three months ended June 30, 2008. Compensation and Benefits decreased \$38.9 million, principally from the reversal of prior period carried interest allocations to certain personnel of \$47.4 million in the three months ended June 30, 2009, compared with a reversal of \$4.6 million in the three months ended June 30, 2008.

Expenses were \$(18.6) million for the six months ended June 30, 2009, a decrease of \$115.6 million compared to \$97.1 million for the six months ended June 30, 2008. Compensation and Benefits decreased \$111.9 million, principally from the reversal of prior period carried interest allocations to certain personnel of \$117.5 million. Other Operating Expenses decreased \$3.7 million, primarily due to a reduction in professional fees.

Fee-Earning Assets Under Management

Fee-Earning Assets Under Management were \$23.5 billion at June 30, 2009, an increase of \$2.4 billion, or 12%, compared with \$21.1 billion at June 30, 2008. The increase was primarily driven by additional capital raised for our European and debt focused real estate funds since June 30, 2008.

Assets Under Management

Assets Under Management were \$20.2 billion at June 30, 2009, a decrease of \$9.0 billion, or 31%, compared with \$29.2 billion at June 30, 2008. The change was primarily due to net depreciation in the fair value of the segment's underlying portfolio investments of \$10.9 billion, partially offset by \$2.5 billion of inflows. The inflows were principally due to additional capital raised for our European and debt focused real estate funds since June 30, 2008.

Capital Deployed

Limited Partner Capital Invested was \$252.7 million for the three months ended June 30, 2009, an increase of \$42.9 million, or 20%, from \$209.8 million for the three months ended June 30, 2008. The increase was primarily due to an increase in capital deployed in our debt focused real estate fund in the second quarter of 2009 compared to the second quarter of 2008.

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Limited Partner Capital Invested was \$467.8 million for the six months ended June 30, 2009, a decrease of \$111.2 million, or 19%, from \$579.0 million for the six months ended June 30, 2008. The decrease was due to a decline in the volume of closed transactions in our real estate funds, offset by an increase in capital deployed in our debt focused real estate fund.

Credit and Marketable Alternatives

This segment, formerly known as Marketable Alternative Asset Management, has been renamed to better reflect the product mix in this segment. This does not reflect a change to the underlying businesses or how they are reflected in reporting our results of operations. The following table presents our results of operations for our Credit and Marketable Alternatives segment:

	Three Months Ended June 30,		2009 vs. 2008		Six Months Ended June 30,		2009 vs. 2008	
	2009	2008	\$	%	2009	2008	\$	%
(Dollars in Thousands)								
Segment Revenues								
Management Fees								
Base Management Fees	\$ 96,293	\$127,465	\$(31,172)	-24%	\$192,796	\$230,652	\$(37,856)	-16%
Transaction and Other Fees	687	2,884	(2,197)	-76%	1,130	4,012	(2,882)	-72%
Management Fee Offsets	(4,365)	(16)	(4,349)	—	(8,578)	(16)	(8,562)	—
Total Management Fees	92,615	130,333	(37,718)	-29%	185,348	234,648	(49,300)	-21%
Performance Fees and Allocations	22,419	45,027	(22,608)	-50%	32,341	50,085	(17,744)	-35%
Investment Income (Loss) and Other	25,375	49,741	(24,366)	-49%	21,923	(29,661)	51,584	—
Total Revenues	140,409	225,101	(84,692)	-38%	239,612	255,072	(15,460)	-6%
Expenses								
Compensation and Benefits	57,406	84,162	(26,756)	-32%	118,540	140,435	(21,895)	-16%
Other Operating Expenses	16,461	25,014	(8,553)	-34%	40,106	43,302	(3,196)	-7%
Total Expenses	73,867	109,176	(35,309)	-32%	158,646	183,737	(25,091)	-14%
Economic Net Income	\$ 66,542	\$115,925	\$(49,383)	-43%	\$ 80,966	\$ 71,335	\$ 9,631	14%

The following operating metrics are used in the management of this business segment:

	Three Months Ended June 30,		2009 vs. 2008		Six Months Ended June 30,		2009 vs. 2008	
	2009	2008	\$	%	2009	2008	\$	%
(Dollars in Thousands)								
Fee-Earning Assets Under Management (End of Period)								
	\$44,736,171	\$53,414,459	\$(8,678,288)	-16%	\$44,736,171	\$53,414,459	\$(8,678,288)	-16%
Assets Under Management								
Balance, Beginning of Period	\$47,888,124	\$56,601,250			\$46,471,064	\$44,496,372		
Inflows, including Commitments	1,070,453	3,860,352			3,759,633	17,716,601		
Outflows, including Distributions	(2,784,683)	(1,257,112)			(3,833,287)	(1,735,070)		
Market Appreciation (Depreciation)	3,233,022	732,789			3,009,506	(540,624)		
Balance, End of Period	\$49,406,916	\$59,937,279	\$(10,530,363)	-18%	\$49,406,916	\$59,937,279	\$(10,530,363)	-18%
Capital Deployed								
Limited Partner Capital Invested	\$ 112,100	\$ 808,875	\$(696,775)	-86%	\$ 320,459	\$ 828,264	\$(507,805)	-61%

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Revenues

Revenues were \$140.4 million for the three months ended June 30, 2009, a decrease of \$84.7 million, or 38%, compared to \$225.1 million for the three months ended June 30, 2008. The decrease in Investment Income and Other was primarily related to the reduction in total capital we had invested in our funds of hedge funds compared with the second quarter of 2008. Additionally, the second quarter of 2008 included investment income associated with one of our then-existing proprietary single manager hedge funds. These decreases were offset by the improved returns on certain of our proprietary hedge funds and credit-oriented funds. Performance Fees and Allocations decreased \$22.6 million principally due to a decline in performance fees generated by certain of our credit-oriented funds. Additionally, the second quarter of 2008 included performance fees associated with one of our then-existing proprietary single manager hedge funds which was liquidated in the first quarter of 2009. Base Management Fees decreased \$31.2 million due to an \$8.7 billion decrease in Fee-Earning Assets Under Management from the second quarter of 2008. The increase in Management Fee Offsets was due to the amortization of fees related to the organization and marketing of certain of our credit-oriented funds.

Revenues were \$239.6 million for the six months ended June 30, 2009, a decrease of \$15.5 million, or 6%, compared to \$255.1 million for the six months ended June 30, 2008. Base Management Fees decreased \$37.9 million as the six months ended June 30, 2008 included Base Management Fees associated with one of our then-existing proprietary hedge funds. Additionally, an \$8.7 billion decrease in Fee-Earning Assets Under Management from the six months ended June 30, 2008 contributed to the decrease in Base Management Fees. The increase in Management Fee Offsets was due to the amortization of fees related to the organization and marketing of certain of our credit-oriented funds. Performance Fees and Allocations decreased \$17.7 million due to a decline in performance fees generated by certain of our credit-oriented funds. Additionally, the six months ended June 30, 2008 included performance fees associated with one of our then-existing proprietary hedge funds. The decreases in Total Management Fees and Performance Fees and Allocations were partially offset by an increase in Investment Income (Loss) and Other. The increase in Investment Income (Loss) and Other was primarily related to the improved returns on our investment in our funds of hedge funds and certain of our proprietary hedge funds and credit-oriented funds for the six months ended June 30, 2009 compared to the six months ended June 30, 2008.

Expenses

Expenses were \$73.9 million for the three months ended June 30, 2009, a decrease of \$35.3 million, or 32%, compared to \$109.2 million for the three months ended June 30, 2008. The decrease in Compensation and Benefits was principally driven by the absence of compensation and benefits associated with the liquidation of our proprietary single manager hedge funds. The decrease in Other Operating Expenses was principally due to a reduction in professional fees and interest expense.

Expenses were \$158.6 million for the six months ended June 30, 2009, a decrease of \$25.1 million, or 14%, compared to \$183.7 million for the six months ended June 30, 2008. The decrease in Compensation and Benefits was principally related to the liquidation of our proprietary single manager hedge funds. The decrease in Other Operating Expenses was principally due to a reduction in professional fees and interest expense, partially offset by an increase in occupancy costs.

Fee-Earning Assets Under Management

Fee-Earning Assets Under Management were \$44.7 billion at June 30, 2009, a decrease of \$8.7 billion, or 16%, compared to \$53.4 billion at June 30, 2008. The decrease was primarily due to a reduction in the fair value of the segment's underlying portfolio investments of \$8.4 billion, most notably in our funds of hedge funds and credit-oriented funds, as well as the liquidation in the first quarter of 2009 of our proprietary single manager hedge funds. Outflows of \$9.2 billion were virtually offset by \$8.8 billion of inflows for the twelve month period beginning July 1, 2008 and ending June 30, 2009.

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Assets Under Management

Assets Under Management were \$49.4 billion at June 30, 2009, a decrease of \$10.5 billion, or 18%, compared to \$59.9 billion at June 30, 2008. The change from the second quarter of 2008 was driven primarily by a reduction in the fair value of portfolio investments of \$9.2 billion, principally in our funds of hedge funds and certain credit-oriented funds and redemptions of \$11.9 billion, primarily from our funds of hedge funds and credit-oriented funds. The liquidation in the first quarter of 2009 of our proprietary single manager hedge funds also contributed to the decrease in Assets Under Management. The \$11.9 billion of redemptions were mostly offset by \$10.6 billion of capital raised, primarily in our funds of hedge funds and credit-oriented funds.

Capital Deployed

Limited Partner Capital Invested in certain credit-oriented carry funds totaled \$112.1 million for the three months ended June 30, 2009, a decrease of \$696.8 million compared to \$808.9 million for the three months ended June 30, 2008. Limited Partner Capital Invested was \$320.5 million for the six months ended June 30, 2009, a decrease of \$507.8 million compared to \$828.3 million for the six months ended June 30, 2008. The decreases reflected a reduction in investments made by certain of our credit-oriented carry funds due to fewer attractive investment opportunities.

Financial Advisory

The following table presents our results of operations for our Financial Advisory segment:

	Three Months Ended June 30,		2009 vs. 2008		Six Months Ended June 30,		2009 vs. 2008	
	2009	2008	\$	%	2009	2008	\$	%
(Dollars in Thousands)								
Segment Revenues								
Advisory Fees	\$ 82,503	\$ 71,080	\$ 11,423	16%	\$ 173,443	\$ 139,643	\$ 33,800	24%
Investment Income (Loss) and Other	996	1,382	(386)	-28%	1,097	3,935	(2,838)	-72%
Total Revenues	<u>83,499</u>	<u>72,462</u>	<u>11,037</u>	<u>15%</u>	<u>174,540</u>	<u>143,578</u>	<u>30,962</u>	<u>22%</u>
Expenses								
Compensation and Benefits	54,239	48,574	5,665	12%	105,191	95,541	9,650	10%
Other Operating Expenses	21,734	12,093	9,641	80%	34,710	23,110	11,600	50%
Total Expenses	<u>75,973</u>	<u>60,667</u>	<u>15,306</u>	<u>25%</u>	<u>139,901</u>	<u>118,651</u>	<u>21,250</u>	<u>18%</u>
Economic Net Income	<u>\$ 7,526</u>	<u>\$ 11,795</u>	<u>\$ (4,269)</u>	<u>-36%</u>	<u>\$ 34,639</u>	<u>\$ 24,927</u>	<u>\$ 9,712</u>	<u>39%</u>

Revenues

Revenues were \$83.5 million for the three months ended June 30, 2009, an increase of \$11.0 million, or 15%, compared to \$72.5 million for the three months ended June 30, 2008. The change was driven by an increase of \$21.3 million in fees generated by our restructuring and reorganization advisory services business as continued credit market turmoil and low levels of available liquidity led to increased bankruptcies, debt defaults and debt restructurings. Additionally, fees earned by our corporate and mergers and acquisitions advisory services business increased \$13.0 million as clients increasingly looked to us for independent advice in complicated transactions. These increases were partially offset by a decrease of \$22.9 million in fees generated by our fund placement business as efforts to raise capital continued to prove challenging in the current economic environment.

Revenues were \$174.5 million for the six months ended June 30, 2009, an increase of \$31.0 million, or 22%, compared to \$143.6 million for the six months ended June 30, 2008. The change was driven by increases in

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fees generated by our restructuring and reorganization advisory services business of \$55.8 million and our corporate and mergers and acquisitions advisory services business of \$21.1 million. These increases were partially offset by a decrease of \$43.2 million in fees generated by our fund placement business. Year-over-year changes for each of these service businesses were driven by the same contributing economic factors as for the quarterly activity noted above.

The revenues generated by each of the businesses in our financial advisory segment are transactional in nature and therefore results can fluctuate significantly from period to period.

Expenses

Expenses were \$76.0 million for the three months ended June 30, 2009, an increase of \$15.3 million, or 25%, compared to \$60.7 million for the three months ended June 30, 2008. Expenses were \$139.9 million for the six months ended June 30, 2009, an increase of \$21.3 million, or 18%, compared to \$118.7 million for the six months ended June 30, 2008. Compensation and Benefits increased \$5.7 million and \$9.7 million compared to the three and six months ended June 30, 2008, respectively, due to the increase in Advisory Fees, as a portion of compensation is directly related to the profitability of each of the services businesses. Other Operating Expenses increased \$9.6 million and \$11.6 million over the three and six months ended June 30, 2008, respectively, principally due to increased bad debt expense.

Liquidity and Capital Resources

Liquidity and Capital Resources

Blackstone's business model derives revenue primarily from third party assets under management and from advisory businesses. Blackstone is not a capital or balance sheet intensive business and targets operating expense levels such that total management and advisory fees exceed total operating expense each period. As a result, we require limited capital resources to support the working capital or operating needs of our businesses. We draw primarily on the long term committed capital of our limited partner investors to fund the investment requirements of the Blackstone Funds and use our own realizations and cash flows to invest in growth initiatives, make commitments to our own funds, which are typically less than 5% of the assets under management of a fund, or pay distributions to unitholders.

Fluctuations in our balance sheet result primarily from activities of the Blackstone Funds which are consolidated. The majority economic ownership interests of these Blackstone Funds are reflected as Non-controlling Interests in Consolidated Entities in the condensed consolidated financial statements. The consolidation of these Blackstone Funds has no net effect on the Partnership's Net Income or Partners' Capital. Additionally, fluctuations in our balance sheet also include appreciation or depreciation in Blackstone investments in the Blackstone Funds, additional investments and redemptions of such interests in the Blackstone Funds and the collection of receivables related to management and advisory fees. For the three months ended June 30, 2009, we had total management and advisory fees and interest income of \$347.4 million and total expenses of \$260.6 million, generating Net Fee Related Earnings from Operations of \$86.8 million for the quarter. For the six months ended June 30, 2009, we had total management and advisory fees and interest income of \$692.3 million and total expenses of \$516.0 million, generating Net Fee Related Earnings from Operations of \$176.3 million through June 30, 2009.

We have multiple sources of liquidity to meet our capital needs, including annual cash flows, accumulated earnings in the businesses, investments in our own liquid funds and access to our debt capacity, including our \$850 million committed credit facility. On May 11, 2009, we entered into a new \$850 million line of credit ("New Credit Facility"). The New Credit Facility provides for revolving credit borrowings, with a final maturity date of May 10, 2010. Interest on the borrowings is based on an adjusted LIBOR rate or alternate base rate, in each case plus a margin, and undrawn commitments bear a commitment fee. The New Credit Facility is unsecured and unguaranteed. At June 30, 2009, we had \$784.6 million in cash and \$432.6 million invested in liquid Blackstone funds. At June 30, 2009, there were no outstanding borrowings against our New Credit Facility.

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We use Adjusted Cash Flows from Operations as a supplemental non-GAAP measure to assess our cash flows and amounts available for distribution to unitholders. In accordance with GAAP, certain of the Blackstone Funds are consolidated into the consolidated financial statements of Blackstone, notwithstanding the fact that Blackstone has only a minor economic interest in these funds. Consequently, Blackstone's consolidated financial statements reflect the cash flows of the consolidated Blackstone Funds on a gross basis rather than the cash flows attributable to Blackstone. Adjusted Cash Flows from Operations is therefore intended to reflect the cash flows attributable to Blackstone and is equal to operating activities presented in accordance with GAAP, adjusted for cash flows relating to changes in our operating assets and liabilities, Blackstone Funds' related investment activity, differences in the timing of realized gains between Blackstone and Blackstone Funds, non-controlling interests related to departed employees and non-controlling interests in income of consolidated entities and other non-cash adjustments. Management assesses Adjusted Cash Flows from Operations, which is derived from our segment reported results, by monitoring its key components, defined by management to be (1) Net Fee Related Earnings from Operations, (2) Performance Fees and Allocations net of related profit sharing interests that are included in compensation and (3) Blackstone investment income related to its investments in liquid funds and its net realized investment income on its illiquid investments.

The following table is a reconciliation of Net Cash Provided by Operating Activities presented on a GAAP basis to Adjusted Cash Flows from Operations:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
	(Dollars in Thousands)			
Net Cash Provided by Operating Activities	\$ 136,704	\$ 155,825	\$ 692,586	\$ 270,979
Changes in Operating Assets and Liabilities	(21,332)	(112,039)	(204,050)	(428,402)
Blackstone Funds Related Investment Activities	(39,718)	2,697	(312,843)	251,131
Net Realized Gains (Losses) on Investments	(38,369)	118,555	(91,559)	118,299
Non-controlling Interests in Income of Consolidated Entities	531,748	559,388	1,216,877	1,352,572
Realized Gains (Losses) — Blackstone Funds	3,029	44,089	(3,459)	20,235
Cash Flows from Operations — Adjustments				
Interests Held by Blackstone Holdings Limited Partners (a)	(475,184)	(576,406)	(1,135,113)	(1,380,460)
Incremental Cash Tax Effect (b)	5,418	(30,584)	14,641	(47,231)
Adjusted Cash Flows from Operations	<u>\$ 102,296</u>	<u>\$ 161,525</u>	<u>\$ 177,080</u>	<u>\$ 157,123</u>

The following table provides the details of the components of Adjusted Cash Flows from Operations. Adjusted Cash Flows from Operations is the principal factor in determining the amount of distributions to unitholders.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
	(Dollars in Thousands)			
Fee Related Earnings				
Total Management and Advisory Fees (c)	\$347,399	\$350,655	\$692,278	\$679,755
Total Expenses (d)	<u>260,609</u>	<u>260,212</u>	<u>515,970</u>	<u>521,751</u>
Net Fee Related Earnings from Operations	<u>86,790</u>	<u>90,443</u>	<u>176,308</u>	<u>158,004</u>
Performance Fees and Allocations Net of Related Compensation (e)	<u>474</u>	<u>15,054</u>	<u>474</u>	<u>23,340</u>
Blackstone Investment Income (f)				
Liquid	16,949	46,017	15,247	(36,894)
Illiquid	<u>(1,917)</u>	<u>10,011</u>	<u>(14,949)</u>	<u>12,673</u>
	<u>15,032</u>	<u>56,028</u>	<u>298</u>	<u>(24,221)</u>
Adjusted Cash Flows from Operations	<u>\$102,296</u>	<u>\$161,525</u>	<u>\$177,080</u>	<u>\$157,123</u>
Earnings Before Interest, Taxes and Depreciation and Amortization from Net Fee Related Earnings from Operations (g)	<u>\$ 97,463</u>	<u>\$103,638</u>	<u>\$202,309</u>	<u>\$203,561</u>

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- (a) Represents an adjustment to add back net income (loss) allocable to interest holders of Blackstone Holdings Limited Partners after the Reorganization recorded as Non-Controlling Interests.
- (b) Represents the provisions for and/or adjustments to income taxes that were calculated using the same methodology applied in calculating such amounts for the period after the reorganization.
- (c) Comprised of total segment Management and Advisory Fees plus Interest Income.
- (d) Comprised of total segment compensation expense (excluding compensation expense related to Performance Fees and Allocations pursuant to Blackstone's profit sharing plans related to carried interest and incentive fees which are included in (e) below), other operating expenses and Blackstone's estimate of cash taxes currently due.
- (e) Represents realized Performance Fees and Allocations net of corresponding actual amounts due under Blackstone's profit sharing plans related thereto.
- (f) Comprised of Blackstone's investment income (realized and unrealized) from its liquid investments in its Credit and Marketable Alternatives segment as well as its net realized investment income from its illiquid investments, principally in its Corporate Private Equity and Real Estate Segments and permanent impairment charges on certain illiquid investments.
- (g) Earnings Before Interest, Taxes and Depreciation and Amortization from Net Fee Related Earnings from Operations represents Net Fee Related Earnings from Operations adding back the implied cash taxes payable component from the Adjusted Cash Flows from Operations reconciliation presented above, which is included in (b), and segment interest and segment depreciation and amortization. The cash taxes payable component of (b) was \$5.5 million and \$4.7 million for the three months ended June 30, 2009 and 2008, respectively, and \$14.0 million and \$30.4 million for the six months ended June 30, 2009 and 2008, respectively. Interest and depreciation and amortization was \$5.2 million and \$8.5 million for the three months ended June 30, 2009 and 2008, respectively, and \$12.0 million and \$15.2 million for the six months ended June 30, 2009 and 2008, respectively.

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Our Sources of Cash and Liquidity Needs

We expect that our primary liquidity needs will be cash to (1) provide capital to facilitate the growth of our existing businesses, which principally includes funding our general partner and co-investment commitments to our funds, (2) provide capital to facilitate our expansion into new businesses that are complementary, (3) pay operating expenses, including cash compensation to our employees and other obligations as they arise, (4) fund modest capital expenditures, (5) repay borrowings and related interest costs, (6) pay income taxes and (7) make distributions to our unitholders and the holders of Blackstone Holdings Partnership Units. Our own capital commitments to our funds and funds we invest in as of June 30, 2009, consisted of the following:

<u>Fund</u>	<u>Original Commitment</u>	<u>Remaining Commitment</u>
(Dollars in Thousands)		
Corporate Private Equity and Related Funds		
BCP VI	\$ 500,000	\$ 500,000
BCP V	629,356	191,484
BCP IV	150,000	16,412
BCOM	50,000	5,444
Real Estate Funds		
BREP VI	750,000	439,880
BREP V	52,545	8,057
BREP International II	28,094	4,179
BREP IV	50,000	—
BREP International	20,000	3,293
BREP Europe III	100,000	100,000
Real Estate Special Situations	50,000	9,781
CMBS Fund	2,837	—
Credit and Marketable Alternatives		
BMEZZ II	17,692	2,725
BMEZZ	41,000	2,609
Strategic Alliance	50,000	20,928
Blackstone Credit Liquidity Partners	32,244	9,043
Value Recovery	25,000	5,136
GSO Capital Opportunities	1,000	566
GSO Liquidity Partners	601	—
GSO Liquidity Sidecar	250	—
GSO Energizer Sidecar II	2	—
Co-Investment Partners LLC	10,954	54
GSO Capital Solutions*	39,200	39,200
Total	\$ 2,600,775	\$ 1,358,791

*As of July 10, 2009.

For some of the general partner commitments shown in the table above, we require our senior managing directors and certain other professionals to fund a portion of the commitment even though the ultimate obligation to fund the aggregate commitment is ours pursuant to the governing agreements of the respective funds. For BCP VI, BREP VI and BREP Europe III it is intended that our senior managing directors and certain other professionals will fund \$250 million, \$150 million and \$35 million of the aggregate applicable general partner commitment shown above, respectively. We expect our commitments to be drawn down over time and to be funded by available cash and cash generated from operations and realizations. Taking into account prevailing market conditions and both the liquidity and cash or liquid investment balances, we believe that the sources of liquidity described below will be sufficient to fund our working capital requirements.

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In addition to the cash we received in connection with our IPO, we expect to receive (1) cash generated from operating activities, (2) carried interest and incentive income realizations, and (3) realizations on the carry fund investments that we make. Blackstone's investment income from our liquid investments (whether or not realized) in our Credit and Marketable Alternatives segment is also included in our Adjusted Cash Flows from Operations. The amounts received from the latter three sources in particular may vary substantially from year to year and quarter to quarter depending on the frequency and size of realization events or net returns experienced by our investment funds. Our available capital could be adversely affected if there are prolonged periods of few substantial realizations from our investment funds accompanied by substantial capital calls for new investments from those investment funds. Therefore, Blackstone's commitments to our funds are taken into consideration when managing our overall liquidity and cash position.

We expect to use our Adjusted Cash Flows from Operations to make cash distributions to our common unitholders in accordance with our distribution policy. As we have previously reported, our current intention is to distribute to our common unitholders substantially all of our net after-tax share of our annual Adjusted Cash Flows from Operations in excess of amounts determined by our general partner to be necessary or appropriate to provide for the conduct of our business, to make appropriate investments in our business and our funds, to comply with applicable law, any of our debt instruments or other agreements, or to provide for future distributions to common unitholders for any ensuing quarter. The declaration and payment of any distributions will be at the sole discretion of our general partner, which may change our distribution policy at any time. As we have previously reported, until December 31, 2009, Blackstone personnel and others who hold Blackstone Holdings partnership units (and who own approximately 75% of all outstanding units, with common unitholders holding the remaining 25%) will not receive any distributions with respect to their Blackstone Holdings partnership units (other than tax distributions in the circumstances specified in "Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities") for a year unless and until our common unitholders receive aggregate distributions of \$1.20 per common unit for such year. We do not intend to maintain this priority allocation after December 31, 2009.

As we have previously indicated, our ability to make cash distributions to our unitholders will depend on a number of factors, including among others, general economic and business conditions, our strategic plans and prospects, our business and investment opportunities, our financial condition and operating results, working capital requirements and anticipated cash needs, contractual restrictions and obligations, including fulfilling our current and future capital commitments, legal, tax and regulatory restrictions, restrictions and other implications on the payment of distributions by us to our common unitholders or by our subsidiaries to us and such other factors as our general partner may deem relevant.

Public common unitholders will continue to receive a priority distribution ahead of Blackstone personnel and others through 2009, but the amount of those distributions in respect of 2009 will be based on the amount of Adjusted Cash Flows from Operations in 2009 available for distributions. As noted above, our ability to generate sufficient Adjusted Cash Flows from Operations to fund a distribution is dependent upon a number of factors and could fall below levels which would enable us to make a full \$1.20 per unit distribution to common unitholders in respect of the 2009 calendar year.

The Blackstone Group L.P. has declared a quarterly distribution of \$0.30 per common unit to record holders of common units at the close of business on August 31, 2009. This distribution will be paid on September 11, 2009. This distribution will total approximately \$83 million, compared to Blackstone's Adjusted Cash Flow from Operations of approximately \$102 million for the three-month period ended June 30, 2009. The amount of the distributions to common unitholders payable for the remainder of 2009 will depend on the amount of Blackstone's Adjusted Cash Flow from Operations for the full year 2009 and other factors.

In January 2008, the Board of Directors of our general partner, Blackstone Group Management L.L.C., authorized the repurchase of up to \$500 million of our common units and Blackstone Holdings Partnership Units. Under this unit repurchase program, units may be repurchased from time to time in open market transactions, in

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privately negotiated transactions or otherwise. The timing and the actual number of Blackstone common units and Blackstone Holdings Partnership Units repurchased will depend on a variety of factors, including legal requirements, price and economic and market conditions. This unit repurchase program may be suspended or discontinued at any time and does not have a specified expiration date. During the six months ended June 30, 2009, we repurchased a combination of 4,629,866 Blackstone Common Units and Blackstone Holdings Partnership Units as part of the unit repurchase program for a total cost of \$29.6 million. During the three months ended June 30, 2009, Blackstone repurchased 218,164 Blackstone Common Units and Blackstone Holdings Partnership Units as part of the unit repurchase program for a total cost of \$2.4 million. As of June 30, 2009, the amount remaining available for repurchases was \$340.3 million under this program.

We may under certain circumstances use leverage opportunistically and over time to create the most efficient capital structure for Blackstone and our public common unitholders, including through the issuance of debt securities. At June 30, 2009, we had partners' equity of \$5.2 billion, including \$784.6 million in cash and \$432.6 million in investments in liquid funds, against limited purpose borrowings of \$78.0 million.

Our corporate private equity funds, real estate funds and funds of hedge funds have not historically utilized substantial leverage at the fund level other than for short-term borrowings between the date of an investment and the receipt of capital from the investing fund's investors. Our carry funds make direct or indirect investments in companies that utilize leverage in their capital structure. The degree of leverage employed varies among portfolio companies.

Certain of our Credit and Marketable Alternatives funds use leverage in order to obtain additional market exposure, enhance returns on invested capital and/or to bridge short-term cash needs. The forms of leverage primarily employed by these funds include purchasing securities on margin, utilizing collateralized financing and using derivative instruments.

Critical Accounting Policies

We prepare our condensed consolidated financial statements in accordance with accounting principles generally accepted in the United States. In applying many of these accounting principles, we need to make assumptions, estimates and/or judgments that affect the reported amounts of assets, liabilities, revenues and expenses in our consolidated financial statements. We base our estimates and judgments on historical experience and other assumptions that we believe are reasonable under the circumstances. These assumptions, estimates and/or judgments, however, are often subjective. Actual results may be affected negatively based on changing circumstances. If actual amounts are ultimately different from our estimates, the revisions are included in our results of operations for the period in which the actual amounts become known. We believe the following critical accounting policies could potentially produce materially different results if we were to change underlying assumptions, estimates and/or judgments. (See Note 2. "Summary of Significant Accounting Policies" in the "Notes to the Condensed Consolidated Financial Statements" in "Part I. Item 1. Financial Statements" of this filing.)

Principles of Consolidation

Our policy is to combine, or consolidate, as appropriate, those entities in which, through Blackstone personnel, we have control over significant operating, financial or investing decisions of the entity.

For entities that are determined to be variable interest entities ("VIEs"), we consolidate those entities where we absorb a majority of the expected losses or a majority of the expected residual returns, or both, of such entity pursuant to the requirements of Financial Accounting Standards Board ("FASB") Interpretation No. 46 (Revised December 2003), *Consolidation of Variable Interest Entities-an interpretation of ARB No. 51* ("FIN 46(R)"). The evaluation of whether a fund is subject to the requirements of FIN 46(R) as a VIE and the determination of whether we should consolidate such a VIE requires management's judgment. In addition, we consolidate those

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entities we control through a majority voting interest or otherwise, including those Blackstone Funds in which the general partners are presumed to have control over them pursuant to Emerging Issues Task Force (“EITF”) Issue No. 04-5, *Determining Whether a General Partner, or the General Partners as a Group, Controls a Limited Partnership or Similar Entity When the Limited Partners Have Certain Rights* (“EITF 04-5”). The provisions under both FIN 46(R) and EITF 04-5 have been applied retrospectively to prior periods. All intercompany transactions and balances have been eliminated.

For operating entities over which we may exercise significant influence but which do not meet the requirements for consolidation, we use the equity method of accounting whereby we record our share of the underlying income or losses of these entities.

Revenue Recognition

Management and Advisory Fees. Management fees consist of (1) Fund Management Fees and (2) Advisory Fees. Our revenue recognition policies are as follows:

- (1) *Fund Management Fees*. Fund management fees are comprised of:
 - (a) *Base Management Fees*. Base management fees are fees charged directly to the fund or fund investors. Such fees are based upon the contractual terms of investment advisory and related agreements and are recognized as earned over the specified contract period.
 - (b) *Transaction and Other Fees*. Transaction and other fees (including monitoring fees) are comprised of fees charged directly to funds and fund portfolio companies. Our investment advisory agreements generally require that the investment advisor share a portion of certain fees with the limited partners of the fund. Transaction and Other Fees are net of amounts, if any, shared with limited partners.
 - (c) *Management Fee Offsets*. Our investment advisory agreements generally require that the investment advisor share a portion of certain expenses with the limited partners of the fund. These shared items (“management fee reductions”) reduce the management fees received from the limited partners. Management fee offsets are comprised primarily of broken deal and placement fee expenses.
- (2) *Advisory Fees*. Advisory Fees consist of advisory retainer and transaction-based fee arrangements related to mergers, acquisitions, restructurings, divestitures and fund placement services for alternative investment funds. Advisory retainer fees are recognized when services are rendered. Transaction fees are recognized when (i) there is evidence of an arrangement with a client, (ii) agreed upon services have been provided, (iii) fees are fixed or determinable and (iv) collection is reasonably assured. Fund placement services revenue is recognized as earned upon the acceptance by a fund of capital or capital commitments.

Performance Fees and Allocations. Performance fees and allocations represent the allocation of investment gains (“carried interest”) which are a component of our general partner interests in the corporate private equity, real estate and certain of our credit-oriented funds. Blackstone receives carried interest from a fund in the event investors in the fund achieve cumulative investment returns in excess of a specified rate. We accrue as revenue (and/or adjust previously recorded revenue to reflect) the amount that would be due to us pursuant to the fund agreements at each reporting period end as if the fair value of the investments were realized as of such date, whether or not such amounts have actually been realized. In certain performance fee arrangements related to funds of hedge funds and certain of our credit-oriented funds in our Credit and Marketable Alternatives segment, we are entitled to receive performance fees and allocations subject to certain net loss carry-forward provisions (known as a “highwater mark”) and, in some cases, when the return on assets under management exceeds certain benchmark returns or other performance targets. In such arrangements, performance fees and allocations are accrued monthly or quarterly based on measuring account/fund performance to date (whether or not such amounts have actually been realized) versus the performance benchmark stated in the investment management

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agreement. Each fund is considered separately for purposes of these arrangements. Accordingly, to the extent the amount that would be due to us in respect of a fund at a reporting period end is lower than the amount of performance fees or allocations that we have previously recognized in respect of such fund, we may reflect negative performance fees and allocations as this amount is reversed. However, we would cease to record negative performance fees and allocations with respect to a fund once previously recorded performance fees and allocations for such fund have been fully reversed (as we are not required to pay negative performance fees to any fund). We are not obligated to pay guaranteed returns or hurdles and, therefore, cannot have negative performance fees over the life of a fund. For our carry funds, Performance Fees and Allocations are recorded as realized when the underlying investment in a fund is profitably realized and the fund's cumulative investment returns are in excess of a specified rate. For our hedge funds, Performance Fees and Allocations are realized at end of each fund's measurement period, typically annually, as applicable to the performance fee or allocation.

Investment Income. Blackstone invests in corporate private equity funds, real estate funds, funds of hedge funds and credit-oriented funds that are not consolidated. The Partnership accounts for these investments under the equity method of accounting. Blackstone's share of operating income generated by these investments is recorded as a component of Investment Income. That amount reflects the fair value gains and losses of the associated funds' underlying investments as we retain the specialized investment company accounting of these funds pursuant to EITF Issue No. 85-12, *Retention of Specialized Accounting for Investments in Consolidation* ("EITF 85-12"). These funds generate realized and unrealized gains from underlying corporate private equity and real estate investments and investments in credit and marketable alternatives funds which reflect a combination of internal and external factors as described below. In addition, third-party hedge fund managers provide information regarding the valuation of hedge fund investments. Investment income is realized when we redeem all or a portion of our investment or when we receive cash income, such as from a dividend or distribution, from an investment in one of our funds which is not consolidated. Unrealized investment income (loss) results from changes in the fair value of the underlying investment as well as normal accruals related to such investments.

Interest Income and Other . Interest Income and Other principally includes interest earned from the investing of Blackstone's available Cash and Cash Equivalents and any foreign exchange transaction amounts.

Expenses

Our expenses include compensation and benefits expense and general and administrative expenses. Our accounting policies related thereto are as follows:

Compensation and Benefits Expense. Compensation and benefits expense reflects (1) employee compensation and benefits expense paid and payable to our employees, including our senior managing directors, (2) equity-based compensation associated with grants of equity-based awards to senior managing directors, other employees and selected other individuals engaged in our businesses and (3) performance payment arrangements for Blackstone personnel and profit sharing interests in carried interest.

- (1) **Employee Compensation and Benefits.** Reflects employee compensation and benefits expense paid and payable to our employees, including our senior managing directors.
- (2) **Equity-based Compensation.** Represents non-cash equity-based compensation expense associated with the issuance of equity-based awards to our senior managing directors, other employees and selected other individuals engaged in some of our businesses. The expense is recognized over the corresponding service period of the underlying grant.
- (3) **Performance Payment Arrangements.** We have implemented what we generally refer to as "performance payment arrangements" for our personnel working in our businesses across our different operations that are designed to appropriately align performance and compensation. These performance payment arrangements generally provide annual cash payments to Blackstone personnel (including our senior managing directors) that are determined at the discretion of our senior management and are tied

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to the performance of our firm's businesses and may, in certain cases, be based on participation interests in the earnings derived from the performance of the applicable business. In addition, Blackstone personnel working in our businesses, other professionals and selected other individuals who work on our carry funds have a profit sharing interest which we include within compensation as the related performance fees are recognized in relation to these funds in order to better align their interests with our own and with those of the investors in these funds. To the extent previously recorded revenues are adjusted to reflect decreases in the performance fees based on underlying funds' valuations at period end, related profit sharing interests previously accrued are also adjusted and reflected as a credit to current period compensation. Departed employees are also entitled to their vested share of carried interest distributions received and (as other employees) may be subject to a recontribution of previously received carried interest from our carry funds and are also liable for their applicable share of losses on carry funds, subject to a cap related to the carried interest distributions they received from a carry fund. Therefore, as our net revenues increase, our compensation costs also rise; as our net revenues decrease, our compensation costs generally decrease.

General, Administrative and Other. The balance of our expenses include interest expense, occupancy and equipment expenses and general, administrative and other expenses, which consist of professional fees, public company costs, travel and related expenses, communications and information services, depreciation and amortization and other operating expenses.

Investments, at Fair Value

The Blackstone Funds are, for GAAP purposes, investment companies under the AICPA Audit and Accounting Guide *Investment Companies* that reflect their investments, including majority-owned and controlled investments (the "Portfolio Companies"), as well as Securities Sold, Not Yet Purchased at fair value. We have retained the specialized accounting for the Blackstone Funds pursuant to EITF 85-12. Thus, such consolidated funds investments are reflected on the Condensed Consolidated Statements of Financial Condition at fair value, with unrealized gains and losses resulting from changes in fair value reflected as a component of Net Gains (Losses) from Fund Investment Activities in the Condensed Consolidated Statements of Operations. Fair value is the amount that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date (i.e., the exit price).

We have valued our investments, including our carry fund investments, in the absence of observable market prices, using the valuation methodologies described below applied on a consistent basis. For some investments little market activity may exist; management's determination of fair value is then based on the best information available in the circumstances, and may incorporate management's own assumptions and involves a significant degree of management judgment, taking into consideration a combination of internal and external factors, including the appropriate risk adjustments for non-performance and liquidity risks. Internal factors that are considered are described below. The additional external factors associated with our valuations vary by asset class but are broadly driven by the market considerations discussed in "Business Environment" above.

Investments for which market prices are not observable include private investments in the equity of operating companies or real estate properties. Fair values of private investments are determined by reference to projected net earnings, earnings before interest, taxes, depreciation and amortization ("EBITDA") and balance sheets, public market or private transactions, valuations for comparable companies and other measures which, in many cases, are unaudited at the time received. With respect to real estate investments, in determining fair values we considered projected operating cash flows and balance sheets, sales of comparable assets, if any, and replacement costs among other measures. The methods used by us to estimate the fair value of private investments include the discounted cash flow method (using a likely next buyer's capital structure and not Blackstone's, or the applicable Blackstone Fund's, existing capital structure) and/or capitalization rates ("cap rates") analysis. Valuations may also be derived by reference to observable valuation measures for comparable companies or assets (e.g., multiplying a key performance metric of the investee company or asset, such as

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EBITDA, by a relevant valuation multiple observed in the range of comparable companies or transactions), adjusted by management for differences between the investment and the referenced comparables and in some instances by reference to option pricing models or other similar methods. Private investments may also be valued at cost for a period of time after an acquisition as the best indicator of fair value. These valuation methodologies involve a significant degree of management judgment.

Blackstone Funds' direct investments in hedge funds ("Investee Funds") are stated at fair value, based on the information provided by the Investee Funds which reflects the Partnership's share of the fair value of the net assets of the investment fund. If the Partnership determines, based on its own due diligence and investment procedures, that the valuation for any Investee Fund based on information provided by the Investee Fund's management does not represent fair value, the Partnership will estimate the fair value of the Investee Fund in good faith and in a manner that it reasonably chooses, in accordance with its valuation policies.

In certain cases debt and equity securities are valued on the basis of prices from an orderly transaction between market participants provided by reputable dealers or pricing services. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrixes, market transactions in comparable investments and various relationships between investments.

After our adoption of Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* ("SFAS No. 157"), investments measured and reported at fair value are classified and disclosed in one of the following categories:

- Level I — Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments in Level I include listed equities and listed derivatives. As required by SFAS No. 157, we do not adjust the quoted price for these investments, even in situations where we hold a large position and a sale could reasonably affect the quoted price.
- Level II — Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include corporate bonds and loans, less liquid and restricted equity securities and certain over-the-counter derivatives.
- Level III — Pricing inputs are unobservable for the investment and includes situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. Investments that are included in this category generally include general and limited partnership interests in corporate private equity and real estate funds, credit-oriented funds, funds of hedge funds, distressed debt and non-investment grade residual interests in securitizations and collateralized debt obligations.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given investment is based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

Goodwill and Identifiable Intangible Assets

Goodwill is the cost of acquired business interests in excess of the fair value of the net assets, including identifiable intangible assets, at the acquisition date. Our intangible assets consist of the contractual right to future fee income from management, advisory and incentive fee contracts and the contractual right to earn future carried interest from certain Blackstone Funds.

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Goodwill. We test goodwill for impairment at the operating segment level (the same as our reportable segments). Management has organized the firm into four operating segments. All of the components in each segment have similar economic characteristics and management makes key operating decisions based on the performance of each segment. Therefore, we believe that operating segment is the appropriate reporting level for testing the impairment of goodwill. In determining fair value for each of our segments, we utilize a discounted cash flow methodology based on the adjusted cash flows from operations for each segment. We believe this method provides the best approximation of fair value. In calculating the discounted cash flows, we begin with the adjusted cash flows from operations of each segment. We then determine the most likely growth rate by operating segment for each of the next five years and keep the growth rates for years six through twenty flat to the growth rate used in year five. We assume no terminal value for any segment, nor do we apply a control premium. The discounted cash flow analysis assumes no borrowings, but includes an allocation of interest expense for the assumed unused commitment fee on Blackstone's revolving credit facility, which is allocated to each segment. We use a discount rate that reflects the weighted average cost of capital adjusted for the risks inherent in the future cash flows.

For the 2007 annual impairment test, we utilized the fair value that was prepared in conjunction with the IPO. Given the short passage of time between the IPO date of June 2007 and the annual impairment testing date of October 1, 2007, the fair value did not change significantly and far exceeded the carrying value at such date. In 2008, Blackstone utilized the discounted cash flow model, described above, to approximate the fair value of each of its segments.

Identifiable Intangible Assets. We amortize our identifiable intangible assets over their estimated lives in accordance with SFAS No. 142. Identifiable intangible assets are tested for impairment whenever events or changes in circumstances suggest that an asset's or asset group's carrying value may not be fully recoverable in accordance with SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*. An impairment loss, calculated as the difference between the estimated fair value and the carrying value of an asset or asset group, is recognized if the sum of the estimated undiscounted cash flows relating to the asset or asset group is less than the corresponding carrying value.

No impairments were identified as of December 31, 2008. However, a prolonged period of weakness in the Blackstone Funds' performance or in our ability to earn fee income from management, advisory and incentive fee contracts could adversely impact our businesses and impair the value of our goodwill and/or identifiable intangible assets.

Off-Balance Sheet Arrangements

In the normal course of business, we engage in off-balance sheet arrangements, including establishing certain special purpose entities ("SPEs"), owning securities or interests in SPEs and providing investment and collateral management services to SPEs. There are two main types of SPEs — qualifying special purposes entities ("QSPEs"), which are entities whose permitted activities are limited to passively holding financial interests in distributing cash flows generated by the assets, and VIEs. Certain combined entities of the Blackstone Funds transact regularly with VIEs which do not meet the QSPE criteria due to their permitted activities not being sufficiently limited or because the assets are not deemed qualifying financial instruments. Under FIN 46(R), we consolidate those VIEs where we absorb either a majority of the expected losses or residual returns (as defined) and are therefore considered the primary beneficiary. Our primary involvement with VIEs consists of investments in corporate private equity, real estate, funds of hedge funds and credit-oriented funds. For additional information about our involvement with VIEs, see Note 4, "Investments — Investment in Variable Interest Entities" in the Notes to the Condensed Consolidated Financial Statements.

In addition to VIEs, in the ordinary course of business certain combined entities of the Blackstone Funds issue various guarantees to counterparties in connection with investments, debt, leasing and other transactions. See Note 10, "Commitments and Contingencies" in Notes to the Condensed Consolidated Financial Statements for a discussion of guarantees.

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Contractual Obligations, Commitments and Contingencies

The following table sets forth information relating to our contractual obligations as of June 30, 2009 on a consolidated basis and on a basis deconsolidating the Blackstone funds:

Contractual Obligations	July 1, 2009 to				
	December 31, 2009	2010–2011	2012–2013	Thereafter	Total
	(Dollars in Thousands)				
Operating Lease Obligations (a)	\$ 26,025	\$102,009	\$ 93,943	\$ 342,929	\$ 564,906
Purchase Obligations	8,201	11,557	—	—	19,758
Blackstone Operating Entities Loan and Credit Facilities Payable (b)	594	56,253	13,691	5,040	75,578
Interest on Blackstone Operating Entities Loan and Credit Facilities Payable (c)	421	1,072	206	29	1,728
Blackstone Funds Debt Obligations Payable (d)	1,063	—	1,407	—	2,470
Interest on Blackstone Funds Debt Obligations Payable (e)	16	66	24	—	106
Blackstone Fund Capital Commitments to Investee Funds (f)	26,049	—	—	—	26,049
Due to Certain Non-Controlling Interest Holders in Connection with Tax Receivable Agreement (g)	—	—	—	783,711	783,711
Blackstone Operating Entities Capital Commitments to Blackstone Funds (h)	1,358,791	—	—	—	1,358,791
Consolidated Contractual Obligations	1,421,160	170,957	109,271	1,131,709	2,833,097
Blackstone Funds Debt Obligations Payable (d)	(1,063)	—	(1,407)	—	(2,470)
Interest on Blackstone Funds Debt Obligations Payable (e)	(16)	(66)	(24)	—	(106)
Blackstone Fund Capital Commitments to Investee Funds (f)	(26,049)	—	—	—	(26,049)
Blackstone Operating Entities Contractual Obligations	<u>\$ 1,394,032</u>	<u>\$170,891</u>	<u>\$107,840</u>	<u>\$1,131,709</u>	<u>\$2,804,472</u>

- (a) We lease our primary office space and certain office equipment under agreements that expire through 2024. In connection with certain lease agreements, we are responsible for escalation payments. The contractual obligation table above includes only guaranteed minimum lease payments for such leases and does not project potential escalation or other lease-related payments. These leases are classified as operating leases for financial statement purposes and as such are not recorded as liabilities on the Condensed Consolidated Statement of Financial Condition as of June 30, 2009.
- (b) Represents borrowings for employee term facilities program, a corporate debt investment program and a capital asset facility.
- (c) Represents interest to be paid over the maturity of the related debt obligation which has been calculated assuming no prepayments are made and debt is held until its final maturity date. The future interest payments are calculated using variable rates in effect as of June 30, 2009, at spreads to market rates pursuant to the financing agreements, and range from 0.00% to 1.50%.
- (d) These obligations are those of the Blackstone Funds.
- (e) Represents interest to be paid over the maturity of the related Blackstone Funds' debt obligations which has been calculated assuming no prepayments will be made and debt will be held until its final maturity date. The future interest payments are calculated using variable rates in effect as of June 30, 2009, at spreads to market rates pursuant to the financing agreements, and range from 2.32% to 4.64%. The majority of the borrowings are due on demand and for purposes of this schedule are assumed to mature within one year. Interest on the majority of these borrowings rolls over into the principal balance at each reset date.

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- (f) These obligations represent commitments of the consolidated Blackstone Funds to make capital contributions to investee funds and portfolio companies. These amounts are generally due on demand and are therefore presented in the less than one year category.
- (g) Represents obligations by the Partnership's corporate subsidiaries' to make payments under the Tax Receivable Agreement to certain non-controlling interest holders for the tax savings realized from the taxable purchases of their interests in connection with the reorganization at the time of Blackstone's initial public offering in 2007 and subsequent purchases. The obligation represents the amount of the payments currently expected to be made which are dependent on the tax savings actually realized as determined annually without discounting for the timing of the payments. As required by Generally Accepted Accounting Principles, the amount of the obligation included in the Condensed and Consolidated Financial Statements and shown in Note 9 differs to reflect the net present value of the payments due to certain non-controlling interest holders.
- (h) These obligations represent commitments by us to provide general partner capital funding to the Blackstone Funds and limited partner capital funding to other funds. These amounts are generally due on demand and are therefore presented in the less than one year category; however, the capital commitments are expected to be called substantially over the next three years. We expect to continue to make these general partner capital commitments as we raise additional amounts for our investment funds over time.

Guarantees

We had approximately \$6.0 million of letters of credit outstanding to provide collateral support related to a credit facility at June 30, 2009.

Certain real estate funds guarantee payments to third parties in connection with the on-going business activities and/or acquisitions of their Portfolio Companies. At June 30, 2009, such guarantees amounted to \$14.3 million.

Indemnifications

In many of its service contracts, Blackstone agrees to indemnify the third party service provider under certain circumstances. The terms of the indemnities vary from contract to contract and the amount of indemnification liability, if any, cannot be determined and has not been included in the table above or recorded in our Condensed Consolidated Financial Statements as of June 30, 2009.

Clawback Obligations

If, as a result of diminished performance of investments in a carry fund's life, the carry fund has not achieved investment returns that exceed the preferred return threshold or the general partner receives in excess of 20% (15% in the case of certain of our debt-focused real estate funds and credit-oriented carry funds) of the fund's net profits over the life of the fund, we will be obligated to repay an amount equal to the carried interest that was previously distributed to us that exceeds the amounts to which we are ultimately entitled. This obligation is known as a "clawback" obligation and is an obligation of the general partner of the fund and indirectly any person who received such carried interest from the general partner, including us and our employees who participate in our carried interest plans. The clawback obligation operates with respect to a given carry fund's own net investment performance only. Performance fees of other funds are not netted for determining this contingent obligation. Moreover, although a clawback obligation is several, the governing agreements of most of our funds provide that to the extent another recipient of carried interest (such as a current or former employee) does not fund his or her respective share, then we and our employees who participate in such carried interest plans may have to fund additional amounts beyond our share of the clawback obligation (generally up to an additional 50%) which could be in excess of what we actually received in carried interest. We will retain the right to pursue any remedies that we have under such governing agreements against those carried interest recipients who fail to fund their obligations. The payment of a potential clawback obligation for the benefit of the fund's limited partners is generally not due until the end of

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the life of the respective fund following the “wind-up” period, except in the case of our real estate funds, which have a provision for interim clawback when losses have been realized and have not been recouped within one year of such realization.

At June 30, 2009, none of the general partners of our corporate private equity, real estate or credit-oriented funds had any current cash clawback obligation to any limited partners of the funds. For financial reporting purposes at period end, the general partner has reflected a reserve for potential clawback obligations to the limited partners of some of our carry funds due to changes in the unrealized value of a fund’s remaining investments and where the fund’s general partner has previously received carried interest distributions with respect to such fund’s realized investments. However, under the terms of those funds’ governing agreements described above, no clawback payment is currently due. Moreover, for those carry funds with a potential clawback obligation which would only be due at the end of the life of the respective fund, those terms, including available contemplated extensions, are currently anticipated to expire at various points beginning toward the end of 2012 and extending through 2018. Further extensions of such terms may be implemented under given circumstances (subject in many cases to investor approval).

Since the inception of the funds, the general partners have not been required to make any cash clawback payment. For further information on cash clawback payments, see the Contingent Repayment Guarantee section of Note 9, “Related Party Transactions” and the Contingent Obligations (Clawback) section of Note 10, “Commitments and Contingencies” to the Notes to the Condensed Consolidated Financial Statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our predominant exposure to market risk is related to our role as general partner or investment advisor to the Blackstone Funds and the sensitivities to movements in the fair value of their investments, including the effect on management fees, performance fees and allocations and investment income.

Although the Blackstone Funds share many common themes, each of our alternative asset management operations runs its own investment and risk management processes, subject to our overall risk tolerance and philosophy:

- The investment process of our carry funds involves a detailed analysis of potential investments, and asset management teams are assigned to oversee the operations, strategic development, financing and capital deployment decisions of each portfolio investment. Key investment decisions are subject to approval by the applicable investment committee, which is comprised of Blackstone senior managing directors and senior management.
- In our capacity as advisor to certain of our credit and marketable alternatives funds, we continuously monitor a variety of markets for attractive trading opportunities, applying a number of traditional and customized risk management metrics to analyze risk related to specific assets or portfolios. In addition, we perform extensive credit and cash-flows analyses of borrowers, credit-based assets and underlying hedge fund managers, and have extensive asset management teams that monitor covenant compliance by, and relevant financial data of, borrowers and other obligors, asset pool performance statistics, tracking of cash payments relating to investments and ongoing analysis of the credit status of investments.

Effect on Fund Management Fees

Our management fees are based on (1) third parties' capital commitments to a Blackstone Fund, (2) third parties' capital invested in a Blackstone Fund, or (3) the net asset value, or NAV, of a Blackstone Fund or separately managed account as described in our Condensed Consolidated Financial Statements. Management fees will only be directly affected by short-term changes in market conditions to the extent they are based on NAV or represent permanent impairments of value. These management fees will be increased (or reduced) in direct proportion to the effect of changes in the market value of our investments in the related funds or separately managed accounts. The proportion of our management fees that are based on NAV is dependent on the number and types of Blackstone Funds and separately managed accounts in existence and the current stage of each fund's life cycle. As of June 30, 2009, approximately 28% of our fund management fees were based on the NAV of the applicable funds or separately managed accounts. For the three months ended June 30, 2008, approximately 37% of our fund management fees were based on the NAV of the applicable funds or separately managed accounts.

Market Risk

The Blackstone Funds hold investments and securities sold not yet purchased, both of which are reported at fair value. Based on the fair value as of June 30, 2009, we estimate that a 10% decline in fair value of the investments and securities would have the following effects: (1) management fees would decrease by \$32.6 million on an annual basis, (2) performance fees and allocations, net of the related compensation expense, would decrease by \$112.6 million, and (3) investment income, net of the related compensation expense, would decrease by \$115.5 million. Based on the fair value as of June 30, 2008, we estimated that a 10% decline in fair value of the investments and securities would have the following effects: (1) management fees would decrease by \$47.9 million on an annual basis, (2) performance fees and allocations, net of related compensation expense, would decrease by \$432.8 million, and (3) investment income, net of related compensation expense would decrease by \$218.5 million.

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Total assets under management, excluding undrawn capital commitments and the amount of capital raised for our CLO's, by segment, and the percentage amount classified as Level III investments as defined within SFAS No. 157, are: Corporate Private Equity \$17.7 billion (93% Level III), Real Estate \$7.9 billion (92% Level III), and Credit and Marketable Alternatives \$33.5 billion (84% Level III), respectively. The fair value of our investments and securities can vary significantly based on a number of factors that take into consideration the diversity of the Blackstone Funds' investment portfolio and on a number of factors and inputs such as similar transactions, financial metrics, and industry comparatives, among others. (See "Part II, Item 1A. Risk Factors" below. Also see "Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies — Investments, at Fair Value.") We believe these estimated fair value amounts should be utilized with caution as our intent and strategy is to hold investments and securities until prevailing market conditions are beneficial for investment sales.

Investors in all of our carry funds (and certain of our credit-oriented funds) make capital commitments to those funds that we are entitled to call from those investors at any time during prescribed periods. We depend on investors fulfilling their commitments when we call capital from them in order for those funds to consummate investments and otherwise pay all their related obligations when due, including management fees. We have not had investors fail to honor capital calls to any meaningful extent and any investor that did not fund a capital call would be subject to having a significant amount of its existing investment forfeited in that fund. But if investors were to fail to satisfy a significant amount of capital calls for any particular fund or funds, those funds could be materially and adversely affected.

Because our carry funds have preferred return thresholds to investors that need to be met prior to Blackstone receiving any carried interest, substantial declines in the carrying value of the investment portfolios of a carry fund can significantly delay or eliminate any carried interest distributions paid to us in respect of that fund since the value of the assets in the fund would need to recover to their aggregate cost basis plus the preferred return over time before we would be entitled to receive any carried interest from that fund. For this reason, due to declines in the carrying values of their underlying portfolio assets, our most recent corporate private equity fund and real estate fund are not expected to generate any carried interest in the near future.

Exchange Rate Risk

The Blackstone Funds hold investments that are denominated in non-U.S. dollar currencies that may be affected by movements in the rate of exchange between the U.S. dollar and non-U.S. dollar currencies. Additionally, a portion of our management fees are denominated in non-U.S. dollar currencies. We estimate that as of June 30, 2009, a 10% decline in the rate of exchange of all foreign currencies against the U.S. dollar would have the following effects: (1) management fees would decrease by \$8.5 million on an annual basis, (2) performance fees and allocations would decrease by \$32.6 million, and (3) investment income would decrease by \$17.9 million.

As of June 30, 2008, we estimated that a 10% decline in the rate of exchange against the U.S. dollar would have the following effects: (1) management fees would decrease by \$7.9 million on an annual basis, (2) performance fees and allocations, net of the related compensation expense, would decrease by \$90.5 million, and (3) investment income, net of the related compensation expense, would decrease by \$22.8 million.

Interest Rate Risk

Blackstone has debt obligations payable that accrue interest at variable rates. Interest rate changes may therefore affect the amount of interest payments, future earnings and cash flows. Based on our debt obligations payable as of June 30, 2009, we estimate that interest expense relating to variable rate debt obligations payable would increase by \$0.8 million on an annual basis, in the event interest rates were to increase by one percentage point.

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Based on our debt obligations payable as of June 30, 2008, we estimated that interest expense relating to variable rate debt obligations payable would increase by \$3.8 million on an annual basis, in the event interest rates were to increase by one percentage point.

Credit Risk

Certain Blackstone Funds and the Investee Funds are subject to certain inherent risks through their investments.

Our entities generally invest substantially all of their excess cash in an open-end money market fund and a money market demand account, which are included in cash and cash equivalents. The money market fund invests primarily in government and government agency securities and other short-term, highly liquid instruments with a low risk of loss. We continually monitor the fund's performance in order to manage any risk associated with these investments.

Certain of our entities hold derivative instruments that contain an element of risk in the event that the counterparties may be unable to meet the terms of such agreements. We minimize our risk exposure by limiting the counterparties with which we enter into contracts to banks and investment banks who meet established credit and capital guidelines. We do not expect any counterparty to default on its obligations and therefore do not expect to incur any loss due to counterparty default.

ITEM 4T. CONTROLS AND PROCEDURES

We maintain "disclosure controls and procedures," as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act"), that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Our management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Exchange Act as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) are effective to ensure that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

No changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act) occurred during our most recent quarter, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We may from time to time be involved in litigation and claims incidental to the conduct of our business. Our businesses are also subject to extensive regulation, which may result in regulatory proceedings against us. See “Item 1A. Risk Factors” in our annual report on Form 10-K. We are not currently subject to any pending judicial, administrative or arbitration proceedings that we expect to have a material impact on our condensed consolidated financial statements.

In December 2007, a purported class of shareholders in public companies acquired by one or more private equity firms filed a lawsuit against sixteen private equity firms and investment banks, including The Blackstone Group L.P., in the United States District Court in Massachusetts. The suit alleges that from mid-2003 defendants have violated antitrust laws by allegedly conspiring to rig bids, restrict the supply of private equity financing, fix the prices for target companies at artificially low levels, and divide up an alleged market for private equity services for leveraged buyouts. The complaint seeks injunctive relief on behalf of all persons who sold securities to any of the defendants in leveraged buyout transactions. The amended complaint also includes five purported sub-classes of plaintiffs seeking damages and/or restitution and comprised of shareholders of five companies.

In April and May 2008, five substantially identical complaints were brought in the United States District Court for the Southern District of New York and a sixth complaint was brought in the Northern District of Texas against Blackstone and some of its executive officers. These suits, which purport to be class actions on behalf of purchasers of common units in Blackstone’s June 21, 2007 initial public offering, were subsequently consolidated into one suit in the Southern District of New York. In October 2008, a consolidated and amended complaint was filed naming as defendants Blackstone, Stephen A. Schwarzman (Blackstone’s Chairman and Chief Executive Officer), Peter G. Peterson (Blackstone’s former Senior Chairman), Hamilton E. James (Blackstone’s President and Chief Operating Officer) and Michael A. Puglisi (Blackstone’s Chief Financial Officer at the time of the IPO). The amended complaint alleges that (1) the IPO prospectus was false and misleading for failing to disclose that (a) certain investments made by Blackstone’s private equity funds were performing poorly at the time of the IPO and were materially impaired and (b) prior to the IPO the U.S. real estate market had started to deteriorate, adversely affecting the value of Blackstone’s real estate investments; and (2) the financial statements in the IPO prospectus were materially inaccurate principally because they overstated the value of the investments referred to in clause (1).

Blackstone believes that the foregoing suits are totally without merit and intends to defend them vigorously.

ITEM 1A. RISK FACTORS

For a discussion of our potential risks and uncertainties, see the information under the heading “Risk Factors” in our annual report on Form 10-K for the year ended December 31, 2008, which is accessible on the Securities and Exchange Commission’s website at www.sec.gov.

See Part I. Item 2. “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Business Environment” in this report for a discussion of the conditions in the financial markets and economic conditions affecting our businesses. This discussion updates, and should be read together with, the risk factor entitled “Difficult market conditions can adversely affect our business in many ways, including by reducing the value or performance of the investments made by our investment funds, reducing the ability of our investment funds to raise or deploy capital and reducing the volume of the transactions involving our financial advisory business, each of which could materially reduce our revenue and cash flows and adversely affect our financial condition” in our annual report on Form 10-K for the year ended December 31, 2008.

The risks described in our Form 10-K are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

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The New York State Attorney General recently launched an investigation into possible illegal conduct by some placement agents that assisted certain alternative investment funds who were retained to manage investments for New York State's pension funds. In respect of this investigation, the State of New York recently banned the use of all placement agents, lobbyists and other paid intermediaries in making investments by the state's pension funds. The Illinois and New Mexico legislatures adopted similar measures and other government officials are considering similar actions. The Securities and Exchange Commission recently released a proposed rule regarding asset managers' dealings with public pension funds. The proposed rule would ban the use of placement agents to obtain funds from public pension funds.

Our fund placement business, Park Hill Group, provides extensive and needed services to its client alternative investment funds in connection with their marketing of investments in their funds to pension funds and other investors, in contrast to the placement agents that are being investigated by the New York Attorney General for illegal conduct. But if other states were to impose similar bans on their pension funds dealing with all placement agents as New York State, Illinois and New Mexico have done, or more significantly, if the SEC were to adopt its proposed rule banning the use of placement agents to obtain funds from public pension funds, Park Hill's business would be materially and adversely affected.

Reference is made to the item under the heading "Risk Factors" in our annual report on Form 10-K for the year ended December 31, 2008 which is captioned "Extensive regulation of our businesses affects our activities and creates the potential for significant liabilities and penalties. The possibility of increased regulatory focus could result in additional burdens on our business. Changes in tax law and other legislative or regulatory changes could adversely affect us." In addition to the various legislative and regulatory developments discussed in that item, in recent months there have been various other legislative and regulatory proposals in the U.S., in the European Union legislature and elsewhere that would if adopted result in additional burdens on our business and would otherwise adversely affect us. Recent legislative or regulatory proposals in the U.S. include designating the Federal Reserve Board as the financial system's systemic risk regulator with authority to review the activities of all financial institutions, including alternative asset managers; authorizing Federal regulatory agencies to ban compensation arrangements at financial institutions that give employees incentives to engage in conduct that could pose risks to the nation's financial system; and proposed new ground rules for private equity investments in failed banks that would make the acquisition of a failed bank less attractive for a private equity fund. A directive recently introduced in the European Union legislature that would impose a new regulatory scheme on private equity funds and hedge funds operating in the 27 member countries of the European Union would, if enacted in its proposed form, have a particularly adverse effect on our investment businesses by among other things (a) imposing costly and unnecessary requirements concerning the hiring of an independent valuation firm based in the European Union to value all of our investment funds' assets and the hiring of an independent depository based in the European Union to hold all of our investments, (b) imposing capital requirements on all of our investment funds, (c) imposing extensive disclosure obligations on companies in which our investment funds hold investments, (d) prohibiting our investment funds from marketing to any investors based in a European Union country for three years after enactment of the directive and significantly restricting those marketing activities thereafter, and (e) potentially in effect restricting our investment funds' investments in companies based in European Union countries.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

In January 2008, the Board of Directors authorized the repurchase of up to \$500 million of Blackstone common units and Blackstone Holdings Partnership Units. Under this unit repurchase program, units may be repurchased in open market transactions, in privately negotiated transactions or otherwise. The unit repurchase program may be suspended or discontinued at any time and does not have a final specified date. No purchases of our common units were made by us or on our behalf during the three months ended June 30, 2009. See "Item 1. Financial Statements — Notes to Condensed Consolidated Financial Statements — Note 7. Net Loss Per Common Unit" and "Item 2. Management's Discussion and Analysis of Financial Condition and Results of

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Operations — Liquidity and Capital Resources – Our Future Sources of Cash and Liquidity Needs” for further information regarding this unit repurchase program.

As permitted by our policies and procedures governing transactions in our securities by our directors, executive officers and other employees, from time to time some of these persons may establish plans or arrangements complying with Rule 10b5-1 under the Exchange Act, and similar plans and arrangements relating to our common units and Holdings units.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

ITEM 5. OTHER INFORMATION

None.

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ITEM 6. EXHIBITS

<u>Exhibit Number</u>	<u>Exhibit Description</u>
10.39	Credit Agreement dated as of May 5, 2009 among Blackstone Holdings Finance Co. L.L.C., as Borrower, Blackstone Holdings I L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P. and Blackstone Holdings IV L.P., as Guarantors, and Citibank, N.A., as Administrative Agent, Citigroup Global Markets Inc. and Banc of America Securities LLC, as Joint Lead Arrangers, and Banc of America Securities LLC, as Syndication Agent.
10.40	Blackstone / GSO Capital Solutions Associates LLC Second Amended and Restated Limited Liability Company Agreement Dated as of May 22, 2009
10.41	Blackstone / GSO Capital Solutions Overseas Associates LLC Second Amended and Restated Limited Liability Company Agreement Dated as of July 10, 2009
10.42	Blackstone Real Estate Special Situations Associates II L.L.C. Amended and Restated Limited Liability Company Agreement Dated as of June 30, 2009
10.43	Blackstone Real Estate Special Situations Management Associates Europe L.P. Amended and Restated Agreement of Limited Partnership Dated as of June 30, 2009
10.44	BRECA L.L.C. Amended and Restated Limited Liability Company Agreement
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a).
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a).
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).

SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: August 7, 2009

The Blackstone Group L.P.

By: Blackstone Group Management L.L.C.,
its general partner

Name: /s/ L AURENCE A. T OSI
Title: **Laurence A. Tosi**
Chief Financial Officer

CREDIT AGREEMENT

dated as of

May 5, 2009

among

BLACKSTONE HOLDINGS FINANCE CO. L.L.C.,
as Borrower,

BLACKSTONE HOLDINGS I L.P., BLACKSTONE HOLDINGS II L.P.,
BLACKSTONE HOLDINGS III L.P. and BLACKSTONE HOLDINGS IV L.P.,
as Guarantors,

The Lenders Party Hereto

and

CITIBANK, N.A.,
as Administrative Agent

CITIGROUP GLOBAL MARKETS INC.
and
BANC OF AMERICA SECURITIES LLC,
as Joint Lead Arrangers,

and

BANC OF AMERICA SECURITIES LLC,
as Syndication Agent

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EXHIBITS:

Exhibit A	Form of Assignment and Acceptance
Exhibit B	Form of Opinion of Simpson Thacher & Bartlett LLP
Exhibit C	Form of Guarantor Joinder Agreement
Exhibit D	Form of Maturity Date Extension Request

CREDIT AGREEMENT dated as of May 5, 2009, among BLACKSTONE HOLDINGS FINANCE CO. L.L.C., as Borrower (the “Borrower”), BLACKSTONE HOLDINGS I L.P., BLACKSTONE HOLDINGS II L.P., BLACKSTONE HOLDINGS III L.P. and BLACKSTONE HOLDINGS IV L.P., as Guarantors (collectively, the “Guarantors”), the LENDERS party hereto and CITIBANK, N.A., as administrative agent (in such capacity, the “Administrative Agent”).

The Loan Parties have requested that the Lenders and the Swingline Lender (such terms and each capitalized term not otherwise defined having the meanings assigned in Section 1.01) extend credit in the form of revolving Loans and Swingline Loans, respectively, in order to enable the Borrower, subject to the terms and conditions of this Agreement, to borrow on a revolving credit basis, at any time and from time to time prior to the Maturity Date, an aggregate principal amount at any time outstanding not in excess of \$850,000,000 (as such amount may be increased in accordance herewith).

Accordingly, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

“ABR”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

“Accession Agreement” has the meaning assigned to such term in Section 2.18.

“Adjusted LIBO Rate” means, with respect to any Eurodollar Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate.

“Administrative Agent” has the meaning assigned to such term in the caption hereof.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified, provided that, in any event, any Person that owns directly or indirectly 15% or more of the securities having voting power

for the election of directors or other governing body of a corporation or 15% or more of the partnership or other ownership interests of any other Person (other than as a limited partner or non-voting member of such other Person) will be deemed to Control such corporation or other Person.

“ Agent’s Group ” has the meaning assigned to such term in Section 8.02(b).

“ Agreement ” means this Credit Agreement.

“ Agreement of Limited Partnership ” means the limited partnership agreement of each Guarantor by and among its general partner and its limited partners.

“ Alternate Base Rate ” means, for any day, a rate per annum equal to the highest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus $\frac{1}{2}$ of 1% and (c) the Adjusted LIBO Rate for a one month Interest Period commencing on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%; provided that, for the avoidance of doubt, for purposes of this definition the Adjusted LIBO Rate on any day shall be based on the rate per annum appearing on the Reuters “LIBOR01” screen displaying British Bankers’ Association Interest Settlement Rates (or on any successor or substitute page) at approximately 11:00 a.m., London time, two Business Days prior to such day for deposits in dollars with a maturity of one month. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate, as the case may be.

“ Applicable Percentage ” means, with respect to any Lender, the percentage of the total Commitments represented by such Lender’s Commitment. If the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments.

“ Applicable Rate ” means, for any day, 3.250% with respect to any Eurodollar Borrowing, 2.250% with respect to any ABR Borrowing and 0.500% with respect to the commitment fees payable hereunder.

“ Approved Electronic Communication ” means each Communication that any Loan Party is obligated to, or otherwise chooses to (but, with respect to Communications a Loan Party is not obligated to provide, only if such Loan Party has authorized such Communication to be treated as an Approved Electronic Communication), provide to the Administrative Agent pursuant to this Agreement or any other Loan Document or the transactions contemplated herein or therein, including any financial statement, financial or other report, notice, request, certificate or other information material; provided, however, that, solely with respect to delivery of any such Communication by any Loan Party to the Administrative Agent and without limiting or otherwise affecting either the Administrative Agent’s right to effect delivery of such Communication by posting such Communication to the Approved Electronic Platform or the protections afforded hereby to the Administrative Agent in connection with any such posting, “Approved Electronic Communication” shall exclude (a) any Borrowing Request, request for a Swingline Loan, Interest Election Request and any other notice,

demand, communication, information, document or other material relating to a request for a new, or conversion of an existing, Borrowing, (b) any notice pursuant to Section 2.09 and any other notice relating to the payment of any principal or other amount due under any Loan Document prior to the scheduled date therefor, (c) all notices of any Default, (d) any notice, demand, communication, information, document and other material required to be delivered to satisfy any of the conditions set forth in Article IV or any other condition to any Borrowing or other extension of credit hereunder or any condition precedent to the effectiveness of this Agreement and (e) any Communication which a Loan Party has notified the Administrative Agent is not to be treated as an Approved Electronic Communication or which is of a type that is not customarily disclosed to lending syndicates.

“ Approved Electronic Platform ” has the meaning assigned to such term in Section 9.13.

“ Arrangers ” means Citigroup Global Markets Inc. and Banc of America Securities LLC.

“ Assignment and Acceptance ” means an assignment and acceptance entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

“ Availability Period ” means the period from and including the Effective Date to but excluding the earlier of the Maturity Date and the date of termination of the Commitments.

“ Back-to-Back Lending Facilities ” means credit facilities made available to the Guarantors or the Subsidiaries or their Affiliates for the purpose of funding loans or advances to employees or Affiliates of the Guarantors, the Subsidiaries or their Affiliates, the proceeds of which are invested in funds managed by the Guarantors or the Subsidiaries.

“ Blackstone Group ” means The Blackstone Group L.P., a Delaware limited partnership, which, on the date hereof, owns 100% of the outstanding Equity Interests of each General Partner of the Guarantors.

“ Board ” means the Board of Governors of the Federal Reserve System of the United States of America.

“ Borrower ” has the meaning assigned to such term in the caption hereof.

“ Borrowing ” means (a) Loans of the same Type, made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect, or (b) a Swingline Loan.

“ Borrowing Request ” means a request by the Borrower for a Borrowing in accordance with Section 2.03.

“Broker-Dealer Subsidiary” means any Subsidiary that is registered as a broker-dealer under the Securities Exchange Act of 1934 or any other law requiring such registration.

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that, when used in connection with a Eurodollar Loan and for purposes of Section 2.04(c), the term “Business Day” shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market.

“Capital Lease Obligations” of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

“Cash Collateralize” means, in respect of an obligation, to provide and pledge (as a first priority perfected security interest) cash collateral in dollars at a location and pursuant to documentation in form and substance reasonably satisfactory to the Administrative Agent (and “Cash Collateralization” has a corresponding meaning).

“Cash and Carry Securities” shall mean direct obligations of the United States government the purchase of which is financed through repurchase agreements with respect to such obligations.

“Cash Equivalents” means, as of any particular date, (a) direct obligations of, or obligations guaranteed as to principal and interest by, the United States government (or guaranteed by any agency or instrumentality thereof and backed by the full faith and credit of the United States) maturing in two years or less from such date, (b) dollar denominated deposits in (including money market accounts of), or dollar denominated certificates of deposit or bankers’ acceptances of, any commercial bank or trust company organized under the laws of the United States or any state thereof having capital and surplus in excess of \$500,000,000 or any foreign commercial bank of recognized standing ranking among the world’s 100 largest commercial banks in terms of total assets, in each case if such deposits mature or are redeemable without penalty within one year or less from such date and if the long-term deposits of such commercial bank or trust company have been rated at least Baa by Moody’s and at least BBB by S&P, (c) commercial paper maturing within 270 days from such date having the highest rating of both Moody’s and S&P, (d) marketable general obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof maturing within one year from such date and rated at least Baa by Moody’s and at least BBB by S&P or (e) investments in any money market funds (other than those covered by clause (b) above) that have assets in excess of \$2,000,000,000, are managed by recognized and responsible institutions and invest substantially all of their assets in obligations of the types referred to in clauses (a), (b), (c) and (d) above.

“Change in Law” means (a) the adoption of any law, rule or regulation after the date of this Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this

Agreement or (c) compliance by any Lender (or, for purposes of Section 2.13(b), by any lending office of such Lender or by such Lender's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement.

“Claiming Party” has the meaning assigned to such term in Article X.

“Class”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Revolving Loans or Swingline Loans.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Combined EBITDA” means, for any period, Economic Net Income less, without duplication and to the extent otherwise included in Economic Net Income, (a) (i) performance fees and allocations, (ii) investment income and (iii) non-recurring gains plus, without duplication (including with respect to any item already added back to Combined Net Income in calculating Economic Net Income) and to the extent deducted in arriving at Economic Net Income, (b) (i) depreciation and amortization, (ii) interest expense, (iii) if positive, equity-based compensation, (iv) carry plan compensation expense and minority interests in performance fees, (v) expenses and charges relating to equity or debt offerings, acquisitions, investments and dispositions, (vi) non-recurring expenses, losses and charges and (vii) non-cash expenses and charges; provided that any cash payment made with respect to any non-cash expenses or charges added back in computing Combined EBITDA for any earlier period pursuant to this clause (vii) shall be subtracted in computing Combined EBITDA for the period in which such cash payment is made (in the case of clauses (a)(i), (a)(ii) and (b)(iv), whether positive or negative), in each case determined on a combined segment basis for the Guarantors and Subsidiaries in accordance with GAAP.

For purposes of calculating Combined EBITDA for any period of four consecutive fiscal quarters (each, a “Reference Period”), if at any time during such Reference Period (and after the Effective Date) a Guarantor or any of the Subsidiaries shall have made any Material Acquisition or Material Disposition (each as defined below), the Combined EBITDA for such Reference Period shall be calculated after giving *pro forma* effect thereto as if such Material Acquisition or Material Disposition occurred on the first day of such Reference Period. For purposes of this definition, whenever *pro forma* effect is to be given to a transaction, the *pro forma* calculation shall be made in good faith by a Financial Officer and may include reasonably identifiable and supportable cost savings and operating expense reductions expected to be realized; provided such cost savings and operating expense reductions do not exceed 10% of Combined EBITDA for the relevant Reference Period. As used in this definition, “Material Acquisition” means any acquisition of property or series of related acquisitions of property that (x) constitutes assets comprising all or substantially all of an operating unit of a business or constitutes all or substantially all of the common stock of a Person and (y) involves the payment of consideration by a Guarantor or any Subsidiaries in excess of \$25,000,000; and “Material Disposition” means any disposition of property or series of related dispositions of property that (x) constitutes assets comprising all or substantially all of an operating unit of a business or constitutes all or substantially all of the common stock of a Person and (y) yields gross proceeds to a Guarantor or any Subsidiaries in excess of \$25,000,000.

“Combined Segment Net Income” means, for any period, the combined segment net income of the Guarantors and the Subsidiaries for such period, determined in accordance with GAAP in a manner consistent with that employed in the Blackstone Group’s Annual Report on form 10-K for the fiscal year ending December 31, 2008, filed with the SEC.

“Commitment” means, with respect to each Lender, the commitment of such Lender to make Loans and to acquire participations in Swingline Loans hereunder, expressed as an amount representing the maximum aggregate amount of such Lender’s Credit Exposure hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.07, (b) increased from time to time pursuant to Section 2.18 and (c) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The amount of each Lender’s Commitment is set forth on Schedule 2.01, or in the Assignment and Acceptance pursuant to which such Lender shall have assumed its Commitment, as applicable. The aggregate amount of the Lenders’ Commitments as of the Effective Date is \$850,000,000.

“Commitment Increase” has the meaning assigned to such term in Section 2.18.

“Communications” means each notice, demand, communication, information, document and other material provided for hereunder or under any other Loan Document or otherwise transmitted between the parties hereto relating to this Agreement, the other Loan Documents, any Loan Party or its Affiliates or the transactions contemplated by this Agreement or the other Loan Documents, including all Approved Electronic Communications.

“Consenting Lender” has the meaning assigned to such term in Section 2.20.

“Contributing Party” has the meaning assigned to such term in Article X.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Core Business Entity” means any Person that earns or is entitled to receive fees or income (including investment income and fees, gains or income with respect to carried interests) from one or more Core Businesses.

“Core Businesses” means (a) investment or asset management services, financial advisory services, money management services, merchant banking activities or similar or related activities, including but not limited to services provided to mutual funds, private equity or debt funds, hedge funds, funds of funds, corporate or other business entities or individuals and (b) making investments, including without limitation investments in funds of the type specified in clause (a).

“Credit Exposure” means, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender’s Loans and its Swingline Exposure at such time.

“Declining Lender” has the meaning assigned to such term in Section 2.20.

“Default” means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“Defaulting Lender” means, at any time, a Lender as to which the Administrative Agent has notified the Borrower that (a) such Lender has failed for three or more Business Days to comply with its obligations under this Agreement to make a Loan or to make a payment to the Swingline Lender in respect of a Swingline Loan (each a “funding obligation”), (b) such Lender has notified the Administrative Agent, or has stated publicly, that it will not comply with any such funding obligation hereunder or has generally defaulted on its funding obligations under other loan agreements, credit agreements and financing agreements, (c) such Lender has, for three or more Business Days, failed to confirm in writing to the Administrative Agent that it will comply with its funding obligations hereunder after the Administrative Agent has requested in writing that it do so (based on the reasonable belief that it may not) or (d) a Lender Insolvency Event has occurred and is continuing with respect to such Lender (provided that neither the reallocation of funding obligations provided for in Section 2.04(f) as a result of a Lender’s being a Defaulting Lender nor the performance by Non-Defaulting Lenders of such reallocated funding obligations will by themselves cause the relevant Defaulting Lender to become a Non-Defaulting Lender). Any determination that a Lender is a Defaulting Lender under clauses (a) through (d) above will be made by the Administrative Agent in its sole discretion acting in good faith. The Administrative Agent will promptly send to all parties hereto a copy of any notice to the Borrower provided for in this definition.

“dollars” or “\$” refers to lawful money of the United States of America.

“Economic Net Income” means, for any period, Combined Segment Net Income for such period excluding, to the extent added or subtracted in computing Combined Segment Net Income, (i) income and similar taxes, (ii) amortization of intangible assets and (iii) non-cash charges relating to the vesting of equity-based compensation, calculated in each case in accordance with GAAP and in a manner consistent with that employed in Blackstone Group’s Annual Report on form 10-K for the fiscal year ending December 31, 2008, filed with the SEC.

“Effective Date” means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 9.02).

“Eligible Additional Guarantor” means any limited partnership organized under the laws of any state of the United States or any province or territory of Canada or, with the approval of the Administrative Agent (not to be unreasonably withheld), any limited partnership or equivalent entity organized under the laws of another jurisdiction (i) the General Partner (or equivalent Controlling member entity) of which is a direct or indirect wholly owned subsidiary of Blackstone Group and (ii) which, directly or through

one or more direct or indirect subsidiaries, conducts one or more Core Businesses. In the event that it is determined by the Loan Parties that an Eligible Additional Guarantor should be organized in a form other than a limited partnership, the parties hereto agree to negotiate in good faith to make changes to this Agreement as are advisable in order to include such Person as a Guarantor and to otherwise give effect to the intent of this Agreement.

“Environmental Laws” means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, release or threatened release of any Hazardous Material or health and safety matters.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of any Guarantor or any Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equity Interests” means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person of whatever nature, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any of the foregoing.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that, together with any of the Loan Parties, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

“ERISA Event” means (a) any “reportable event”, as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) the existence with respect to any Plan of an “accumulated funding deficiency” (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by a Loan Party or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by a Loan Party or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by a Loan Party or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (g) the receipt by a Loan

Party or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from a Loan Party or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

“Eurodollar”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted LIBO Rate (other than pursuant to the definition of Alternate Base Rate).

“Event of Default” has the meaning assigned to such term in Article VII.

“Excluded Taxes” means, with respect to the Administrative Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America, or by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction described in clause (a) above and (c) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Borrower under Section 2.17(b)), any withholding tax that (i) is in effect and would apply to amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party to this Agreement (or designates a new lending office), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from the Borrower with respect to any withholding tax pursuant to Section 2.15(a), or (ii) is attributable to such Foreign Lender’s failure to comply with Section 2.15(e).

“Existing Credit Agreement” means the Credit Agreement dated as of May 12, 2008 among Blackstone Holdings I L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P., Blackstone Holdings IV L.P., Blackstone Holdings V L.P., the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent, as amended, modified or waived in accordance with the terms thereof.

“Existing Maturity Date” has the meaning assigned to such term in Section 2.20.

“Federal Funds Effective Rate” means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

“Financial Covenants” means the covenants set forth in Section 6.09.

“Financial Officer” means the chief financial officer, principal accounting officer, treasurer or controller of each of the Loan Parties or of the direct or indirect general partner, sole member or managing member thereof.

“Foreign Lender” means any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is located. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

“Fraudulent Transfer Laws” has the meaning assigned to such term in Article X.

“GAAP” means generally accepted accounting principles in the United States of America.

“General Partners” means Blackstone Holdings I/II GP Inc., a Delaware corporation, Blackstone Holdings III GP L.P., a Delaware limited partnership, and Blackstone Holdings IV GP L.P., a Quebec limited partnership, each in its capacity as a general partner of a Guarantor for so long as such Person shall remain a general partner of any Guarantor, and shall include each other Person which from time to time may be or become a general partner of any Guarantor.

“Governmental Authority” means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“Guarantee” of or by any Person (the “guarantor”) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness of the payment thereof or (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

“Guarantor Joinder Agreement” means a Guarantor Joinder Agreement among the Loan Parties, an Eligible Additional Guarantor and the Administrative Agent substantially in the form of Exhibit C.

“Guarantors” has the meaning assigned to such term in the caption hereof and each other Person that becomes a Guarantor hereunder pursuant to Section 2.19.

“Hazardous Materials” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

“Hedging Agreement” means any interest rate protection agreement, foreign currency exchange agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging arrangement.

“Increase Effective Date” has the meaning assigned to such term in Section 2.18.

“Increasing Lender” has the meaning assigned to such term in Section 2.18.

“Indebtedness” of any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (d) all obligations of such Person in respect of the deferred purchase price of property or services, (e) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (f) all Guarantees by such Person of Indebtedness of others, (g) all Capital Lease Obligations of such Person, (h) all obligations of such Person in respect of Hedging Agreements, (i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty and (j) all obligations, contingent or otherwise, of such Person in respect of bankers’ acceptances; but excluding in each case trade and other accounts payable arising in the ordinary course of business. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person’s ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

“Indemnified Taxes” means Taxes other than Excluded Taxes.

“Initial Loans” has the meaning assigned to such term in Section 2.18.

“Interest Election Request” means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.06.

“Interest Payment Date” means (a) with respect to any ABR Loan, the last day of each March, June, September and December and (b) with respect to any Eurodollar Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Borrowing with an Interest Period of more than three months’ duration, each day prior to the last day of such Interest Period that occurs at intervals of three months’ duration after the first day of such Interest Period.

“Interest Period” means with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months (or, with the consent of each Lender, twelve months) thereafter, as the Borrower may elect; provided, that (a) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (b) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“Lender Affiliate” means, (a) with respect to any Lender, (i) an Affiliate of such Lender or (ii) any entity (whether a corporation, partnership, trust or otherwise) that is engaged in making, purchasing, holding or otherwise investing in bank loans and similar extensions of credit in the ordinary course of its business and is administered or managed by a Lender or an Affiliate of such Lender and (b) with respect to any Lender that is a fund which invests in bank loans and similar extensions of credit, any other fund that invests in bank loans and similar extensions of credit and is managed by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

“Lender Appointment Period” has the meaning assigned to such term in Section 8.06.

“Lender Insolvency Event” means that (a) a Lender or its Parent Company is insolvent, or is generally unable to pay its debts as they become due, or admits in writing its inability to pay its debts as they become due, or makes a general assignment for the benefit of its creditors or (b) such Lender or its Parent Company is the subject of a bankruptcy, insolvency, reorganization, liquidation or similar proceeding, or a receiver, trustee, conservator, intervenor or sequestrator or the like has been appointed for such Lender or its Parent Company, or such Lender or its Parent Company has taken any action in furtherance of or indicating its consent to or acquiescence in any such proceeding or appointment.

“Lenders” means the Persons listed on Schedule 2.01 and any other Person that shall have become a lender hereunder pursuant to an Assignment and Acceptance or an Accession Agreement, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Acceptance.

“Leverage Ratio” means, on any date, the ratio of the Total Indebtedness on such date to Combined EBITDA for the period of four consecutive fiscal quarters (a) ended on such date in the case of calculations of the Leverage Ratio for purposes of Section 6.09(b) and (b) most recently ended on or prior to such date for which financial statements have been provided pursuant to Section 5.04(a) and (b) in all other cases, including for purposes of Section 6.01.

“LIBO Rate” means, with respect to any Eurodollar Borrowing for any Interest Period, the rate appearing on the Reuters “LIBOR01” screen displaying British Bankers’ Association Interest Settlement Rates (or on any successor or substitute page of such service, or any successor to or substitute for such service, providing rate quotations

comparable to those currently provided on such page of such service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for dollar deposits with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the “LIBO Rate” with respect to such Eurodollar Borrowing for such Interest Period shall be the rate at which dollar deposits of \$1,000,000 and for a maturity comparable to such Interest Period are offered by the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

“Lien” means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, and (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset.

“LLC Agreement” means the limited liability company agreement of the Borrower.

“Loan Documents” means this Agreement, any Accession Agreement entered into pursuant to the terms hereof, any Guarantee Joinder Agreement and any promissory note issued pursuant to Section 2.08(e).

“Loan Parties” means the Borrower and the Guarantors.

“Loans” means the Revolving Loans and the Swingline Loans.

“Material Adverse Effect” means a material adverse effect on (a) the business, assets, operations or financial condition of the Guarantors and the Subsidiaries, taken as a whole, or (b) the ability of any of the Borrower or the Guarantors to perform any of its material obligations under any of the Loan Documents.

“Material Indebtedness” means Indebtedness (other than the Loans) of any one or more of the Guarantors and the Subsidiaries in an aggregate principal amount exceeding \$100,000,000. For purposes of determining Material Indebtedness, the “principal amount” of the obligations of any Person in respect of any Hedging Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that such Person would be required to pay if such Hedging Agreement were terminated at such time.

“Maturity Date” means the date 364 days after the Effective Date, as such date may be extended pursuant to Section 2.20.

“Maturity Date Extension Request” means a request by the Borrower, in the form of Exhibit D hereto or such other form as shall be approved by the Administrative Agent for the extension of the Maturity Date pursuant to Section 2.20.

“Moody's” means Moody's Investors Service, Inc.

“ Multiemployer Plan ” means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

“ Non-Defaulting Lender ” means, at any time, a Lender that is not a Defaulting Lender or a Potential Defaulting Lender.

“ Non-Recourse Seasoning Debt ” means Indebtedness incurred by a Seasoning Subsidiary to finance investments made by such Subsidiary that may be transferred to a fund managed by a Guarantor or a Subsidiary (“Fund Investments”), which Indebtedness has a maturity of not more than six months from the date of the incurrence of such Indebtedness and does not constitute a general obligation of any Guarantor or Subsidiary or have, directly or indirectly, recourse (including by way of any Guarantee or other undertaking, agreement or instrument that would constitute Indebtedness) against any assets of the Guarantors or any Subsidiaries (in each case other than for recourse to (i) such Seasoning Subsidiary and (ii) any other Subsidiary or any Guarantor (including letters of credit issued for the account of a Guarantor or such other Subsidiary) the principal component of which constitutes Indebtedness permitted under Section 6.01(a), in the case of a Guarantor, or 6.01(f), in the case of a Subsidiary). As used herein, a “Seasoning Subsidiary” is any single purpose Subsidiary the sole business of which is to purchase and hold Fund Investments and finance the purchase thereof and substantially all of the assets of which consist of the Fund Investments so purchased.

“ Obligations ” means (a) the principal of and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Loans made to the Borrower, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, and (b) all other monetary obligations, including fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), of the Loan Parties under this Agreement, including the obligations of the Guarantors in respect of the guarantees set forth in Article X.

“ Other Taxes ” means any and all present or future recording, stamp, documentary, excise, transfer, sales, property or similar taxes, charges or levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement.

“ Parent Company ” means, with respect to a Lender, the bank holding company (as defined in Regulation Y of the Board), if any, of such Lender or any Person owning, beneficially or of record, directly or indirectly, a majority of the shares of such Lender.

“ PBGC ” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“ Permitted Reorganization Transaction ” means any transaction or series of transactions, including mergers, asset transfers, liquidations, dissolutions and transfers of Equity Interests, in each case effected between or among the Guarantors and/or Subsidiaries and/or Affiliates (or newly formed entities that will, upon consummation of

any such transaction, be Guarantors or Subsidiaries) for purposes of accomplishing internal reorganizations, provided that all the combined consolidated assets of the Guarantors immediately prior to such transactions (including without limitation all Equity Interests in Core Business Entities owned by the Guarantors or any Subsidiaries and all assets of any Core Business conducted directly by a Guarantor or a Subsidiary) shall continue to be owned by the Guarantors or Subsidiaries (including any Person that becomes a Guarantor hereunder pursuant to Section 2.19), without any reduction in the aggregate economic interests of the Guarantors and the Subsidiaries, immediately prior to such transactions in Core Businesses conducted by the Guarantors, the Subsidiaries and Core Business Entities in which they own Equity Interests, except in any case as a result of any related sale or transfer of Equity Interests in Core Business Entities or Subsidiaries to employees in connection with compensation or incentive compensation arrangements.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Plan” means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which any Loan Party or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“Potential Defaulting Lender” means, at any time, a Lender (a) as to which the Administrative Agent has notified the Borrower that an event of the kind referred to in the definition of “Lender Insolvency Event” has occurred and is continuing in respect of any subsidiary or financial institution Affiliate of such Lender or (b) as to which the Administrative Agent or the Swingline Lender has in good faith determined and notified the Borrower (and, in the case of the Swingline Lender, the Administrative Agent) that such Lender or its Parent Company or a subsidiary or a financial institution Affiliate thereof has notified the Administrative Agent, or has stated publicly, that it will generally not comply with its funding obligations under other loan agreements, credit agreements or financing agreements. Any determination that a Lender is a Potential Defaulting Lender under any of clauses (a) and (b) above will be made by the Administrative Agent or, in the case of clause (b), the Swingline Lender in its sole discretion acting in good faith. The Administrative Agent will promptly send to all parties hereto a copy of any notice to the Borrower provided for in this definition.

“Prime Rate” means the rate of interest per annum publicly announced from time to time by Citibank, N.A. as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

“Pro Forma Compliance” means, with respect to any event or transaction, that the Loan Parties are in *pro forma* compliance with the Financial Covenants (i) recomputed as if the event with respect to which Pro Forma Compliance is being tested had occurred on the first day of the relevant period with respect to which current compliance with the Financial Covenant would be determined (for example, in the case of the Financial Covenant based on Combined EBITDA, as if such event had occurred on the first day of the four fiscal quarter period ending on the last day of the most recent

fiscal quarter in respect of which financial statements have been delivered pursuant to Section 3.05 or Section 5.04(a) or (b)) and (ii) evaluating compliance with such Financial Covenants on a *pro forma* basis as of the date upon which such event occurs or transaction is consummated (regardless of whether it is the last day of a fiscal quarter), in the case of the Leverage Ratio, based on Combined EBITDA for the period referred to in clause (i). *Pro forma* calculations made pursuant to this definition that require the calculation of Combined EBITDA on a *pro forma* basis will be made in accordance with the last paragraph of the definition of such term, except that, when testing Pro Forma Compliance with respect to any acquisition, disposition or similar transaction, references to Material Acquisition and Material Disposition in such last paragraph will be deemed to include such acquisition, disposition or transaction.

“Register” has the meaning set forth in Section 9.04.

“Regulated Subsidiary” means any Subsidiary that is (a) a Broker-Dealer Subsidiary, (b) otherwise subject to regulation by any Governmental Authority and for which the incurrence of Indebtedness (including Guarantees) or the granting of Liens with respect to its assets would be prohibited or restricted or would result in a negative impact on any minimum capital or similar requirement imposed by such Governmental Authority and applicable to it or (c) subject to regulation by any Regulatory Supervising Organization.

“Regulatory Supervising Organization” means any of (a) the Commodity Futures Trading Commission, (b) the National Futures Association, (c) the SEC, (d) the National Association of Securities Dealers or (e) any governmental or regulatory organization, exchange, clearing house or financial regulatory authority of which a Regulated Subsidiary is a member or to whose rules it is subject.

“Related Parties” means, with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person’s Affiliates.

“Required Lenders” means, at any time, Lenders having Credit Exposures and unused Commitments representing more than 50% of the sum of the total Credit Exposures and unused Commitments at such time.

“Restricted Payment” means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in a Guarantor, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation, termination or amendment of any Equity Interests in a Guarantor or of any option, warrant or other right to acquire any such Equity Interests in a Guarantor.

“Revolving Loan” means a loan made pursuant to Section 2.01.

“S&P” means Standard & Poor’s Ratings Services.

“SEC” means the United States Securities and Exchange Commission.

“Significant Subsidiary” means any single Subsidiary or any group of Subsidiaries taken together that, on a consolidated basis with its or their Subsidiaries, (i) had consolidated assets equal to or greater than 10% of the combined consolidated total assets of the Guarantors as of the end of the most recent fiscal quarter in respect of which financial statements have been delivered pursuant to Section 3.05 or Section 5.04(a) or (b), (ii) had consolidated revenues equal to or greater than 10% of the combined consolidated revenues of the Guarantors for the period of four consecutive fiscal quarters most recently ended in respect of which financial statements have been delivered pursuant to Section 3.05 or Section 5.04(a) or (b) or (iii) has outstanding Material Indebtedness. For the avoidance of doubt, it is understood and agreed that any Event of Default under clause (g), (h) or (i) of Article VII will be deemed to have occurred with respect to a “Significant Subsidiary” when the event or events specified in such clause has occurred with respect to any single Subsidiary or any number of Subsidiaries that, taken together, constitute a “Significant Subsidiary” pursuant to the foregoing definition.

“Statutory Reserve Rate” means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Administrative Agent is subject for eurocurrency funding (currently referred to as “Eurocurrency Liabilities” in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. Eurodollar Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

“Subsequent Borrowings” has the meaning assigned to such term in Section 2.18.

“subsidiary” means, with respect to any Person (the “parent”) at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

“Subsidiary” means any subsidiary of a Guarantor (or any Person that would be a subsidiary of the Guarantors if the Guarantors were merged into a single entity) that is or would be consolidated with the Guarantors in the preparation of segment information with respect to the combined financial statements of the Guarantors prepared in accordance with GAAP, but shall not include (a) any private equity fund, real estate fund, hedge fund or other investment fund or vehicle or (b) any portfolio company of any such fund or vehicle. The term “Subsidiary” shall include the Borrower.

“Swingline Exposure” means, at any time, the aggregate principal amount of all Swingline Loans outstanding at such time. The Swingline Exposure of any Lender at any time shall be its Applicable Percentage of the total Swingline Exposure at such time.

“Swingline Lender” means Citibank, N.A., in its capacity as lender of Swingline Loans hereunder.

“Swingline Loan” means a loan made pursuant to Section 2.04

“Taxes” means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

“Total Indebtedness” means, on any date, the total amount of Indebtedness of the Guarantors and the Subsidiaries outstanding on such date determined in accordance with GAAP (but including in any event any Guarantees by a Guarantor or a Subsidiary other than a Seasoning Subsidiary of Non-Recourse Seasoning Debt and excluding (i) any intercompany debt among the Guarantors and the Subsidiaries (for the avoidance of doubt, other than Guarantees of Non-Recourse Seasoning Debt) and (ii) Non-Recourse Seasoning Debt of Seasoning Subsidiaries), net of the excess, if positive, of (a) the sum of (i) unencumbered (other than customary bankers’ liens) cash and Cash Equivalents of the Guarantors and the Subsidiaries (other than cash and Cash Equivalents of any Regulated Subsidiary not permitted to be distributed or paid out due to regulatory requirements), less the amount thereof attributable to minority interests in Subsidiaries, and (ii) loans to employees of the Guarantors, the Subsidiaries and their Affiliates outstanding for less than 60 days; minus (b) 100% of accrued compensation expense (excluding (x) any carry/incentive fee-related compensation expenses, including minority interests, except to the extent such expenses are payable in respect of carry or incentive related compensation realized by a Guarantor or a Subsidiary on or prior to such date, and (y) non-cash equity-based compensation charges).

“Transactions” has the meaning assigned to such term in Section 3.02 hereof.

“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate (other than pursuant to the definition of Alternate Base Rate) or the Alternate Base Rate.

“Withdrawal Liability” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Class (e.g., a “Revolving Loan”) or by Type (e.g., a “Eurodollar Loan” or an “ABR Loan”) or by Class and Type (e.g., a “Eurodollar Revolving Loan”). Borrowings also may be classified and referred to by Class (e.g., a “Revolving Borrowing”) or by Type (e.g., a “Eurodollar Borrowing” or an “ABR Borrowing”) or by Class and Type (e.g., a “Eurodollar Revolving Borrowing”).

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.04. Accounting Terms; GAAP. (a) Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Borrower notifies the Administrative Agent that it requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Any reference to GAAP herein, when used with respect to combined financial statements of the Guarantors, means generally accepted accounting principles in the United States without giving effect to principles of consolidation inconsistent with the preparation of financial statements on a combined basis.

(b) Notwithstanding any provision to the contrary contained herein, in the event (i) Blackstone Group or the Guarantors effect a restatement of its or their financial statements previously provided hereunder which restatement either (x) relates solely to the valuation of investment assets or (y) results from an accounting or similar change, requirement, policy or practice imposed or implemented on an industry-wide basis, and (ii) such restated financial statements do not indicate a material adverse change in the creditworthiness of the Guarantors and the Subsidiaries, taken as a whole, from that indicated by such previously provided financial statements to which the restatement relates, then such restatement shall not be deemed to constitute or provide the basis for a Default hereunder; provided, however, that if any such restatement referred to in clause (y) above affects in any material respect the calculation of Total Indebtedness or Combined EBITDA, then the provisions of paragraph (a) of this Section will apply as if such restatement resulted from a change in GAAP or in the application thereof, and at the request of the Borrower or the Required Lenders, the relevant provisions of this Agreement will be renegotiated by the Borrower and the Lenders to give effect to the intent of this Agreement as in effect prior to such restatement.

ARTICLE II

The Credits

SECTION 2.01. Commitments. Subject to the terms and conditions set forth herein, each Lender agrees to make Revolving Loans to the Borrower from time to time during the Availability Period in an aggregate principal amount that will not result in such Lender's Credit Exposure exceeding such Lender's Commitment. Within the foregoing limit and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Loans.

SECTION 2.02. Loans and Borrowings. (a) Each Loan (other than a Swingline Loan) shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their respective Commitments. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Subject to Section 2.12, each Borrowing shall be comprised entirely of ABR Loans or Eurodollar Loans as the Borrower may request in accordance herewith. Each Swingline Loan shall be an ABR Loan. Each Lender at its option may make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Eurodollar Borrowing and at the time that each ABR Borrowing is made such Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 and not less than \$1,000,000; provided that an ABR Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Commitments. Borrowings of more than one Type may be outstanding at the same time; provided that there shall not at any time be more than a total of fifteen Eurodollar Borrowings outstanding.

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

SECTION 2.03. Requests for Borrowings. To request a Borrowing (other than a Swingline Loan), the Borrower shall notify the Administrative Agent of such request by telephone (a) in the case of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, three Business Days before the date of the proposed Borrowing and (b) in the case of an ABR Borrowing, not later than 11:00 a.m., New York City time, on the date of the proposed Borrowing. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Borrowing Request in a form approved by the Administrative Agent and signed by the Borrower. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

- (i) the aggregate amount of the requested Borrowing;

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- (ii) the date of such Borrowing, which shall be a Business Day;
 - (iii) whether such Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing;
 - (iv) in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; and
 - (v) the location and number of the Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.05.

If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Eurodollar Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

SECTION 2.04. Swingline Loans. (a) Subject to the terms and conditions set forth herein, the Swingline Lender agrees to make Swingline Loans to the Borrower from time to time after the Effective Date and during the Availability Period, in an aggregate principal amount at any time outstanding that will not result in (i) the aggregate principal amount of outstanding Swingline Loans exceeding \$25,000,000 or (ii) the aggregate Credit Exposure of all Lenders exceeding the aggregate Commitments; provided that the Swingline Lender shall not be required to make a Swingline Loan to refinance an outstanding Swingline Loan. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, repay, prepay and reborrow Swingline Loans.

(b) To request a Swingline Loan, the Borrower shall notify the Administrative Agent of such request by telephone (confirmed by hand delivery or facsimile), not later than 2:00 p.m., New York City time, on the day of a proposed Swingline Loan. Each such notice shall be irrevocable and shall specify the requested date (which shall be a Business Day) and amount of the requested Swingline Loan. The Administrative Agent will promptly advise the Swingline Lender of any such notice received from the Borrower. The Swingline Lender shall make each Swingline Loan available to the Borrower by means of a credit to the general deposit account of the Borrower with the Swingline Lender by 4:00 p.m., New York City time, on the requested date of such Swingline Loan.

(c) The Swingline Lender may by written notice given to the Administrative Agent not later than 11:00 a.m., New York City time, on any Business Day require the Lenders to acquire participations on the following Business Day in all or a portion of the Swingline Loans outstanding. Such notice shall specify the aggregate

amount of Swingline Loans in which the Lenders will participate. Promptly upon receipt of such notice, the Administrative Agent will give notice thereof to each Lender, specifying in such notice such Lender's Applicable Percentage of such Swingline Loan or Loans. Each Lender hereby absolutely and unconditionally agrees, upon receipt of notice as provided above, to pay to the Administrative Agent, for the account of the Swingline Lender, such Lender's Applicable Percentage of such Swingline Loan or Loans. Each Lender acknowledges and agrees that its obligation to acquire participations in Swingline Loans pursuant to this paragraph is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Lender shall comply with its obligation under this paragraph by wire transfer of immediately available funds, in the same manner as provided in Section 2.05 with respect to Loans made by such Lender (and Section 2.05 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to the Swingline Lender the amounts so received by it from the Lenders. The Administrative Agent shall notify the Borrower of any participations in any Swingline Loan acquired pursuant to this paragraph, and thereafter payments in respect of such Swingline Loan shall be made to the Administrative Agent and not to the Swingline Lender. Any amounts received by the Swingline Lender from the Borrower (or other party on behalf of the Borrower) in respect of a Swingline Loan after receipt by the Swingline Lender of the proceeds of a sale of participations therein shall be promptly remitted to the Administrative Agent; any such amounts received by the Administrative Agent shall be promptly remitted by the Administrative Agent to the Lenders that shall have made their payments pursuant to this paragraph and to the Swingline Lender, as their interests may appear; provided that any such payment so remitted shall be repaid to the Swingline Lender or to the Administrative Agent, as applicable, if and to the extent such payment is required to be refunded to the Borrower for any reason. The purchase of participations in a Swingline Loan pursuant to this paragraph shall not relieve the Borrower of any default in the payment thereof.

(d) Notwithstanding the foregoing, if any Lender becomes, and during the period it remains, a Defaulting Lender or a Potential Defaulting Lender, the Swingline Lender will not be required to make any Swingline Loan, unless the Swingline Lender is satisfied that any exposure that would result therefrom is fully covered or eliminated by any combination reasonably satisfactory to the Swingline Lender and the Borrower of the following:

(i) in the case of a Defaulting Lender, the Swingline Exposure of such Defaulting Lender is reallocated, as to outstanding and future Swingline Loans, to the Non-Defaulting Lenders as provided in clause (i) of Section 2.04(f);

(ii) in the case of a Defaulting Lender or a Potential Defaulting Lender, without limiting the provisions of Section 2.04(e), the Borrower Cash Collateralizes its obligations in respect of such Swingline Loan in an amount at least equal to the aggregate amount of the unallocated obligations (contingent or otherwise) of such Defaulting Lender or Potential Defaulting Lender in respect of such Swingline Loan, or makes other arrangements satisfactory to the Administrative Agent and to the Swingline Lender in their sole discretion to protect them against the risk of non-payment by such Defaulting Lender or Potential Defaulting Lender; and

(iii) in the case of a Defaulting Lender or a Potential Defaulting Lender, by an instrument or instruments in form and substance satisfactory to the Administrative Agent and to the Swingline Lender, the Borrower agrees that the principal amount of such requested Swingline Loan will be reduced by an amount equal to the unallocated, non-Cash Collateralized portion thereof as to which such Defaulting Lender or Potential Defaulting Lender would otherwise be liable, in which case the obligations of the Non-Defaulting Lenders in respect of such Swingline Loan will, subject to the first proviso below, be on a pro rata basis in accordance with the Commitments of the Non-Defaulting Lenders and the pro rata payment provisions of Section 2.16 will be deemed adjusted to reflect this provision;

provided that (i) each Non-Defaulting Lender's Credit Exposure may not in any event exceed the Commitment of such Non-Defaulting Lender and (ii) neither any such reallocation nor any payment by a Non-Defaulting Lender pursuant thereto nor any such Cash Collateralization or reduction will constitute a waiver or release of any claim the Loan Parties, the Administrative Agent, the Swingline Lender or any other Lender may have against such Defaulting Lender or cause such Defaulting Lender or Potential Defaulting Lender to be a Non-Defaulting Lender.

(e) If any Lender becomes, and during the period it remains, a Defaulting Lender or a Potential Defaulting Lender, if any Swingline Loan is at the time outstanding, the Swingline Lender may (except, in the case of a Defaulting Lender, to the extent the Commitments have been reallocated pursuant to Section 2.04(f)(i)), by notice to the Borrower and such Defaulting Lender or Potential Defaulting Lender through the Administrative Agent, require the Borrower to Cash Collateralize the obligations of the Borrower to the Swingline Lender in respect of such Swingline Loan in an amount at least equal to the aggregate amount of the unallocated obligations (contingent or otherwise) of such Defaulting Lender or Potential Defaulting Lender in respect thereof or to make other arrangements satisfactory to the Administrative Agent and to the Swingline Lender in their sole discretion to protect them against the risk of non-payment by such Defaulting Lender or Potential Defaulting Lender.

(f) If a Lender becomes, and during the period it remains, a Defaulting Lender, the following provisions shall apply with respect to any outstanding Swingline Exposure of such Defaulting Lender:

(i) the Swingline Exposure of such Defaulting Lender will, subject to the limitation in the first proviso below, automatically be reallocated (effective on the day such Lender becomes a Defaulting Lender) among the Non-Defaulting Lenders pro rata in accordance with their respective Commitments; provided that (A) each Non-Defaulting Lender's Credit Exposure may not in any event exceed the Commitment of such Non-Defaulting Lender as in effect at the time of such reallocation and (B) neither such reallocation nor any payment by a Non-Defaulting Lender pursuant thereto will constitute a waiver or release of any claim the Loan Parties, the Administrative Agent, the Swingline Lender or any other Lender may have against such Defaulting Lender or cause such Defaulting Lender to be a Non-Defaulting Lender; and

(ii) to the extent that any portion (the “unreallocated portion”) of the Defaulting Lender’s Swingline Exposure cannot be so reallocated, whether by reason of the proviso in clause (i) above or otherwise, the Borrower will, not later than three Business Days after demand by the Administrative Agent (at the direction of the Swingline Lender), (A) Cash Collateralize its obligations to the Swingline Lender in respect of such Swingline Exposure in an amount at least equal to the aggregate amount of the unreallocated portion of such Swingline Exposure, (B) prepay (subject to Section 2.21(a)) or Cash Collateralize in full the unreallocated portion thereof or (C) make other arrangements reasonably satisfactory to the Administrative Agent and to the Swingline Lender in their sole discretion to protect them against the risk of non-payment by such Defaulting Lender.

(g) In furtherance of the foregoing, if any Lender becomes, and during the period it remains, a Defaulting Lender or a Potential Defaulting Lender, the Swingline Lender is hereby authorized by the Borrower (which authorization is irrevocable and coupled with an interest) to give, in its discretion, through the Administrative Agent, Borrowing Requests pursuant to Section 2.03 in such amounts and in such times as may be required to repay an outstanding Swingline Loan.

SECTION 2.05. Funding of Borrowings. (a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 2:00 p.m., New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders; provided that Swingline Loans shall be made as provided in Section 2.04. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account of the Borrower maintained with the Administrative Agent in New York City and designated by the Borrower in the applicable Borrowing Request.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date (or, in the case of an ABR Borrowing, prior to the proposed time) of any Borrowing that such Lender will not make available to the Administrative Agent such Lender’s share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the interest rate applicable to ABR Loans. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender’s Loan included in such Borrowing.

SECTION 2.06. Interest Elections. (a) Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurodollar Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. This Section shall not apply to Swingline Borrowings, which may not be converted or continued.

(b) To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Interest Election Request in a form approved by the Administrative Agent and signed by the Borrower. Notwithstanding any other provision of this Section, the Borrower shall not be permitted to elect an Interest Period for Eurodollar Loans that does not comply with Section 2.02(d).

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to an ABR Borrowing. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Borrower, then, so long as an Event of Default is continuing (i) no outstanding Borrowing may be converted to or continued as a Eurodollar Borrowing and (ii) unless repaid, each Eurodollar Borrowing shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

SECTION 2.07. Termination and Reduction of Commitments. (a) Unless previously terminated, the Commitments shall terminate on the Maturity Date.

(b) The Borrower may at any time terminate, or from time to time reduce, the Commitments; provided that (i) each reduction of the Commitments shall be in an amount that is an integral multiple of \$1,000,000 and not less than \$1,000,000 and (ii) the Borrower shall not terminate or reduce the Commitments if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 2.09, the sum of the Credit Exposures would exceed the total Commitments.

(c) The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable; provided that a notice of termination of the Commitments may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Commitments, except as otherwise provided in this Agreement as of the date hereof.

(d) The Borrower may terminate the unused amount of the Commitment of a Defaulting Lender upon not less than three Business Days' prior notice to the Administrative Agent (which will promptly notify the Lenders thereof), and in such event the provisions of Section 2.21(a) will apply to all amounts thereafter paid by the Borrower for the account of such Defaulting Lender under this Agreement (whether on account of principal, interest, fees, indemnity or other amounts), provided that such termination will not be deemed to be a waiver or release of any claim the Loan Parties, the Administrative Agent, the Swingline Lender or any Lender may have against such Defaulting Lender.

SECTION 2.08. Repayment of Loans; Evidence of Debt. (a) The Borrower hereby unconditionally promises to pay (i) to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Loan on the Maturity Date, and (ii) to the Swingline Lender the then unpaid principal amount of each Swingline Loan on the earlier of (A) the Maturity Date and (B) the first date after such

Swingline Loan is made that is the last day of a calendar month and is at least five Business Days after such Swingline Loan is made; provided that on each date that a Borrowing is made, the Borrower shall repay all Swingline Loans that were outstanding on the date such Borrowing was requested.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Class and Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

SECTION 2.09. Prepayment of Loans. (a) The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to prior notice in accordance with paragraph (b) of this Section.

(b) The Borrower shall notify the Administrative Agent by telephone (confirmed by telecopy) of any prepayment hereunder (i) in the case of prepayment of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, three Business Days before the date of prepayment, (ii) in the case of prepayment of an ABR Borrowing, not later than 11:00 a.m., New York City time, on the date of prepayment or (iii) in the case of prepayment of a Swingline Loan, not later than 11:00 a.m., New York City time, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.07, such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.07. Promptly following receipt of any such notice the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any

Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.11.

SECTION 2.10. Fees. (a) The Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee, which shall accrue at the Applicable Rate on the daily unused amount of the Commitment of such Lender during the period from and including the Effective Date to but excluding the date on which such Commitment terminates. Accrued commitment fees in respect of any Commitment shall be payable in arrears on the last day of March, June, September and December of each year commencing on the first such date to occur after the date hereof, and on the date on which such Commitment terminates. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). For purposes of computing commitment fees, a Commitment of a Lender shall be deemed to be used to the extent of the outstanding Loans of such Lender (and the Swingline Exposure of such Lender shall be disregarded for such purpose).

(b) The Borrower agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent.

(c) All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent for distribution, in the case of commitment fees, to the Lenders. Fees paid shall not be refundable under any circumstances.

(d) Anything herein to the contrary notwithstanding, during such period as a Lender is a Defaulting Lender, such Defaulting Lender will not be entitled to any fees accruing during such period pursuant to Section 2.10(a) (without prejudice to the rights of the Lenders other than Defaulting Lenders in respect of such fees).

SECTION 2.11. Interest. (a) The Loans comprising each ABR Borrowing shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) The Loans comprising each Eurodollar Borrowing shall bear interest at the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount, 2% plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section.

(d) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and upon termination of the Commitments; provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurodollar Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, Adjusted LIBO Rate or LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.12. Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(a) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period; or

(b) the Administrative Agent is advised by the Required Lenders that the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone or telecopy as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurodollar Borrowing shall be ineffective and (ii) if any Borrowing Request requests a Eurodollar Borrowing, such Borrowing shall be made as an ABR Borrowing.

SECTION 2.13. Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate); or

(ii) impose on any Lender or the London interbank market any other condition (excluding any Taxes) affecting this Agreement or Eurodollar Loans made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Eurodollar Loan (or of maintaining its obligation to make any such Loan) or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or otherwise), in each case in an amount deemed to be material by such Lender, then the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) If any Lender determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement or the Loans made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), in each case in an amount deemed to be material to such Lender, then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company as specified in paragraph (a) or (b) of this Section, and setting forth in reasonable detail the manner of determination of such amount or amounts, shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs or reductions incurred more than 180 days prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.14. Break Funding Payments. In the event of (a) the payment of any principal of any Eurodollar Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.09(b) and is revoked in accordance therewith) or (d) the assignment of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.17, then, in any such event, the Borrower shall compensate each Lender for the loss, reasonable cost and reasonable expense attributable to such event. Such loss, cost or expense to any Lender shall be deemed to include an amount reasonably determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBO Rate that would have been

applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the eurodollar market. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section, and setting forth in reasonable detail the manner of determination of such amount or amounts, shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

SECTION 2.15. Taxes. (a) Any and all payments by or on account of any obligation of the Borrower hereunder shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if the Borrower shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent or Lender (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The Borrower shall indemnify the Administrative Agent and each Lender within 10 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by the Administrative Agent or such Lender, as the case may be, on or with respect to any payment by or on account of any obligation of the Borrower hereunder (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender or the Administrative Agent on its own behalf or on behalf of a Lender shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to the Borrower (with a copy to the Administrative Agent), at the

time or times prescribed by applicable law, such properly completed and executed documentation prescribed by applicable law or reasonably requested by the Borrower as will permit such payments to be made without withholding or at a reduced rate, provided that such Foreign Lender has received written notice from the Borrower advising it of the availability of such exemption or reduction and containing all applicable documentation.

(f) If the Administrative Agent or a Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 2.15, it shall pay over such refund to the Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section 2.15 with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided that the Borrower, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. This Section shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Borrower or any other Person.

SECTION 2.16. Payments Generally; Pro Rata Treatment; Sharing of Set-offs. (a) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest or fees or of amounts payable under Section 2.13, 2.14 or 2.15, or otherwise) prior to 12:00 noon, New York City time, on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its offices at 2 Penns Way, New Castle, DE 19720, except that payments pursuant to Sections 2.13, 2.14, 2.15, 2.17 and 9.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties and (ii) second, towards payment of principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Revolving Loans or participations in Swingline Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Revolving Loans and participations in Swingline Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Revolving Loans and participations in Swingline Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the relative aggregate amount of principal of and accrued interest on their Revolving Loans and participations in Swingline Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Revolving Loans or participations in Swingline Loans to any assignee or participant, other than to Loan Parties or any Subsidiary thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.05(b) or 2.16(d), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

SECTION 2.17. Mitigation Obligations; Replacement of Lenders. (a) If any Lender requests compensation under Section 2.13, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.15, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to

assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.13 or 2.15, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable out-of-pocket costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If any Lender requests compensation under Section 2.13, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.15, or if any Lender is a Defaulting Lender or Potential Defaulting Lender, or if any Lender does not consent to any amendment or waiver of the Loan Documents requested by the Borrower, or if permitted of a Declining Lender under Section 2.20, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in Swingline Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee or the Borrower and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.13 or payments required to be made pursuant to Section 2.15, such assignment will result in a material reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

(c) Notwithstanding the foregoing provisions of this Section 2.17, no Lender may request compensation under Section 2.13 and the Borrower shall not be required to pay any additional amounts for the benefit of any Lender pursuant to Section 2.15 if such Lender shall not at such time demand compensation from, or require the payment of such additional amounts by, its best customers at such time in similar circumstances.

SECTION 2.18. Increase of Commitments. (a) The Borrower may from time to time after the Effective Date, by written notice to the Administrative Agent (which shall be provided four Business Days prior to the Increase Effective Date), executed by the Borrower and one or more financial institutions (any such financial institution referred to in this Section being called an “Increasing Lender”), which may include any Lender (acting in its sole discretion), cause new Commitments to be extended by the Increasing Lenders or cause the existing Commitments of the Increasing Lenders to be increased (any such extension or increase being called a “Commitment Increase”), in an amount set forth in such notice; provided, that (i) the aggregate amount of the Commitment Increases becoming effective on any single date shall be at least \$25,000,000 (or such lesser amount consented to by the Administrative Agent), (ii) at no time shall the aggregate amount of Commitments, giving effect to the Commitment

Increases effected pursuant to this paragraph, exceed \$1,100,000,000, (iii) each Increasing Lender, if not already a Lender hereunder, shall be subject to the approval of the Administrative Agent (which approval shall not be unreasonably withheld or delayed) and shall complete an Administrative Questionnaire and (iv) each Increasing Lender, if not already a Lender hereunder, shall become a party to this Agreement by completing and delivering to the Administrative Agent, not later than 11:00 a.m., New York City time, on the Increase Effective Date, a duly executed accession agreement in a form reasonably satisfactory to the Administrative Agent and the Borrower (an “Accession Agreement”). New Commitments and increases in Commitments shall become effective on the date specified in the applicable notices delivered pursuant to this paragraph. Upon the effectiveness of any Accession Agreement to which any Increasing Lender is a party, (A) such Increasing Lender shall thereafter be deemed to be a party to this Agreement and shall be entitled to all rights, benefits and privileges accorded to, and subject to all obligations of, a Lender hereunder and (B) Schedule 2.01 shall be deemed to have been amended to reflect the Commitments of such Increasing Lender as provided in such Accession Agreement. Upon the effectiveness of any increase pursuant to this Section in any Commitment of a Lender already a party hereto, Schedule 2.01 shall be deemed to have been amended to reflect the increased Commitment of such Lender. For the avoidance of doubt, no Lender may be made an Increasing Lender without its consent.

(b) On the effective date of any Commitment Increase pursuant to this Section (the “Increase Effective Date”) (which shall not be less than 30 days prior to the Maturity Date), (i) the aggregate principal amount of the Loans outstanding immediately prior to giving effect to the applicable Commitment Increase on the Increase Effective Date (the “Initial Loans”) shall be deemed to be repaid, (ii) after the effectiveness of the Commitment Increase, the Borrower shall be deemed to have made new Borrowings (the “Subsequent Borrowings”) in an aggregate principal amount equal to the aggregate principal amount of the Initial Loans and of the Types and for the Interest Periods specified in a Borrowing Request delivered to the Administrative Agent in accordance with Section 2.03, (iii) each Lender shall pay to the Administrative Agent in same day funds an amount equal to the difference, if positive, between (A) such Lender’s Applicable Percentage (calculated after giving effect to the Commitment Increase), of the Subsequent Borrowings and (B) such Lender’s Applicable Percentage (calculated without giving effect to the Commitment Increase), of the Initial Loans, (iv) after the Administrative Agent receives the funds specified in clause (iii) above, the Administrative Agent shall pay to each Lender the portion of such funds that is equal to the difference, if positive, between (A) such Lender’s Applicable Percentage (calculated without giving effect to the Commitment Increase), of the Initial Loans and (B) such Lender’s Applicable Percentage (calculated after giving effect to the Commitment Increase), of the amount of the Subsequent Borrowings, (v) each Increasing Lender and each other Lender shall be deemed to hold its Applicable Percentage of each Subsequent Borrowing (each calculated after giving effect to the Commitment Increase) and (vi) the Borrower shall pay each Lender any and all accrued but unpaid interest on the Initial Loans. The deemed payments made pursuant to clause (i) above in respect of each Eurodollar Loan shall be subject to indemnification by the Borrower pursuant to the provisions of Section 2.14 if the Increase Effective Date occurs other than on the last day of the Interest Period relating thereto and breakage costs result.

(c) Notwithstanding the foregoing, no increase in the Commitments (or in any Commitment of any Lender) shall become effective under this Section unless, on the date of such increase, the conditions set forth in paragraphs (a) and (b) of Section 4.02 shall be satisfied (with all references in such paragraphs to a Borrowing being deemed to be references to such increase) and the Administrative Agent shall have received, not later than 11:00 a.m., New York City time, on the Increase Effective Date, a certificate to that effect dated such date and executed by a Financial Officer of each Loan Party.

SECTION 2.19. Additional Guarantors. The Borrower may at any time and from time to time, including for purposes of complying with Section 6.07 or effecting a Permitted Reorganization Transaction, designate any Eligible Additional Guarantor as an additional Guarantor hereunder, in each case by delivery to the Administrative Agent of a Guarantor Joinder Agreement executed by such Eligible Additional Guarantor and satisfaction of the conditions with respect to such Eligible Additional Guarantor set forth in Section 4.03. Notwithstanding the foregoing, no Guarantor Joinder Agreement shall become effective with respect to any Eligible Additional Guarantor if it shall be unlawful for such Eligible Additional Guarantor to become a Guarantor hereunder. As soon as practicable upon receipt of a Guarantor Joinder Agreement and the satisfaction of the conditions set forth in Section 4.03 with respect to the Eligible Additional Guarantor to which it relates, the Administrative Agent shall send a copy thereof to each Lender.

SECTION 2.20. Extension of Maturity Date. The Borrower may, by delivery of a Maturity Date Extension Request to the Administrative Agent (which shall promptly deliver a copy to each of the Lenders) not less than 45 days and not more than 60 days prior to the then existing Maturity Date, request that the Lenders extend the Maturity Date for an additional period of 364 days. Each Lender shall, by notice to the Borrower and the Administrative Agent given not later than the 20th day after the date of the Administrative Agent's receipt of the Borrower's Maturity Date Extension Request, advise the Borrower whether or not it agrees to the requested extension (each Lender agreeing to a requested extension being a "Consenting Lender", and each Lender declining to agree to a requested extension being a "Declining Lender"). Any Lender that has not so advised the Borrower and the Administrative Agent by such day shall be deemed to have declined to agree to such extension and shall be a Declining Lender. If Lenders constituting the Required Lenders shall have agreed to a Maturity Date Extension Request, then the Maturity Date shall, as to the Consenting Lenders, be extended to the date 364 days after the Maturity Date theretofore in effect. The decision to agree or withhold agreement to any Maturity Date Extension Request shall be at the sole discretion of each Lender. The Commitment of any Declining Lender shall terminate on the Maturity Date in effect prior to giving effect to any such extension (such Maturity Date being called the "Existing Maturity Date"). The principal amount of any outstanding Loans made by Declining Lenders, together with any accrued interest thereon and any accrued fees and other amounts payable to or for the account of such Declining Lenders hereunder, shall be due and payable on the Existing Maturity Date, and on the Existing Maturity Date the Borrower shall also make such other prepayments of Loans pursuant to Section 2.09 as shall be required in order that, after giving effect to the termination of the Commitments of, and all payments to, Declining Lenders pursuant to this sentence, the aggregate Credit Exposures would not exceed the aggregate Commitments. Notwithstanding the foregoing provisions of this paragraph, the Borrower shall have the right, pursuant to Sections 2.17 and 9.04, at any time prior to the Existing Maturity Date, to replace a Declining Lender with a Lender or other financial institution that will agree to the applicable Maturity Date Extension Request, and any such replacement Lender shall for all purposes constitute a Consenting Lender.

Notwithstanding the foregoing, no extension of the Maturity Date pursuant to this paragraph shall become effective unless on the Existing Maturity Date that immediately follows the date on which the Borrower delivers the applicable Maturity Date Extension Request, the conditions set forth in Section 4.02 shall be satisfied (with all references in such Section to a Borrowing being deemed to be references to such extension) and the Administrative Agent shall have received a certificate to that effect dated such date and executed by a Financial Officer.

SECTION 2.21. Defaulting Lenders. (a) Any amount paid by the Borrower for the account of a Defaulting Lender under this Agreement (whether on account of principal, interest, fees, indemnity payments or other amounts) will be applied to the payment of all amounts then due and payable by such Defaulting Lender under this Agreement until such amounts are paid in full and then will be paid to such Defaulting Lender. The application of payments as described in the preceding sentence shall not result in a Default and a Defaulting Lender may not charge any overdue or penalty interest on any amount owed to it that is not paid as a result of such application.

(b) If the Borrower, the Administrative Agent and the Swingline Lender agree in writing in their discretion that a Lender that is a Defaulting Lender or a Potential Defaulting Lender should no longer be deemed to be a Defaulting Lender or a Potential Defaulting Lender, as the case may be, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any amounts then held in the segregated account referred to in Section 2.21(a)), such Lender will, to the extent applicable, purchase such portion of the outstanding Loans or participations in Swingline Loans of the other Lenders or make such other adjustments as the Administrative Agent may determine to be necessary to cause the Credit Exposure of the Lenders to be on a pro rata basis in accordance with their respective Commitments, whereupon such Lender will cease to be a Defaulting Lender or a Potential Defaulting Lender and will be a Non-Defaulting Lender (and such Credit Exposure of each Lender will automatically be adjusted on a prospective basis to reflect the foregoing); provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while such Lender was a Defaulting Lender; provided further that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from a Defaulting Lender or a Potential Defaulting Lender to a Non-Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from such Lender's having been a Defaulting Lender or a Potential Defaulting Lender.

ARTICLE III

Representations and Warranties

Each Loan Party represents and warrants (as to itself and its Subsidiaries) to the Lenders and the Administrative Agent that:

SECTION 3.01. Organization; Powers. Each of the Loan Parties and its Subsidiaries (a) is duly formed, validly existing and in good standing under the laws of its jurisdiction of formation, (b) has all requisite power and authority to own its property and

assets and to carry on its business as now conducted and as proposed to be conducted, (c) is qualified to do business in every jurisdiction where such qualification is required and (d) has the power and authority to execute, deliver and perform its obligations under each of the Loan Documents and each other agreement or instrument contemplated thereby to which it is or will be a party and to borrow hereunder, except where the failure to comply with clauses (a)-(c) could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.02. Authorization. The execution, delivery and performance by each Loan Party of each of the Loan Documents to which it is a party, the borrowings hereunder and the creation and incurrence of the guarantees by the Guarantors set forth herein (collectively, the “Transactions”) (a) have been duly authorized by all requisite partnership, limited liability company or corporate and, if required, partner, member or stockholder action and (b) will not (i) violate (A) any provision of law, statute, rule or regulation, or of the limited partnership agreement, LLC Agreement or other constitutive documents of any Loan Party or any of its Subsidiaries or any General Partner, (B) any order of any Governmental Authority or (C) any provision of any indenture, agreement or other instrument to which any Loan Party or any of its Subsidiaries is a party or by which any of them or any of their property is or may be bound, (ii) be in conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under any such indenture, agreement or other instrument or (iii) result in the creation or imposition of any Lien upon or with respect to any property or assets now owned or hereafter acquired by any Loan Party or any of its Subsidiaries, which in the cases of clause (b)(i) and (b)(ii) would reasonably be expected to have a Material Adverse Effect.

SECTION 3.03. Enforceability. This Agreement has been duly executed and delivered by each Loan Party and constitutes, and each other Loan Document when executed and delivered by each Loan Party party thereto will constitute, a legal, valid and binding obligation of such Loan Party enforceable against such Loan Party in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors’ rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

SECTION 3.04. Governmental Approvals. No action, consent or approval of, registration or filing with or any other action by any Governmental Authority is or will be required in connection with the Transactions, except such as have been made or obtained and are in full force and effect or the failure to obtain which could not reasonably be expected to have a Material Adverse Effect.

SECTION 3.05. Financial Statements. The Loan Parties have heretofore furnished to the Lenders (i) the consolidated and combined statement of financial condition as of, and consolidated and combined statements of operations, changes in partners’ capital and cash flows for the fiscal year ended, December 31, 2008 of Blackstone Group, audited by and accompanied by the report of Deloitte & Touche LLP, independent registered public accounting firm, (ii) the unaudited condensed consolidated and combined statement of financial condition as of, and condensed consolidated and combined statements of income and cash flows for the fiscal year ended, December 31, 2008 of the combined Guarantors and the Subsidiaries, in the form delivered pursuant to the Existing Credit Agreement, and (iii) a reconciliation prepared by a Financial Officer of the financial statements referred to in clause (i) to those referred to in clause (ii).

Such audited financial statements fairly present, in all material respects, the consolidated and combined financial position and results of operations of Blackstone Group and such unaudited condensed consolidated and combined financial statements fairly present, in all material respects, the condensed consolidated and combined financial position and results of operations of the combined Guarantors and the Subsidiaries as of such date and for such periods presented. Such financial statements and the notes thereto disclose all material liabilities, direct or contingent, of Blackstone Group and of the combined Guarantors and the Subsidiaries as of the date thereof. Such financial statements were prepared in accordance with GAAP applied on a consistent basis, except, in the case of such unaudited financial statements, for the absence or incompleteness of footnotes and except as otherwise disclosed therein.

The accounts of the Loan Parties have been and will continue to be consolidated with those of Blackstone Group in the audited and unaudited consolidated financial statements of Blackstone Group included in its periodic reports filed with the SEC.

SECTION 3.06. No Material Adverse Change. There has been no material adverse change in the business, assets, operations or financial condition of the Guarantors and the Subsidiaries, taken as a whole, since December 31, 2008.

SECTION 3.07. Title to Properties; Possession Under Leases. (a) Each of the Guarantors and its Subsidiaries has good title to, or valid leasehold interests in, all its material properties and assets, except for defects that do not, in the aggregate, materially interfere with the conduct of the business of the Guarantors and the Subsidiaries taken as a whole or the use of the properties and assets of the Guarantors and the Subsidiaries taken as a whole for their intended purposes, except where failure to have title or leasehold interests would not reasonably be expected to have a Material Adverse Effect. All such material properties and assets are free and clear of Liens, other than Liens expressly permitted by Section 6.02.

(b) Each Guarantor and each of its Subsidiaries has complied with all obligations under all material leases to which it is a party and all such leases are in full force and effect, except to the extent that the failure to so comply or the failure to be in full force and effect, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. Each of the Guarantors and each of its Subsidiaries enjoys peaceful and undisturbed possession under all such material leases, except to the extent that the failure to enjoy such possession could not reasonably be expected to have a Material Adverse Effect.

SECTION 3.08. Litigation; Compliance with Laws. (a) Except as set forth in Schedule 3.08, as specifically disclosed in Blackstone Group's Annual Report on Form 10-K for the fiscal year ended December 31, 2008 or in any other report publicly filed with the SEC prior to the date hereof, there are not any actions, suits or proceedings at law or in equity or by or before any Governmental Authority now pending or, to the knowledge of any Loan Party, threatened against or affecting any Loan Party, or any of the Subsidiaries, or any business, property or rights of any such person (i) which on the date hereof involve any Loan Document or the Transactions or (ii) as to which there is a reasonable possibility of an adverse determination and which would be materially likely to, individually or in the aggregate, result in a Material Adverse Effect.

(b) Neither any Guarantor nor any of the Subsidiaries is in violation of any law, rule or regulation, or in default with respect to any judgment, writ, injunction or decree of any Governmental Authority, where such violation or default would be materially likely to result in a Material Adverse Effect.

SECTION 3.09. Agreements. (a) Neither any Guarantor nor any of the Subsidiaries is a party to any agreement or instrument or subject to any partnership, limited liability company or corporate restriction that has resulted or would be materially likely to result in a Material Adverse Effect.

(b) Neither any Guarantor nor any of the Subsidiaries is in default in any manner under any provision of any indenture or other agreement or instrument evidencing Indebtedness, or any other material agreement or instrument to which it is a party or by which it or any of its properties or assets are or may be bound, where such default would be materially likely to result in a Material Adverse Effect.

SECTION 3.10. Federal Reserve Regulations. (a) No part of the proceeds of any Loan will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, for any purpose which entails a violation of, or which is inconsistent with, the provisions of the Regulations of the Board, including Regulation T, U or X.

(b) At no time will more than 25% of the combined assets of the Guarantors and the Subsidiaries consist of margin stock (as such term is defined under the Regulations of the Board), if a violation of Regulation T, U or X of the Board would result.

SECTION 3.11. Investment Company Act. Neither any Guarantor nor any of the Subsidiaries is an “investment company” as defined in, or subject to regulation under, the Investment Company Act of 1940.

SECTION 3.12. Use of Proceeds. The Borrower will use the proceeds of the Loans for general investment and general partnership, limited liability company, corporate and other purposes of the Guarantors and the Subsidiaries and Affiliates.

SECTION 3.13. Tax Returns. Each Loan Party and each of the Subsidiaries has filed or caused to be filed all Federal tax returns and all state and local tax returns required to have been filed by it and has paid or caused to be paid all taxes shown to be due and payable on such returns or on any assessments received by it, except taxes the payment of which is not required by Section 5.03 or where the failure to file or pay would not be reasonably expected to have a Material Adverse Effect.

SECTION 3.14. No Material Misstatements. As of the Effective Date, no information, report, financial statement, exhibit or schedule furnished by or on behalf of any Loan Party to the Administrative Agent or any Lender in connection with the negotiation of any Loan Document or included therein or delivered pursuant thereto (in each case as amended, supplemented or updated through the Effective Date) contains any

untrue statement of material fact or omits to state any material fact (known to any Loan Party in the case of materials not furnished by it) necessary to make the statements therein, in the light of the circumstances under which they were made, not materially misleading, provided, that to the extent that any of the foregoing was based on or constitutes a forecast or financial projection, the Loan Parties represent only that each such forecast or projection was prepared in good faith based upon assumptions believed by the Loan Parties to be reasonable at the time of preparation.

SECTION 3.15. ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect. The present value of all accumulated benefit obligations under each Plan (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed the fair market value of the assets of such Plan by an amount that could reasonably be expected to result in a Material Adverse Effect, and the present value of all accumulated benefit obligations of all underfunded Plans (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed the fair market value of the assets of all such underfunded Plans by an amount that could reasonably be expected to result in a Material Adverse Effect.

ARTICLE IV

Conditions

SECTION 4.01. Effective Date. The obligations of the Lenders to make Loans hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) The Administrative Agent (or its counsel) shall have received from each party hereto either (i) a counterpart of this Agreement signed on behalf of such party or (ii) written evidence satisfactory to the Administrative Agent (which may include telecopy transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(b) The Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of Simpson Thacher & Bartlett LLP, counsel for the Loan Parties, substantially in the form of Exhibit B, and covering such other matters relating to the Loan Parties, this Agreement or the Transactions as the Administrative Agent shall reasonably request. The Loan Parties hereby request such counsel to deliver such opinion.

(c) The Lenders shall have received the financial statements described in Section 3.05.

(d) The Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of the Loan Parties, the authorization of the Transactions and any other legal matters relating to the Loan Parties, this Agreement or the Transactions, all in form and substance satisfactory to the Administrative Agent and its counsel.

(e) The Administrative Agent shall be reasonably satisfied that (i) the representations and warranties of the Loan Parties set forth in the Loan Documents are true and correct in all material respects as of the Effective Date and (ii) no default, prepayment event or creation of Liens under debt instruments or other agreements to which any Loan Party or Subsidiary is a party would result from the Transactions.

(f) All material consents and approvals required to be obtained from any Governmental Authority or any other Person in connection with the Transactions shall have been obtained.

(g) Since December 31, 2008, there has been no material adverse change in the business, assets, operations, financial condition or material agreements of the Guarantors and the Subsidiaries, taken as a whole.

(h) The Administrative Agent shall have received a certificate, dated the Effective Date and signed by a Financial Officer of each Loan Party, confirming compliance with the conditions set forth in paragraphs (a) and (b) of Section 4.02.

(i) The Administrative Agent shall have received all fees and other amounts due and payable on or prior to the Effective Date, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Loan Parties hereunder.

(j) All amounts due or outstanding under the Existing Credit Agreement shall have been paid in full, the commitments thereunder shall have been terminated and the Existing Credit Agreement shall have been terminated.

(k) Each of the Loan Parties shall have executed and delivered to the Administrative Agent the fee letter dated the date hereof among each of the Loan Parties, the Administrative Agent and Citigroup Global Markets Inc.

(l) The Lenders shall have received, to the extent requested, all documentation and other information reasonably requested by the Lenders or the Administrative Agent under applicable “know your customer” and anti-money laundering rules and regulations, including the Patriot Act.

The Administrative Agent shall notify the Borrower and the Lenders of the Effective Date, and such notice shall be conclusive and binding. Notwithstanding the foregoing, the obligations of the Lenders to make Loans hereunder shall not become effective unless each of the foregoing conditions is satisfied (or waived pursuant to Section 9.02) at or prior to 5:00 p.m., New York City time, on May 11, 2009 (and, in the event such conditions are not so satisfied or waived, the Commitments shall terminate at such time).

SECTION 4.02. Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing is subject to the satisfaction of the following conditions:

- (a) The representations and warranties of the Loan Parties set forth in this Agreement shall be true and correct in all material respects on and as of the date of such Borrowing.
- (b) At the time of and immediately after giving effect to such Borrowing no Default shall have occurred and be continuing.
- (c) The Administrative Agent shall have received a notice of such Borrowing as required by Section 2.03 or 2.04.

Each Borrowing shall be deemed to constitute a representation and warranty by the Loan Parties on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section.

SECTION 4.03. Additional Guarantors. The effectiveness of the designation of any Eligible Additional Guarantor as a Guarantor hereunder in accordance with Section 2.19 is subject to the satisfaction of the following conditions:

- (a) The Administrative Agent (or its counsel) shall have received such Guarantor's Guarantor Joinder Agreement duly executed by all parties thereto.
- (b) The Administrative Agent shall have received such documents (including such legal opinions) as the Administrative Agent or its counsel may reasonably request relating to the formation, existence and good standing of such Guarantor, the authorization and legality of the Transactions insofar as they relate to such Guarantor and any other legal matters relating to such Guarantor, its Guarantor Joinder Agreement or such Transactions, all in form and substance reasonably satisfactory to the Administrative Agent.
- (c) The Administrative Agent and the Lenders shall have received, at least five Business Days prior to the effectiveness of the designation of such additional Guarantor all documentation and other information relating to such Guarantor requested by them for purposes of ensuring compliance with applicable "know your customer" and anti-money laundering rules and regulations, including the U.S.A. Patriot Act.

The Administrative Agent shall notify the Loan Parties and the Lenders of the effectiveness of the designation of any Eligible Additional Guarantor as a Guarantor hereunder, and such notice shall be conclusive and binding.

ARTICLE V

Affirmative Covenants

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full, the Loan Parties covenant and agree with the Lenders that they will, and will cause each of the Subsidiaries to:

SECTION 5.01. Existence; Businesses and Properties. (a) Do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence, except as otherwise expressly permitted under Section 6.04 or 6.05.

(b) Do or cause to be done all things necessary to (i) obtain, preserve, renew, extend and keep in full force and effect the rights, licenses, permits, franchises, authorizations, patents, copyrights, trademarks and trade names material to the conduct of the business of the Guarantors and the Subsidiaries, taken as a whole, except as otherwise permitted by Section 6.04 or 6.05, (ii) maintain and operate such business in substantially the manner in which it is presently conducted and operated, except as otherwise permitted by Section 6.04 or 6.05, (iii) implement and maintain in effect all such financial and accounting controls, and other controls, policies and procedures as shall be required for the prudent conduct of its business in all material respects, (iv) comply with all applicable laws, rules, regulations and orders of any Governmental Authority (including ERISA, Regulations T, U and X and those regarding the collection, payment and deposit of employees' income, unemployment and Social Security taxes), whether now in effect or hereafter enacted and (v) at all times maintain and preserve all property material to the conduct of the business of the Guarantors and their Subsidiaries, taken as a whole, except as otherwise permitted by Section 6.04 or 6.05, and keep such property in good repair, working order and condition (ordinary wear and tear excepted) and from time to time make, or cause to be made, all needful and proper repairs, renewals, additions, improvements and replacements thereto necessary in order that the business carried on in connection therewith may be properly conducted in all material respects at all times; in the case of clauses (i), (ii), (iv) and (v) above, except where failure to comply therewith would not reasonably be expected to have a Material Adverse Effect.

SECTION 5.02. Insurance . Keep its insurable properties adequately insured at all times by financially sound and reputable insurers; maintain such other insurance, to such extent and against such risks, including fire and other risks insured against by extended coverage, as is customary with companies in the same or similar businesses, including public liability insurance against claims for personal injury or death or property damage occurring upon, in, about or in connection with the use of any properties owned, occupied or controlled by it (in each case to the extent such insurance is available at commercially reasonable rates and on commercially reasonable terms, the Lenders hereby acknowledging that certain of the Guarantors and the Subsidiaries do not maintain general liability insurance on the Effective Date and have no current intention to obtain such insurance); and maintain such other insurance as may be required by law.

SECTION 5.03. Obligations and Taxes . Pay and discharge promptly when due all material taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or in respect of its property, before the same shall become delinquent or in default, as well as all lawful claims for labor, materials and supplies or otherwise which, if unpaid, might give rise to a material Lien upon such properties or any part thereof; provided, however, that such payment and discharge shall not be required with respect to any such tax, assessment, charge, levy or claim so long as the validity or amount thereof shall be contested in good faith by appropriate proceedings and the relevant Guarantor (or the relevant Subsidiary) shall have set aside on its books adequate reserves with respect thereto or if the failure to pay, discharge or contest would not reasonably be expected to have a Material Adverse Effect.

SECTION 5.04. Financial Statements, Reports, etc.. Furnish to the Administrative Agent:

(a) within 90 days after the end of each fiscal year, (i) the annual audited consolidated statement of financial condition as of, and consolidated statements of operations, changes in partners' capital and cash flows for the fiscal year ended, the last day of such fiscal year of Blackstone Group, reported upon by Deloitte & Touche LLP or another independent registered public accounting firm of recognized national standing without any "scope of audit" qualification or statement from such accounting firm that such accounting firm believes substantial doubt exists about Blackstone Group's ability to continue as a going concern, (ii) the unaudited annual condensed consolidated and combined statement of financial condition as of, and condensed consolidated and combined statements of income and cash flows for the fiscal year ended, the last day of such fiscal year, of the combined Guarantors and the Subsidiaries, substantially in the form delivered pursuant to the Existing Credit Agreement, certified by a Financial Officer as fairly presenting, in all material respects, the financial position and results of operations of the combined Guarantors and the Subsidiaries on a condensed consolidated and combined basis in accordance with GAAP and (iii) a reconciliation prepared by a Financial Officer of the audited financial statements referred to in clause (i) to the unaudited financial statements referred to in clause (ii);

(b) within 60 days after the end of each of the first three fiscal quarters of each fiscal year, (i) the quarterly unaudited condensed consolidated statement of financial condition and condensed consolidated statements of operations, changes in partners' capital and cash flows of Blackstone Group as of the end of and for such fiscal quarter and the then-elapsed portion of the fiscal year, certified by a Financial Officer as presenting fairly, in all material respects, the financial position and results of operations of Blackstone Group on a consolidated basis in accordance with GAAP consistently applied, except for the absence of footnotes or as otherwise described therein and subject to year-end audit adjustments, (ii) the quarterly unaudited condensed consolidated and combined statement of financial condition and condensed consolidated and combined statements of income and cash flows of the combined Loan Parties and the Subsidiaries as of the end of and for such fiscal quarter and the then-elapsed portion of the fiscal year, substantially in the form delivered pursuant to the Existing Credit Agreement, certified by a Financial Officer as presenting fairly, in all material respects, the financial position and results of operations of the combined Guarantors and the Subsidiaries on a condensed consolidated and combined basis in accordance with GAAP consistently applied, except for the absence of footnotes or as otherwise described therein and subject to year-end audit adjustments and (iii) a reconciliation prepared by a Financial Officer of the unaudited financial statements referred to in clause (i) to the unaudited financial statements referred to in clause (ii);

(c) concurrently with any delivery of financial statements under (a) or (b) above, a certificate of a Financial Officer (i) certifying that, to the best of his or her knowledge, no Default has occurred or, if such a Default has occurred, specifying the nature and extent thereof and any corrective action taken or

proposed to be taken with respect thereto and (ii) setting forth computations in reasonable detail satisfactory to the Administrative Agent demonstrating compliance with the financial covenant contained in Section 6.09, including reasonably detailed computations of Total Indebtedness and Combined EBITDA; and

(d) promptly, from time to time, such other information regarding the operations, business affairs and financial condition of the Guarantors or the Subsidiaries, or compliance with the terms of any Loan Document, as the Administrative Agent may reasonably request.

SECTION 5.05. Litigation and Other Notices. Promptly after any Loan Party becomes aware thereof, furnish to the Administrative Agent written notice of the following:

(a) any Default, specifying the nature and extent thereof and the corrective action (if any) proposed to be taken with respect thereto;

(b) the filing or commencement of, or any threat or notice of intention of any person to file or commence, any action, suit or proceeding, whether at law or in equity or by or before any Governmental Authority, against any Loan Party or any Affiliate thereof which has a reasonable likelihood of being adversely determined and which, if adversely determined, would be materially likely to result in a Material Adverse Effect;

(c) any development that has resulted in, or would be materially likely to result in, a Material Adverse Effect.

SECTION 5.06. ERISA. Promptly after any Loan Party becomes aware thereof, furnish to the Administrative Agent and each Lender written notice of the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect.

SECTION 5.07. Maintaining Records; Access to Properties and Inspections. Maintain all financial records in accordance with GAAP and permit any representatives designated by any Lender to visit and inspect the financial records and the properties of any Guarantor or any Subsidiary at reasonable times upon reasonable notice and as often as requested and to make extracts from and copies of such financial records (subject to Section 9.12), and permit any representatives affiliated with and designated by any Lender to discuss the affairs, finances and condition of any Guarantor or any Subsidiary with the officers thereof and, upon reasonable notice to the applicable Guarantor, independent accountants therefor.

SECTION 5.08. Use of Proceeds. The proceeds of the Loans will be used for general investment and general partnership, limited liability company, corporate and other purposes of the Loan Parties and the Subsidiaries.

SECTION 5.09. Further Assurances. Each Loan Party agrees to do such further acts and things and to execute and deliver to the Administrative Agent such additional agreements, powers and instruments, as the Administrative Agent may reasonably require or deem advisable to carry into effect the purposes of this Agreement or to better assure and confirm unto the Administrative Agent and each Lender its rights, powers and remedies hereunder.

ARTICLE VI

Negative Covenants

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full, the Loan Parties covenant and agree with each Lender that the Guarantors will not, and will not cause or permit any of the Subsidiaries to:

SECTION 6.01. Indebtedness. Incur, create, assume or permit to exist any Indebtedness, except:

(a) Indebtedness of the Loan Parties, including without limitation any Guarantees by a Loan Party of Non-Recourse Seasoning Debt, to the extent that at the time incurred and after giving effect thereto the Leverage Ratio would not exceed 4.0 to 1.0;

(b) Indebtedness of a Loan Party to any other Loan Party or a Subsidiary and Indebtedness of any Subsidiary to a Loan Party or any other Subsidiary (for the avoidance of doubt, excluding in each case any Guarantee by a Loan Party or a Subsidiary of Non-Recourse Seasoning Debt);

(c) Indebtedness consisting of repurchase agreements relating to Cash and Carry Securities;

(d) Indebtedness of the Loan Parties under Back-to-Back Lending Facilities in an aggregate principal amount not to exceed \$100,000,000 at any time;

(e) Indebtedness of Seasoning Subsidiaries consisting of Non-Recourse Seasoning Debt;

(f) Other Indebtedness of the Subsidiaries, including without limitation any Guarantees by Subsidiaries (other than by Seasoning Subsidiaries) in respect of Non-Recourse Seasoning Debt, in an aggregate principal amount not in excess of \$100,000,000 at any time outstanding; and

(g) Indebtedness under the Loan Documents.

SECTION 6.02. Liens. Create, incur, assume or permit to exist any Lien on any property or assets now owned or hereafter acquired by it (including, in the case of securities owned by it, by the sale of such securities pursuant to any repurchase agreement or similar arrangement) or on any income or revenues or rights in respect of any thereof, except:

(a) Liens on property or assets of any Guarantor or Subsidiary existing on the date hereof and set forth in Schedule 6.02 and any extensions, renewals or replacements thereof; provided that such Liens shall secure only those obligations which they secure on the date hereof and permitted refinancings thereof and shall encumber only those properties and assets of such Guarantor or Subsidiary that they encumber on the date hereof;

(b) any Lien existing on any property or asset prior to the acquisition thereof by a Guarantor or a Subsidiary; provided that (i) such Lien is not created in contemplation of or in connection with such acquisition and (ii) such Lien does not apply to any other property or assets of such Guarantor or such Subsidiary;

(c) Liens for taxes not yet due or the payment of which is not at the time required by Section 5.03;

(d) statutory Liens of landlords and carriers', warehousemen's, mechanic's, materialmen's, repairmen's or other like Liens arising in the ordinary course of business and securing obligations that are not due or the payment of which is not at the time required by Section 5.03 or which do not in the aggregate have a material adverse effect on the value or use of property encumbered thereby;

(e) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations;

(f) deposits to secure the performance of bids, trade contracts (other than for obligations for the payment of borrowed money), leases (other than Capital Lease Obligations), statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(g) zoning restrictions, easements, rights-of-way, restrictions on use of real property and other similar encumbrances incurred in the ordinary course of business which, in the aggregate, do not materially interfere with the ordinary conduct of the business of the Guarantors and the Subsidiaries, taken as a whole; and ground leases in respect of real property on which facilities owned or leased by any Guarantor or any Subsidiary are located;

(h) any attachment or judgment Lien unless the judgment it secures would constitute an Event of Default under clause (i) of Article VII;

(i) any interest or title of a lessor or lessee under any lease permitted by this Agreement (including any Lien granted by such lessor or lessee);

(j) Liens on Cash and Carry Securities securing Indebtedness permitted by Section 6.01(c);

(k) Liens on receivables and notes payable owing from employees or investors and related rights securing Indebtedness the proceeds of which are loaned to employees of the Guarantors or the Subsidiaries or Affiliates or to investors in the Guarantors' and the Subsidiaries' investment funds;

(l) Liens not otherwise permitted by this Section 6.02 securing Indebtedness or other obligations permitted to be incurred hereunder not exceeding \$150,000,000 principal amount (plus related obligations) in the aggregate at any one time;

(m) immaterial Liens of any Subsidiary not securing Indebtedness for borrowed money;

(n) leases, licenses, subleases or sublicenses granted to others in the ordinary course of business which do not interfere in any material respect with the business of the Guarantors and the Subsidiaries, taken as a whole;

(o) Liens (i) of a collection bank arising under Section 4-210 of the Uniform Commercial Code on the items in the course of collection, (ii) attaching to trading accounts or other brokerage accounts incurred in the ordinary course of business and (iii) in favor of a banking or other financial institution arising as a matter of law encumbering deposits or other funds maintained with a financial institution (including the right of set off) and which are within the general parameters customary in the banking industry;

(p) Liens deemed to exist in connection with repurchase agreements and reasonable customary initial deposits and margin deposits and similar Liens attaching to trading accounts or other brokerage accounts maintained in the ordinary course of business and not for speculative purposes;

(q) Liens that are contractual rights of set-off (i) relating to the establishment of depository relations with banks or other financial institutions not given in connection with the issuance of Indebtedness, (ii) relating to pooled deposit or sweep accounts of any Guarantor or any Subsidiary to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Guarantors and the Subsidiaries or (iii) relating to agreements other than in connection with Indebtedness entered into by a Guarantor or a Subsidiary; and

(r) Liens arising from precautionary Uniform Commercial Code financing statement filings;

(s) Liens on assets of a Seasoning Subsidiary securing Non-Recourse Seasoning Debt of such Seasoning Subsidiary;

(t) Liens securing Indebtedness described in Section 6.01(d) and related obligations; and

(u) Liens required to be created pursuant to this Agreement.

SECTION 6.03. Certain Loans and Advances. Make or permit to exist loans or advances to employees of any Guarantor, any Subsidiary or any Affiliate of a Guarantor except (i) loans and advances funded by Back-to-Back Lending Facilities, (ii) loans and advances that will be repaid within 20 Business Days of being invoiced by a Guarantor or a Subsidiary in accordance with existing practices of the Guarantor and the Subsidiaries and which are invoiced within a reasonable amount of time following the date of the applicable investment (iii) other loans or advances in a principal amount not in excess of \$200,000,000 at any time outstanding.

SECTION 6.04. Mergers, Consolidations, Sales of Assets and Acquisitions. Merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or sell, transfer, lease or otherwise dispose of (in one transaction or in a series of transactions) all or any substantial part of its assets (whether now owned or hereafter acquired) or any capital stock of any Subsidiary, except that:

(a) the Guarantors and the Subsidiaries may sell assets or properties in the ordinary course of business;

(b) the Guarantors and their Subsidiaries may sell, transfer, lease or otherwise dispose of any assets or property in transactions only among the Guarantors and the Subsidiaries;

(c) (i) any Loan Party or Subsidiary may merge or liquidate into a Loan Party in a transaction in which such Loan Party is the surviving entity and (ii) any Subsidiary may merge or liquidate into or consolidate with any other Subsidiary in a transaction in which the surviving entity is a Subsidiary and no Person other than a Loan Party or a Subsidiary receives any consideration;

(d) the Loan Parties and the Subsidiaries may effect sales and transfers of assets and mergers, consolidations, dissolutions and liquidations involving the Guarantors (including any Eligible Additional Guarantor that becomes a Guarantor) and the Subsidiaries in order to effect Permitted Reorganization Transactions;

(e) the Loan Parties and the Subsidiaries may sell, transfer or otherwise dispose of any assets or property for cash or other consideration reasonably determined by the Loan Parties to be in an amount at least equal to the fair value of such assets or property; and

(f) the Loan Parties and the Subsidiaries may enter into mergers and consolidations to effect asset acquisitions;

provided that in the case of transactions under clauses (c) and (d) above and, if the transaction has a value of \$25,000,000 or more, clauses (e) and (f) above, the Loan Parties are in Pro Forma Compliance immediately after giving effect to such transaction.

SECTION 6.05. Business of Guarantors and the Subsidiaries. Engage in any new business, cease to engage in any business or change the character of any business in which it is engaged if as a result any Guarantor would no longer be primarily engaged, directly or indirectly, in the businesses of general investment banking, merchant banking, asset management or investment advisory services and investment or financial services.

SECTION 6.06. Amendment of Certain Agreements. Make or permit to be made any amendment or modification of, or waive any of its rights under, the Agreements of Limited Partnership or the LLC Agreement that materially impairs (a) the creditworthiness of any Loan Party or (b) the rights or interests of the Lenders hereunder; provided that amendments, modifications and waivers (i) determined by the general partner of a Guarantor or managing member of the Borrower as necessary or appropriate in connection with the creation, authorization or issuance of any class or series of equity interests in any Guarantor or the Borrower; (ii) reflecting the admission, substitution, withdrawal or removal of partners in any Guarantor or member of the Borrower; (iii) reflecting a change in the name of any Loan Party, the location of the principal place of business of any Loan Party, the registered agent of any Loan Party or the registered office of any Loan Party; (iv) determined by the general partner or the managing member of a Loan Party, as applicable, to be necessary or appropriate to address changes in U.S. Federal income tax regulations, legislation or interpretation; (v) reflecting a change in the fiscal year or taxable year of any Loan Party and any other changes that the general partner or the managing member, as applicable, of a Loan Party determines to be necessary or appropriate as a result of a change in the fiscal year or taxable year of any Loan Party including a change in the dates on which distributions are to be made by any Loan Party; or (vi) necessary for the consummation of Permitted Restructuring Transactions, shall be permitted.

SECTION 6.07. Ownership of Core Businesses; Borrower. (a) Permit any Equity Interests that are owned by Blackstone Group, either directly or through its direct or indirect subsidiaries, in a Core Business Entity, to be owned by any Person other than the Guarantors and the Subsidiaries (unless such Core Business Entity is itself a Loan Party), it being understood that the foregoing will not prohibit Blackstone Group's indirect ownership of such Equity Interests through its direct or indirect ownership of Equity Interests in the Loan Parties.

(b) Permit any Equity Interests in the Borrower to be owned by any Person other than the Guarantors and Persons that are wholly-owned Subsidiaries of the Guarantors (calculated as if the Guarantors collectively were one Person).

SECTION 6.08. Restricted Payments. Declare, make or pay, directly or indirectly, any Restricted Payment when a Default has occurred and is continuing; provided that, (a) so long as no Event of Default under clause (b), (c), (g) or (h) of Article VII has occurred and is continuing, the Guarantors may continue to make cash distributions to the General Partners (but not in respect of limited partnership interests in the Guarantors) solely for the purpose of providing Blackstone Group with funds to make regular quarterly cash distributions to its common unitholders of \$.30 per unit (as adjusted to hold constant for splits, combinations, dividends and issuances of units after the Effective Date), so long as any such cash distributions by the Guarantors (i) are not in the aggregate, net of applicable taxes, in excess of the amounts of such Blackstone Group quarterly distributions and (ii) are made not more than 15 days prior to the payment date for such Blackstone Group quarterly distributions and (b) the Guarantors, to the extent they are classified as partnerships for U.S. Federal tax purposes, may make Tax Distributions (as such term is defined in each such respective Guarantor's partnership agreement in effect on the date hereof, or, in the case of Eligible Additional Guarantors, Tax Distributions on terms substantially equivalent to those in the Guarantors' respective partnership agreements in effect on the date hereof).

SECTION 6.09. Financial Covenants. (a) Permit the aggregate assets under management of the Guarantors and the Subsidiaries in respect of which the Guarantors and the Subsidiaries receive management fees (excluding any assets in respect of which management fees are not payable, regardless of whether carried interests exist) on the last day of any fiscal quarter be less than \$65,000,000,000.

(b) Permit the Leverage Ratio on the last day of any fiscal quarter to be greater than 4.0 to 1.0.

ARTICLE VII

Events of Default

In case of the happening of any of the following events (“Events of Default”):

(a) any representation or warranty made or deemed made by or on behalf of any Loan Party or any Subsidiary in connection with the Borrowings hereunder, in connection with any Loan Document or any amendment or modification thereof or waiver thereunder, or in any report, certificate, financial statements or other document furnished pursuant to or in connection with any Loan Document or any amendment or modification thereof or waiver thereunder shall prove to have been false or misleading in any material respect when so made, deemed made or furnished;

(b) the Borrower shall fail to pay any principal of any Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or by acceleration thereof or otherwise;

(c) the Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in (b) above) due under any Loan Document, when and as the same shall become due and payable, and such default shall continue unremedied for a period of three Business Days;

(d) any Guarantor or any Subsidiary shall fail to observe or perform any covenant, condition or agreement contained in Section 5.01(a) or 5.05(a) or in Article VI;

(e) any Guarantor or any Subsidiary shall fail to observe or perform any covenant, condition or agreement contained in any Loan Document (other than those specified in (b), (c) or (d) above) and such default shall continue unremedied for a period of 30 days after notice thereof from the Administrative Agent or the Required Lenders to the Borrower;

(f) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this clause (f) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness;

(g) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of any Loan Party or any Significant Subsidiary or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Loan Party or any Significant Subsidiary or for a substantial part of its assets or (iii) the winding-up or liquidation of any Loan Party or any Significant Subsidiary, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(h) any Loan Party or any Significant Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (g) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Loan Party or any Significant Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any partnership or formal action for the purpose of effecting any of the foregoing;

(i) one or more judgments for the payment of money in an aggregate amount in excess of \$100,000,000 (to the extent not adequately covered by insurance) shall be rendered against any Loan Party, any Significant Subsidiary or any combination thereof and the same shall remain undischarged for a period of 60 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to levy upon assets or properties of any Loan Party or any Significant Subsidiary to enforce any such judgment;

(j) an ERISA Event shall have occurred that, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect; or

(k) the guarantee of any Guarantor contained in Article X of this Agreement shall not for any reason be, or shall be asserted by any Loan Party not to be, in full force and effect and enforceable against each Guarantor in all material respects in accordance with its terms (other than as a result of a release or discharge of such Guarantor in accordance with the Loan Documents);

then, and in every such event (other than an event with respect to a Loan Party described in paragraph (g) or (h) above), and at any time thereafter during the continuance of such event, the Administrative Agent, at the request of the Required Lenders, shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate forthwith the Commitments and (ii) declare the Loans then outstanding to be forthwith due and payable in whole or in part, whereupon the principal

of the Loans so declared to be due and payable, together with accrued interest thereon and any unpaid accrued fees and all other obligations of the Borrower accrued hereunder and under any other Loan Document, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrower, anything contained herein or in any other Loan Document to the contrary notwithstanding; and in any event with respect to a Loan Party described in paragraph (g) or (h) above, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and any unpaid accrued fees and all other obligations of the Borrower accrued hereunder and under any other Loan Document, shall automatically become due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrower, anything contained herein or in any other Loan Document to the contrary notwithstanding.

ARTICLE VIII

The Administrative Agent

SECTION 8.01. Appointment and Authority. Each of the Lenders hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent and the Lenders, and none of the Loan Parties shall have rights as a third party beneficiary of any of such provisions; in each case subject to the rights of the Borrower under Section 8.06.

SECTION 8.02. Administrative Agent Individually. (a) The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Loan Parties or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

(b) Each Lender understands that the Person serving as Administrative Agent, acting in its individual capacity, and its Affiliates (collectively, the “Agent’s Group”) are engaged in a wide range of financial services and businesses (including investment management, financing, securities trading, corporate and investment banking and research) (collectively, the “Activities”) and may engage in the Activities with or on behalf of one or more of the Loan Parties or their respective Affiliates. Furthermore, the Agent’s Group may, in undertaking the Activities, engage in trading in financial products or undertake other investment businesses for its own account or on behalf of others (including the Loan Parties and their Affiliates and including holding, for its own account or on behalf of others, equity, debt and similar positions in the Loan Parties or their respective Affiliates), including trading in or holding long, short or derivative positions in

securities, loans or other financial products of one or more of the Loan Parties or their Affiliates. Each Lender understands and agrees that in engaging in the Activities, the Agent's Group may receive or otherwise obtain information concerning the Loan Parties or their Affiliates (including information concerning the ability of the Loan Parties to perform their obligations hereunder and under the other Loan Documents) which information may not be available to any of the Lenders that are not members of the Agent's Group. None of the Administrative Agent nor any member of the Agent's Group shall have any duty to disclose to any Lender or use on behalf of the Lenders, and shall not be liable for the failure to so disclose or use, any information whatsoever about or derived from the Activities or otherwise (including any information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any Loan Party or any of its Affiliates) or to account for any revenue or profits obtained in connection with the Activities, except that the Administrative Agent shall deliver or otherwise make available to each Lender such documents as are expressly required by any Loan Document to be transmitted by the Administrative Agent to the Lenders.

(c) Each Lender further understands that there may be situations where members of the Agent's Group or their respective customers (including the Loan Parties and their Affiliates) either now have or may in the future have interests or take actions that may conflict with the interests of any one or more of the Lenders (including the interests of the Lenders hereunder and under the other Loan Documents). Each Lender agrees that no member of the Agent's Group is or shall be required to restrict its activities as a result of the Person serving as Administrative Agent being a member of the Agent's Group, and that each member of the Agent's Group may undertake any Activities without further consultation with or notification to any Lender. None of (i) this Agreement nor any other Loan Document, (ii) the receipt by the Agent's Group of information (including Information) concerning the Loan Parties or their Affiliates (including information concerning the ability of the Loan Parties to perform their obligations hereunder and under the other Loan Documents) nor (iii) any other matter shall give rise to any fiduciary, equitable or contractual duties (including without limitation any duty of trust or confidence) owing by the Administrative Agent or any member of the Agent's Group to any Lender including any such duty that would prevent or restrict the Agent's Group from acting on behalf of customers (including the Loan Parties or their Affiliates) or for its own account.

SECTION 8.03. Duties of Administrative Agent; Exculpatory Provisions. (a) The Administrative Agent's duties hereunder and under the other Loan Documents are solely ministerial and administrative in nature and the Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, but shall be required to act or refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the written direction of the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent or any of its Affiliates to liability or that is contrary to any Loan Document or applicable law.

(b) The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 9.02(b)) or (ii) in the absence of its own gross negligence or wilful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default or the event or events that give or may give rise to any Default unless and until any Loan Party or any Lender shall have given notice to the Administrative Agent describing such Default and such event or events.

(c) Neither the Administrative Agent nor any member of the Agent's Group shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty, representation or other information made or supplied in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith or the adequacy, accuracy or completeness of the information contained therein, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than (but subject to the foregoing clause (ii)) to confirm receipt of items expressly required to be delivered to the Administrative Agent.

(d) Nothing in this Agreement or any other Loan Document shall require the Administrative Agent or any of its Related Parties to carry out any "know your customer" or other checks in relation to any Person on behalf of any Lender and each Lender confirms to the Administrative Agent that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Administrative Agent or any of its Related Parties.

SECTION 8.04. Reliance by Administrative Agent . The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless an officer of the Administrative Agent responsible for the transactions contemplated hereby shall have received notice to the contrary from such Lender prior to the making of such Loan, and in the case of a Borrowing, such Lender shall not have made available to the Administrative Agent such Lender's ratable portion of such Borrowing. The Administrative Agent may consult with legal counsel (who may be counsel for the Loan Parties), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

SECTION 8.05. Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. Each such sub-agent and the Related Parties of the Administrative Agent and each such sub-agent shall be entitled to the benefits of all provisions of this Article VIII and Section 9.03 (as though such sub-agents were the “Administrative Agent” under the Loan Documents) as if set forth in full herein with respect thereto.

SECTION 8.06. Resignation of Administrative Agent. (a) The Administrative Agent may resign at any time by notifying the Lenders and the Borrower. At the time of any such resignation, the successor shall be the Lender with the greatest Credit Exposure and unused Commitment at such time (other than the resigning Administrative Agent) that consents to serving as Administrative Agent. If no such successor shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation (such 30-day period, the “Lender Appointment Period”), then the retiring Administrative Agent may, with the consent of the Borrower, on behalf of the Lenders, appoint a successor Administrative Agent that is a bank with an office in New York City. The Administrative Agent may not resign unless and until a successor Administrative Agent has been appointed. Upon the acceptance of a successor’s appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring (or retired) Administrative Agent, and the retiring Administrative Agent shall be discharged from all of its duties and obligations as Administrative Agent hereunder or under the other Loan Documents. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring Administrative Agent’s resignation hereunder, the provisions of this Article and Section 9.03 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

(b) Any resignation pursuant to this Section by a Person acting as the Administrative Agent shall, unless such Person shall notify the Borrower and the Lenders otherwise, also act to relieve such Person and its Affiliates of any obligation to advance new, or extend existing, Swingline Loans where such advance or extension is to occur on or after the effective date of such resignation. Upon the acceptance of a successor’s appointment as Administrative Agent hereunder, (i) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Swingline Lender, (ii) the retiring Swingline Lender shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents and (iii) the successor Swingline Lender shall enter into an Assignment and Assumption and acquire from the retiring Swingline Lender each outstanding Swingline Loan of such retiring Swingline Lender for a purchase price equal to par plus accrued interest.

(c) Anything herein to the contrary notwithstanding, if at any time the Required Lenders determine that the Person serving as Administrative Agent is (without taking into account any provision in the definition of “Defaulting Lender” or “Potential Defaulting Lender” requiring notice from the Administrative Agent or any other party) a Defaulting Lender or a Potential Defaulting Lender, the Required Lenders (determined after giving effect to Section 9.02(c)) may by notice to the Borrower and such Person remove such Person as Administrative Agent and, with the agreement of the Borrower, appoint a replacement Administrative Agent hereunder. Such removal will be effective on the date a replacement Administrative Agent is appointed.

SECTION 8.07. Non-Reliance on Administrative Agent and Other Lenders. (a) Each Lender confirms to the Administrative Agent, each other Lender and each of their respective Related Parties that it (i) possesses (individually or through its Related Parties) such knowledge and experience in financial and business matters that it is capable, without reliance on the Administrative Agent, any other Lender or any of their respective Related Parties, of evaluating the merits and risks (including tax, legal, regulatory, credit, accounting and other financial matters) of (x) entering into this Agreement, (y) making Loans and other extensions of credit hereunder and under the other Loan Documents and (z) taking or not taking actions hereunder and thereunder, (ii) is financially able to bear such risks and (iii) has determined that entering into this Agreement and making Loans and other extensions of credit hereunder and under the other Loan Documents is suitable and appropriate for it.

(b) Each Lender acknowledges that (i) it is solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with this Agreement and the other Loan Documents, (ii) it has, independently and without reliance upon the Administrative Agent, any other Lender or any of their respective Related Parties, made its own appraisal and investigation of all risks associated with, and its own credit analysis and decision to enter into, this Agreement based on such documents and information as it has deemed appropriate and (iii) it will, independently and without reliance upon the Administrative Agent, any other Lender or any of their respective Related Parties, continue to be solely responsible for making its own appraisal and investigation of all risks arising under or in connection with, and its own credit analysis and decision to take or not take action under, this Agreement and the other Loan Documents based on such documents and information as it shall from time to time deem appropriate, which may include, in each case:

- (i) the financial condition, status and capitalization of the Loan Parties;
- (ii) the legality, validity, effectiveness, adequacy or enforceability of this Agreement and each other Loan Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Loan Document;
- (iii) determining compliance or non-compliance with any condition hereunder to the making of a Loan and the form and substance of all evidence delivered in connection with establishing the satisfaction of each such condition; and
- (iv) the adequacy, accuracy and completeness of the information delivered by the Administrative Agent, any other Lender or by any of their respective Related Parties under or in connection with this Agreement or any other Loan Document, the transactions contemplated hereby and thereby or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Loan Document.

SECTION 8.08. No Other Duties. Anything herein to the contrary notwithstanding, none of the Persons acting as Arrangers or as Syndication Agent listed on the cover page hereto shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent or as a Lender hereunder.

ARTICLE IX

Miscellaneous

SECTION 9.01. Notices. (a) Except in the case of notices and other communications expressly permitted to be given by telephone, all notices and other communications provided for in this Agreement shall be given in writing, or by any telecommunication device capable of creating a written record (including electronic mail), and addressed to the party to be notified as follows:

(i) if to the Loan Parties, to them at 345 Park Avenue, New York, N.Y. 10154, Attention of Mr. Stephen A. Schwarzman, Chairman & C.E.O. (Telecopy No. 212-583-5719) and Mr. Laurence A. Tosi, C.F.O. (Telecopy No. 212-583-5721);

(ii) if to the Administrative Agent, to it at Citigroup Global Loans, 2 Penns Way, New Castle, DE 19720, Attention of Gregory Victor (Fax No. (212) 994-0961);

(iii) if to any other Lender, to it at its address (or telecopy number) set forth in its Administrative Questionnaire;

or at such other address as shall be notified in writing (x) in the case of the Loan Parties, the Administrative Agent and the Swingline Lender, to the other parties and (y) in the case of all other parties, to the Borrower and the Administrative Agent.

(b) All notices, demands, requests, consents and other communications described in clause (a) shall be effective (i) if delivered by hand, including any overnight courier service, upon personal delivery, (ii) if delivered by posting to an Approved Electronic Platform, an Internet website or a similar telecommunication device requiring that a user have prior access to such Approved Electronic Platform, website or other device (to the extent permitted by Section 9.13 to be delivered thereunder), when such notice, demand, request, consent and other communication shall have been made generally available on such Approved Electronic Platform, Internet website or similar device to the class of Person being notified (regardless of whether any such Person must accomplish, and whether or not any such Person shall have accomplished, any action prior to obtaining access to such items, including registration, disclosure of contact information, compliance with a standard user agreement or undertaking a duty of confidentiality) and such Person has been notified in respect of such posting that a communication has been posted to the Approved Electronic Platform and (iii) if delivered

by electronic mail or any other telecommunications device, when transmitted to an electronic mail address (or by another means of electronic delivery) as provided in clause (a); provided, however, that notices and communications to the Administrative Agent pursuant to Article II shall not be effective until received by the Administrative Agent.

(c) Notwithstanding clauses (a) and (b) (unless the Administrative Agent requests that the provisions of clauses (a) and (b) be followed) and any other provision in this Agreement or any other Loan Document providing for the delivery of any Approved Electronic Communication by any other means, the Borrower shall, unless otherwise agreed in writing with the Administrative Agent, deliver all Approved Electronic Communications to the Administrative Agent by properly transmitting such Approved Electronic Communications in an electronic/soft medium in a format acceptable to the Administrative Agent to oploanswebadmin@citigroup.com or such other electronic mail address (or similar means of electronic delivery) as the Administrative Agent may notify to the Borrower. Nothing in this clause (c) shall prejudice the right of the Administrative Agent or any Lender to deliver any Approved Electronic Communication to the Borrower in any manner authorized in this Agreement or to request that the Borrower effect delivery in such manner.

SECTION 9.02. Waivers; Amendments. (a) No failure or delay by the Administrative Agent or any Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent and the Lenders hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by a Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent or any Lender may have had notice or knowledge of such Default at the time.

(b) Neither this Agreement nor any other Loan Document nor any provision hereof or thereof may be waived, amended or modified except, in the case of this Agreement, pursuant to an agreement or agreements in writing entered into by the Loan Parties and the Required Lenders or by the Loan Parties and the Administrative Agent with the consent of the Required Lenders or, in the case of any other Loan Document, pursuant to an agreement or agreements in writing entered into by the Administrative Agent with the consent of the Required Lenders and the Loan Parties that are parties thereto; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any Loan, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender affected thereby, (iv) change Section 2.16(b) or (c) in a manner

that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender, (v) alter the last sentence of Section 2.07(c) without the written consent of each Lender, (vi) release any of the Guarantors or limit its liability in respect of its guarantee under Article X without the consent of each Lender or (vii) change any of the provisions of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender; provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent or Swingline Lender hereunder without the prior written consent of the Administrative Agent or Swingline Lender, respectively. Notwithstanding the foregoing, any provision of this Agreement may be amended by an agreement in writing entered into by the Loan Parties, the Required Lenders and the Administrative Agent if (i) by the terms of such agreement the Commitment of each Lender not consenting to the amendment provided for therein shall terminate upon the effectiveness of such amendment and (ii) at the time such amendment becomes effective, each Lender not consenting thereto receives payment in full of the principal of and interest accrued on each Loan made by it and all other amounts owing to it or accrued for its account under this Agreement.

(c) Anything herein to the contrary notwithstanding, during such period as a Lender is a Defaulting Lender, to the fullest extent permitted by applicable law, such Lender will not be entitled to vote in respect of amendments and waivers hereunder and the Commitment and the outstanding Loans or other extensions of credit of such Lender hereunder will not be taken into account in determining whether the Required Lenders or all of the Lenders, as required, have approved any such amendment or waiver (and the definition of "Required Lenders" will automatically be deemed modified accordingly for the duration of such period); provided that any such amendment or waiver that would (i) increase or extend the term of the Commitment of such Defaulting Lender, (ii) extend the date fixed for the payment of principal or interest owing to such Defaulting Lender hereunder, (iii) reduce the principal amount of any obligation owing to such Defaulting Lender, (iv) reduce the amount of or the rate of interest on any amount owing to such Defaulting Lender or of any fee payable to such Defaulting Lender hereunder or (v) alter the terms of this proviso, will require the consent of such Defaulting Lender.

SECTION 9.03. Expenses; Indemnity; Damage Waiver. (a) The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of outside counsel for the Administrative Agent, in connection with the pre-closing syndication of the credit facility provided for herein, the preparation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated) and (ii) all reasonable out-of-pocket expenses incurred by the Administrative Agent or any Lender, including the fees, charges and disbursements of any outside counsel for the Administrative Agent or any Lender, in connection with the enforcement or protection of its rights in connection with this Agreement and the other Loan Documents, including its rights under this Section, or in connection with the Loans made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans.

(b) The Borrower shall indemnify the Administrative Agent and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an “Indemnitee”) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the reasonable fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of any Loan Document or any agreement or instrument contemplated thereby, the performance by the parties hereto of their respective obligations hereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Loan or the use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by any Loan Party or any of its Subsidiaries, or any Environmental Liability related in any way to any Loan Party or any of its Subsidiaries or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses resulted from the gross negligence, fraud or wilful misconduct of such Indemnitee or its Related Parties as determined by a final non-appealable judgment of a court of competent jurisdiction.

(c) To the extent that the Borrower fails to pay any amount required to be paid by it to the Administrative Agent under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Administrative Agent such Lender’s Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent in its capacity as such.

(d) To the extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions, any Loan or the use of the proceeds thereof.

(e) All amounts due under this Section shall be payable not later than 10 days after written demand therefor.

SECTION 9.04. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Loan Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by any Loan Party without such consent shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Any Lender may assign all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) to any Non-Defaulting Lender or Non-Defaulting Lender Affiliate, or to any one or more other assignees with the prior written consent of (i) the Borrower (such consent not to be unreasonably withheld or delayed), provided that no consent of the Borrower shall be required if an Event of Default under clause (b), (c), (g) or (h) of Article VII has occurred and is continuing, (ii) the Administrative Agent and (iii) the Swingline Lender. Assignments shall be subject to the following conditions: (w) except in the case of an assignment to a Lender or a Lender Affiliate or an assignment of the entire remaining amount of the assigning Lender's Commitment, the amount of the Commitment of each Lender after giving effect to any assignment shall be not less than \$50,000,000 unless the Borrower and the Administrative Agent otherwise consent (such consent of the Borrower not to be unreasonably withheld or delayed), (x) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement, (y) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee of \$3,500, and (z) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire. Subject to acceptance and recording thereof pursuant to paragraph (d) of this Section, from and after the effective date specified in each Assignment and Acceptance the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.13, 2.14, 2.15 and 9.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (e) of this Section.

(c) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices in the City of New York a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender at any reasonable time and from time to time upon reasonable prior notice.

(d) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Acceptance and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(e) Any Lender may, without the consent of the Borrower or the Administrative Agent sell participations to one or more banks or other entities (a “Participant”) in all or a portion of such Lender’s rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided that (i) such Lender’s obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant. Subject to paragraph (f) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.13, 2.14 and 2.15 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.16(c) as though it were a Lender.

(f) A Participant shall not be entitled to receive any greater payment under Section 2.13 or 2.15 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower’s prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.15 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.15(e) as though it were a Lender.

(g) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto or grant such pledgee or assignee enforcement rights prior to a foreclosure on such pledge or assignment or any voting rights.

(h) Notwithstanding any provision of this Agreement to the contrary, no Lender may provide any Information (as defined in Section 9.12) to any prospective Lender, Participant or pledgee without the prior written consent of the Borrower (such consent not to be unreasonably withheld or delayed).

SECTION 9.05. Survival. All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid and so long as the Commitments have not expired or terminated. The provisions of Sections 2.13, 2.14, 2.15 and 9.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Commitments or the termination of this Agreement or any provision hereof.

SECTION 9.06. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 9.07. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of any Loan Party against any of and all the obligations of such Loan Party now or hereafter existing under this Agreement held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement and although such obligations may be unmatured. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 9.09. Governing Law; Jurisdiction; Consent to Service of Process. (a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) Each Loan Party hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against any Loan Party or its properties in the courts of any jurisdiction.

(c) Each Loan Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 9.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.12. Confidentiality. Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' managers, administrators, trustees, partners, directors, officers, employees and agents, including accountants, legal counsel and other advisors on a need-to-know basis (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, provided that the Administrative Agent or any such Lender, as the case may be, gives the Borrower prompt notice of any request to disclose information (unless such notice is prohibited by law, subpoena, similar process or by the applicable regulatory authority) so that the Borrower may seek a protective order or other appropriate remedy (including by participation in any proceeding to which the Administrative Agent or any such Lender is a party, and each of them hereby agrees to use reasonable effort to permit the Borrower to do so), (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any other Loan Document or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) with the consent of the Borrower or (g) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent or any Lender on a nonconfidential basis from a source other than the Borrower or its Affiliates.

For the purposes of this Section, "Information" means all information (including financial statements, certificates and reports and analyses, compilations and studies prepared by or on behalf of the Administrative Agent or any Lender based on any of the foregoing) received from or on behalf of any Loan Party or Subsidiary relating to any Loan Party or Subsidiary or its Affiliates or its business or relating to any employee, member or partner or customer of any Loan Party or Subsidiary, other than any such information that is or becomes available to the Administrative Agent or any Lender on a nonconfidential basis. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 9.13. Posting of Approved Electronic Communications. (a) Each of the Lenders and the Borrower agrees that the Administrative Agent may, but shall not be obligated to, make the Approved Electronic Communications available to the Lenders by posting such Approved Electronic Communications on Debt Domain or a substantially similar electronic platform chosen by the Administrative Agent to be its electronic transmission system (the "Approved Electronic Platform").

(b) Although the Approved Electronic Platform and its primary web portal are secured with generally-applicable security procedures and policies implemented or modified by the Administrative Agent from time to time (including, as of the Closing Date, a dual firewall and a User ID/Password authorization system) and the Approved Electronic Platform is secured through a single-user-per-deal authorization method whereby each user may access the Approved Electronic Platform only on a deal-by-deal basis, each of the Lenders and the Borrower acknowledges and agrees that the distribution of material through an electronic medium is not necessarily secure and that

there are confidentiality and other risks associated with such distribution. In consideration for the convenience and other benefits afforded by such distribution and for the other consideration provided hereunder, the receipt and sufficiency of which is hereby acknowledged, each of the Lenders and the Borrower hereby approves of distribution of the Approved Electronic Communications through the Approved Electronic Platform and understands and assumes the risks of such distribution in the absence of gross negligence or wilful misconduct by the Administrative Agent and its Related Parties.

(c) THE APPROVED ELECTRONIC PLATFORM AND THE APPROVED ELECTRONIC COMMUNICATIONS ARE PROVIDED “AS IS” AND “AS AVAILABLE”. NONE OF THE ADMINISTRATIVE AGENT NOR ANY OTHER MEMBER OF THE AGENT’S GROUP WARRANTS THE ACCURACY, ADEQUACY OR COMPLETENESS OF THE APPROVED ELECTRONIC COMMUNICATIONS OR THE APPROVED ELECTRONIC PLATFORM AND EACH EXPRESSLY DISCLAIMS ANY LIABILITY FOR ERRORS OR OMISSIONS IN THE APPROVED ELECTRONIC COMMUNICATIONS OR THE APPROVED ELECTRONIC PLATFORM. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE AGENT’S GROUP IN CONNECTION WITH THE APPROVED ELECTRONIC COMMUNICATIONS OR THE APPROVED ELECTRONIC PLATFORM.

(d) Each of the Lenders and the Borrower agrees that the Administrative Agent may, but (except as may be required by applicable law) shall not be obligated to, store the Approved Electronic Communications on the Approved Electronic Platform in accordance with the Administrative Agent’s generally-applicable document retention procedures and policies.

SECTION 9.14. USA Patriot Act. Each Lender and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Loan Parties that pursuant to the requirements of the USA Patriot Act, it is required to obtain, verify and record information that identifies each such Loan Party, which information includes the name and address of the Loan Party and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Loan Party in accordance with the USA Patriot Act.

SECTION 9.15. Lender Relationship. Each Lender, the Administrative Agent and their Affiliates (collectively, solely for purposes of this paragraph, the “Lenders”), may have economic interests that conflict with those of the Loan Parties, the owners of their Equity Interests and/or their Affiliates. The Loan Parties agree that nothing in the Loan Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Lender, on the one hand, and the Loan Parties, the owners of their Equity Interests or their Affiliates, on the other. The Loan Parties acknowledge and agree that (i) the transactions contemplated by the Loan Documents (including the exercise of rights and remedies hereunder and thereunder) are arm’s-length commercial transactions between the Lenders, on the one hand, and the Loan Parties, on the other, and (ii) in connection therewith and with the process leading thereto, (x) no Lender has assumed an advisory or

fiduciary responsibility in favor of the Loan Parties, the owners of their Equity Interests or their Affiliates with respect to the transactions contemplated hereby or thereby (or the exercise of rights or remedies with respect hereto or thereto) or the process leading hereto or thereto (irrespective of whether any Lender has advised, is currently advising or will advise any Loan Party, the owner of its Equity Interest or its Affiliates on other matters) or any other obligation to the Loan Parties except the obligations expressly set forth in the Loan Documents and (y) each Lender is acting solely as principal and not as the agent or fiduciary of any Loan Party, its management, owners of its Equity Interests, creditors or any other Person. Each Loan Party acknowledges and agrees that it has consulted its own legal and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. Each Loan Party agrees that it will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to such Loan Party in connection with such transaction or the process leading thereto.

ARTICLE X

Guarantee

In order to induce the Lenders and the Swingline Lender to extend credit to the Borrower hereunder, each Guarantor hereby irrevocably and unconditionally guarantees, jointly with the other Guarantors and severally, as a primary obligor and not merely as a surety, the due and punctual payment and performance of the Obligations. Each Guarantor further agrees that the Obligations may be extended or renewed, in whole or in part, without notice to or further assent from it, and that it will remain bound upon its guarantee hereunder notwithstanding any such extension or renewal of any Obligation.

Each Guarantor waives presentment to, demand of payment from and protest to the Borrower or any other Loan Party of any of the Obligations, and also waives notice of acceptance of its guarantee and notice of protest for nonpayment. The obligations of each Guarantor hereunder shall not be affected by (a) the failure of the Administrative Agent, any Lender or the Swingline Lender to assert any claim or demand or to enforce any right or remedy under the provisions of this Agreement, any other Loan Document or otherwise, (b) any extension or renewal of any of the Obligations, (c) any rescission, waiver, amendment or modification of, or any release from (other than an express, written release), any of the terms or provisions of this Agreement, or any other Loan Document or agreement, including with respect to any other Guarantor hereunder, (d) any default, failure or delay, wilful or otherwise, in the performance of any of the Obligations, (e) any decree or order, or any law or regulation of any jurisdiction or event affecting any term of an Obligation or (f) any other act, omission or delay to do any other act that may or might in any manner or to any extent vary the risk of any Guarantor or otherwise operate as a discharge of a Guarantor as a matter of law or equity or which would impair or eliminate any right of each Guarantor to subrogation or any other circumstance that might constitute a defense of each Guarantor or the Borrower.

Each Guarantor further agrees that its agreement hereunder constitutes a guarantee of payment when and in the amount due (whether or not any bankruptcy or similar proceeding shall have stayed the accrual or collection or the acceleration of any of the Obligations or operated as a discharge thereof) and not merely of collection, and waives any right to require that any resort be had by the Administrative Agent, any Lender or the Swingline Lender to any balance of any deposit account or credit on the books of the Administrative Agent, any Lender or the Swingline Lender in favor of the Borrower or any other Person. Each Guarantor agrees that its guarantee hereunder is continuing in nature and applies to all Obligations, whether currently existing or hereafter incurred.

The obligations of each Guarantor, and the claims of the Lenders, the Administrative Agent and the Swingline Lender against each Guarantor, hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise (other than the indefeasible payment in full of all the Obligations), and shall not be subject to any defense or set-off, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of any of the Obligations, any impossibility in the performance of any of the Obligations or otherwise (other than for the indefeasible payment in full of all the Obligations).

Each Guarantor further agrees that its guarantee hereunder shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any Obligation is rescinded or must otherwise be restored by the Administrative Agent, any Lender or the Swingline Lender upon the bankruptcy or reorganization of the Borrower, any other Loan Party or otherwise.

In furtherance of the foregoing and not in limitation of any other right which the Administrative Agent, any Lender or the Swingline Lender may have at law or in equity against any Guarantor by virtue hereof, upon the failure of the Borrower or any other Loan Party to pay any Obligation when and as the same shall become due, whether at maturity, by acceleration, after notice of prepayment or otherwise, each Guarantor hereby promises to and will, upon receipt of written demand by the Administrative Agent, any Lender or the Swingline Lender, forthwith pay, or cause to be paid, to the Administrative Agent, any Lender or the Swingline Lender in cash an amount equal to the unpaid principal amount of such Obligations then due, together with accrued and unpaid interest thereon.

Upon payment by each Guarantor of any sums as provided above, all rights of each Guarantor against the Borrower arising as a result thereof by way of right of subrogation, contribution, reimbursement, indemnity or otherwise shall in all respects be subordinated and junior in right of payment to the prior indefeasible payment in full of all the Obligations owed by the Borrower hereunder.

Anything contained in this Agreement to the contrary notwithstanding, the obligations of each Guarantor hereunder shall be limited to a maximum aggregate amount equal to the greatest amount that would not render such Guarantor's obligations hereunder subject to avoidance as a fraudulent transfer or conveyance under Section 548 of Title 11 of the United States Code or any provisions of applicable state law (collectively, the "Fraudulent Transfer Laws"), in each case after giving effect to all other

liabilities of such Guarantor, contingent or otherwise, that are relevant under the Fraudulent Transfer Laws (specifically excluding, however, any liabilities of such Guarantor (i) in respect of intercompany indebtedness to the Borrower or Affiliates of the Borrower to the extent that such indebtedness would be discharged in an amount equal to the amount paid by such Guarantor hereunder and (ii) under any Guarantee of senior unsecured indebtedness or Indebtedness subordinated in right of payment to the Obligations which Guarantee contains a limitation as to maximum amount similar to that set forth in this paragraph, pursuant to which the liability of such Guarantor hereunder is included in the liabilities taken into account in determining such maximum amount) and after giving effect as assets to the value (as determined under the applicable provisions of the Fraudulent Transfer Laws) of any rights to subrogation, contribution, reimbursement, indemnity or similar rights of such Guarantor pursuant to (x) applicable law or (y) any agreement providing for an equitable allocation among such Guarantor and other Affiliates of the Borrower of obligations arising under Guarantees by such parties.

In addition to all such rights of indemnity and subrogation as the Guarantors may have under applicable law (but subject to the final paragraph of this Article X), the Borrower agrees that in the event a payment in respect of any obligation shall be made by any Guarantor under this Agreement, the Borrower shall indemnify such Guarantor for the full amount of such payment and such Guarantor shall be subrogated to the rights of the Person to whom such payment shall have been made to the extent of such payment.

Each Guarantor (a “Contributing Party”) agrees (subject to the final paragraph of this Article X) that, in the event a payment shall be made by any other Guarantor hereunder in respect of any Obligation and such other Guarantor (the “Claiming Party”) shall not have been fully indemnified by the Borrower as provided hereunder, the Contributing Party shall indemnify the Claiming Party in an amount equal to the amount of such payment multiplied by a fraction of which the numerator shall be the net worth of the Contributing Party on the date of the most recent fiscal quarter of Blackstone Group ended prior to the date of this Agreement (or, in the case of any Eligible Additional Guarantor added as a Guarantor after the date hereof, the most recent fiscal quarter of Blackstone Group ended prior to the date such Eligible Additional Guarantor became a Guarantor) and the denominator shall be the aggregate net worth of all the Guarantors on such date. Any Contributing Party making any payment to a Claiming Party pursuant to this paragraph shall (subject to the final paragraph of this Article X) be subrogated to the rights of such Claiming Party under the preceding paragraph to the extent of such payment.

Notwithstanding any provision of this Agreement to the contrary, all rights of the Guarantors under the preceding two paragraphs and all other rights of the Guarantors of indemnity, contribution or subrogation under applicable law or otherwise shall be fully subordinated to the indefeasible payment in full in cash of the Obligations. No failure on the part of the Borrower or any Guarantor to make the payments required by the preceding two paragraphs (or any other payments required under applicable law or otherwise) shall in any respect limit the obligations and liabilities of any Guarantor with respect to its obligations hereunder, and each Guarantor shall remain liable for the full amount of the obligations of such Guarantor hereunder. Each Guarantor hereby agrees that all Indebtedness and other monetary obligations owed by it to, or to it by, any other Loan Party shall be fully subordinated to the indefeasible payment in full in cash of the Obligations.

The provisions of this Article X shall not affect or limit the ability of the Guarantors or the Subsidiaries to enter into and consummate Permitted Reorganization Transactions.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

BLACKSTONE HOLDINGS FINANCE CO. L.L.C.,

/s/ Laurence A. Tosi

Name: Laurence A. Tosi

Title: Chief Financial Officer

BLACKSTONE HOLDINGS I L.P.,

By: Blackstone Holdings I/II GP Inc.,
its General Partner

/s/ Laurence A. Tosi

Name: Laurence A. Tosi

Title: Chief Financial Officer

BLACKSTONE HOLDINGS II L.P.,

By: Blackstone Holdings I/II GP Inc.,
its General Partner

/s/ Laurence A. Tosi

Name: Laurence A. Tosi

Title: Chief Financial Officer

BLACKSTONE HOLDINGS III L.P.,

By: Blackstone Holdings III GP L.P.,
its General Partner

By: Blackstone Holdings III GP
Management L.L.C.,
its General Partner

/s/ Laurence A. Tosi

Name: Laurence A. Tosi

Title: Chief Financial Officer

BLACKSTONE HOLDINGS IV L.P.,

By: Blackstone Holdings IV GP L.P.,
its General Partner

By: Blackstone Holdings IV GP
Management (Delaware) L.P.,
its General Partner
By: Blackstone Holdings IV GP
Management L.L.C.,
its General Partner

/s/ Laurence A. Tosi

Name: Laurence A. Tosi

Title: Chief Financial Officer

CITIBANK, N.A. individually and as Administrative Agent,

by /s/ Maureen Maroney

Name: Maureen Maroney

Title: Authorized Signatory

Name of Institution:

Bank of America, N.A.

by /s/ David H. Strickert
Name: David H. Strickert
Title: Senior Vice President

For any Institution requiring a second signature line:

by _____
Name:
Title:

Name of Institution:

Barclays Bank PLC

by /s/ Ritam Bhalia

Name: Ritam Bhalia

Title: Vice President

For any Institution requiring a second signature line:

by _____

Name:

Title:

Name of Institution:

Credit Suisse, Cayman Islands Branch

by /s/ Alan Daoust

Name: Alan Daoust

Title: Director

For any Institution requiring a second signature line:

by /s/ Christopher Reo Day

Name: Christopher Reo Day

Title: Associate

Name of Institution:

Deutsche Bank Trust Company Americas

by /s/ Evelyn Thierry

Name: Evelyn Thierry

Title: Vice President

For any Institution requiring a second signature line:

by /s/ Susan LeFevre

Name: Susan LeFevre

Title: Managing Director

Name of Institution:

Goldman Sachs Lending Partners LLC

by /s/ Mark Walton

Name: Mark Walton

Title: Authorized Signatory

For any Institution requiring a second signature line:

by _____

Name:

Title:

Name of Institution:

JPMorgan Chase Bank, N.A.

by /s/ Sergey Sherman

Name: Sergey Sherman

Title: Vice President

For any Institution requiring a second signature line:

by _____

Name:

Title:

Name of Institution:

Morgan Stanley Bank, N.A.

by /s/ Melissa James

Name: Melissa James

Title: Authorized Signatory

For any Institution requiring a second signature line:

by _____

Name:

Title:

Name of Institution:

Nomura International Plc

by /s/ Morven Jones

Name: Morven Jones

Title: Managing Director

For any Institution requiring a second signature line:

by _____

Name:

Title:

Name of Institution:

Societe Generale

by /s/ Edward Grimm

Name: Edward Grimm

Title: Director

For any Institution requiring a second signature line:

by _____

Name:

Title:

Name of Institution:

UBS Loan Finance LLC

by /s/ Irja R. Otsa

Name: Irja R. Otsa

Title: Associate Director

Banking Products Services, US

For any Institution requiring a second signature line:

by /s/ Mary E. Evans

Name: Mary E. Evans

Title: Associate Director

Banking Products Services, US

BLACKSTONE / GSO CAPITAL SOLUTIONS ASSOCIATES LLC

SECOND AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

DATED AS OF MAY 22, 2009

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BLACKSTONE / GSO CAPITAL SOLUTIONS ASSOCIATES LLC

SECOND AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT of Blackstone / GSO Capital Solutions Associates LLC (the “Company”), dated as of May 22, 2009, by and among GSO Holdings I L.L.C., a Delaware limited liability company (the “Managing Member” or “Holdings”), the other members of the Company as set forth in the books and records of the Company, and such other persons that are admitted to the Company as members after the date hereof in accordance herewith.

WITNESSETH

WHEREAS, the original limited liability company agreement of the Company was executed as of March 5, 2009 (the “Original Operating Agreement”);

WHEREAS, the Original Operating Agreement was amended and restated in its entirety by the Amended and Restated Limited Liability Company Agreement, dated as of May 13, 2009, of the Company (as so amended and restated, the “Existing Agreement”); and

WHEREAS, the parties hereto now wish to amend and restate the Existing Agreement in its entirety as of the date hereof and as more fully set forth below.

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

1.1. Definitions. Unless the context otherwise requires, the following terms shall have the following meanings for purposes of this Agreement:

“Admission Letter” has the meaning set forth in Section 10.4.

“Advancing Party” has the meaning set forth in Section 7.1(b).

“Affiliate” when used with reference to another person means any person (other than the Company), directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with, such other person.

“Agreement” means this Second Amended and Restated Limited Liability Company Agreement, as it may be further amended, supplemented or otherwise modified from time to time.

“Alternative Vehicle” means any investment vehicle or structure formed pursuant to Section 2.9 of the BGCS Partnership Agreement or any other “Alternative Vehicle” (as defined in any other BGCS Agreements).

“Applicable Collateral Percentage” has the meaning with respect to any Firm Collateral or Special Firm Collateral as set forth in the books and records of the Company with respect thereto.

“Bankruptcy” means, with respect to any person, the occurrence of any of the following events: (i) the filing of an application by such person for, or a consent to, the appointment of a trustee or custodian of his assets; (ii) the filing by such person of a voluntary petition in Bankruptcy or the seeking of relief under Title 11 of the United States Code, as now constituted or hereafter amended, or the filing of a pleading in any court of record admitting in writing his inability to pay his debts as they become due; (iii) the failure of such person to pay his debts as such debts become due; (iv) the making by such person of a general assignment for the benefit of creditors; (v) the filing by such person of an answer admitting the material allegations of, or his consenting to, or defaulting in answering, a Bankruptcy petition filed against him in any Bankruptcy proceeding or petition seeking relief under Title 11 of the United States Code, as now constituted or as hereafter amended; or (vi) the entry of an order, judgment or decree by any court of competent jurisdiction adjudicating such person a bankrupt or insolvent or for relief in respect of such person or appointing a trustee or custodian of his assets and the continuance of such order, judgment or decree unstayed and in effect for a period of 60 consecutive days.

“BCE Agreement” means the limited partnership agreement, limited liability company agreement or other governing document of any limited partnership, limited liability company or other entity named or referred to in the definition of any of “BFREP,” “BFIP,” “BFMEZP,” “BFCOMP” or “Other Blackstone Collateral Entity,” as such limited partnership agreement, limited liability company agreement or other governing document may be amended, supplemented, restated or otherwise modified to date, and as such limited partnership agreement, limited liability company agreement or other governing document may be further amended, supplemented, restated or otherwise modified from time to time, and any other Blackstone Collateral Entity limited partnership agreement, limited liability company agreement or other governing document.

“BCE Investment” means any direct or indirect investment by any Blackstone Collateral Entity.

“BCOM” means (i) Blackstone Communications Partners I L.P., a Delaware limited partnership, and (ii) any other investment vehicle established pursuant to Article 2 of the partnership agreement for the partnership referred to in clause (i) above.

“BCP VI” is the collective reference to (i) Blackstone Capital Partners VI L.P., a Delaware limited partnership, (ii) Blackstone Capital Partners VI-Executive Fund L.P., a Delaware limited partnership, and (iii) any alternative investment vehicle relating thereto and any parallel fund.

“BFCOMP” means Blackstone Family Communications Partnership I L.P., Blackstone Family Communications Partnership I-SMD L.P. and any other entity that is an Affiliate thereof and has terms substantially similar to those of the foregoing partnerships and is formed in connection with the participation by one or more partners thereof directly or indirectly in investments in securities also purchased by BCOM or any other funds with substantially similar investment objectives to BCOM and that are sponsored or managed by an Affiliate of the Company (which includes serving as general partner of such funds).

“BFIP” means Blackstone Capital Associates II L.P., Blackstone Capital Associates III L.P., Blackstone Family Investment Partnership II L.P., Blackstone Family Investment Partnership III L.P., Blackstone Family Investment Partnership IV-A L.P., Blackstone Family Investment Partnership IV-A -SMD L.P., Blackstone Family Investment Partnership V L.P., Blackstone Family Investment Partnership V- SMD L.P., Blackstone Family Investment Partnership VI L.P., Blackstone Family Investment Partnership VI-SMD L.P., and any other entity that is an Affiliate thereof and has terms similar to those of the foregoing partnerships and

is formed in connection with the participation by one or more of the partners thereof in investments in securities also purchased by BCP VI or any other fund with substantially similar investment objectives to BCP VI and that are sponsored or managed by an Affiliate of the Company (which includes serving as general partner of such funds).

“BFMEZP” means Blackstone Family Mezzanine Partnership-SMD L.P., Blackstone Family Mezzanine Partnership II-SMD L.P., Blackstone Mezzanine Holdings L.P., Blackstone Mezzanine Holdings II L.P., any entity formed to invest side-by-side with any GSO Fund and any other entity that is an Affiliate thereof and that has terms substantially similar to those of the foregoing partnerships or other entities and is formed in connection with the participation by one or more partners or other equity owners thereof directly or indirectly in investments in securities also purchased by BMEZP I, BMEZP II, any GSO Fund or any other funds with substantially similar investment objectives to BMEZP I, BMEZP II or any GSO Fund and that are sponsored or managed by an Affiliate of the Company (which includes serving as general partner of such funds).

“BFREP” means Blackstone Real Estate Capital Associates L.P., Blackstone Real Estate Capital Associates II L.P., Blackstone Real Estate Capital Associates III L.P., Blackstone Family Real Estate Partnership L.P., Blackstone Family Real Estate Partnership II L.P., Blackstone Family Real Estate Partnership III L.P., Blackstone Family Real Estate Partnership International-A-SMD L.P., Blackstone Family Real Estate Partnership IV-SMD L.P., Blackstone Family Real Estate Partnership International II-SMD L.P., Blackstone Family Real Estate Partnership V-SMD L.P., Blackstone Family Real Estate Partnership VI-SMD L.P., Blackstone Family Real Estate Partnership Europe III-SMD L.P., Blackstone Family Real Estate Special Situations Partnership - SMD L.P., Blackstone Family Real Estate Special Situations Partnership Europe - SMD L.P., Blackstone Real Estate Holdings L.P., Blackstone Real Estate Holdings II L.P., Blackstone Real Estate Holdings III L.P., Blackstone Real Estate Holdings International - A L.P., Blackstone Real Estate Holdings IV L.P., Blackstone Real Estate Holdings International II L.P., Blackstone Real Estate Holdings V L.P., Blackstone Real Estate Holdings VI L.P., Blackstone Real Estate Holdings Europe III L.P., Blackstone Real Estate Special Situations Holdings II L.P., Blackstone Real Estate Special Situations Holdings Europe L.P. and any other entity that is an Affiliate thereof and that has terms substantially similar to those of the foregoing partnerships and is formed in connection with the participation by one or more partners thereof in real estate and real estate-related investments also purchased by BREP VI, BSSF II or BSSF Europe and any other funds with substantially similar investment objectives to BREP VI, BSSF II or BSSF Europe and that are sponsored or managed by an Affiliate of the Company (which includes serving as general partner of such funds).

“BGCS” means (i) Blackstone / GSO Capital Solutions Fund LP, a Delaware limited partnership, and (ii) any Alternative Vehicle relating thereto and any Parallel Fund.

“BGCS Agreements” means (i) the BGCS Partnership Agreement and (ii) any other BGCS partnership agreements.

“BGCS Partnership Agreement” means the Amended and Restated Agreement of Limited Partnership, dated as of the date set forth therein, of Blackstone / GSO Capital Solutions Fund LP, as it may be amended, supplemented, restated or otherwise modified from time to time.

“Blackstone Collateral Entity” means any limited partnership, limited liability company or other entity named or referred to in the definition of any of “BFREP,” “BFIP,” “BFMEZP,” “BFCOMP” or “Other Blackstone Collateral Entity.”

“Blackstone Entity” means any partnership, limited liability company or other entity (excluding any natural persons and any portfolio companies of any Blackstone – sponsored fund) that is an Affiliate of The Blackstone Group L.P.

“BMEZP I” means (i) Blackstone Mezzanine Partners L.P., a Delaware limited partnership, and (ii) any other investment vehicle established pursuant to Article 2 of the partnership agreement for the partnership referred to in clause (i) above.

“BMEZP II” means (i) Blackstone Mezzanine Partners II L.P., a Delaware limited partnership, and (ii) any other investment vehicle established pursuant to Article 2 of the partnership agreement for the partnership referred to in clause (i) above.

“BREP VI” means (i) Blackstone Real Estate Partners VI L.P., Blackstone Real Estate Partners VI.TE.1 L.P., Blackstone Real Estate Partners VI.TE.2 L.P. and Blackstone Real Estate Partners VI.F L.P., each a Delaware limited partnership, (ii) any other Parallel Funds or other Supplemental Capital Vehicles (each as defined in the respective partnership agreements for the partnerships referred to in clause (i) above), or (iii) any other investment vehicle established pursuant to Article 2 of the respective partnership agreements for any of the partnerships referred to in clause (i) above.

“BSSF Europe” means (i) Blackstone Real Estate Special Situations Europe L.P., Blackstone Real Estate Special Situations Europe.1 L.P. and Blackstone Real Estate Special Situations Europe.2 L.P., each a limited partnership formed or to be formed under the laws of the United Kingdom pursuant to the Limited Partnerships Act 1907 of the United Kingdom, (ii) any alternative vehicle, parallel fund or other investment vehicle established pursuant to Article 2 of the partnership agreements for the partnerships referred to in clause (i) above, and (iii) any investment vehicle formed to co-invest with any of the partnerships referred to in clause (i) above using third party capital and that potentially pays Carried Interest Distributions (as such term is used in such partnership agreements).

“BSSF II” means (i) Blackstone Real Estate Special Situations Fund II L.P., a Delaware limited partnership, (ii) Blackstone Real Estate Special Situations Fund II.1 L.P., a Delaware limited partnership, and (iii) Blackstone Real Estate Special Situations Fund II.2 L.P., a Delaware limited partnership, and any alternative vehicles thereof or parallel funds formed in connection therewith.

“Capital Commitment BGCS Commitment” means the Capital Commitment (as defined in the BGCS Partnership Agreement), if any, of the Company to BGCS that relates solely to the Capital Commitment BGCS Interest.

“Capital Commitment BGCS Interest” means the Interest (as defined in the BGCS Partnership Agreement), if any, of the Company as a capital partner in BGCS.

“Capital Commitment BGCS Investment” means the Company’s interest in a specific investment of BGCS through the Company’s interest in BGCS in the Company’s capacity as a capital partner of BGCS.

“Capital Commitment Capital Account” means, with respect to each Capital Commitment Investment for each Member, the account maintained for such Member to which are credited such Member’s contributions to the Company with respect to such Capital Commitment Investment and any net income allocated to such Member pursuant to Section 7.3 with respect to

such Capital Commitment Investment and from which are debited any distributions with respect to such Capital Commitment Investment to such Member and any net losses allocated to such Member with respect to such Capital Commitment Investment pursuant to Section 7.3. In the case of any such distribution in kind, the Capital Commitment Capital Accounts for the related Capital Commitment Investment shall be adjusted as if the asset distributed had been sold in a taxable transaction and the proceeds distributed in cash, and any resulting gain or loss on such sale shall be allocated to the Members participating in such Capital Commitment Investment pursuant to Section 7.3.

“Capital Commitment Class A Interest” has the meaning set forth in Section 7.4(f).

“Capital Commitment Class B Interest” has the meaning set forth in Section 7.4(f).

“Capital Commitment Defaulting Party” has the meaning specified in Section 7.4(g).

“Capital Commitment Deficiency Contribution” has the meaning specified in Section 7.4(g).

“Capital Commitment Disposable Investment” has the meaning set forth in Section 7.4(f).

“Capital Commitment Distributions” means, with respect to each Capital Commitment Investment, all amounts of distributions received by the Company with respect to such Capital Commitment Investment solely in respect of the Capital Commitment BGCS Interest, less any costs, fees and expenses of the Company with respect thereto and less reasonable reserves for payment of costs, fees and expenses of the Company that are anticipated with respect thereto, in each case which the Managing Member may allocate to all or any portion of such Capital Commitment Investment as it may determine in good faith is appropriate.

“Capital Commitment Giveback Amount” has the meaning set forth in Section 7.4(g).

“Capital Commitment Interest” means the interest of a Member in a specific Capital Commitment Investment as provided herein.

“Capital Commitment Investment” means any investment of the Company in respect of the Capital Commitment BGCS Interest, including any Capital Commitment BGCS Investment, but excluding any GP-Related Investment.

“Capital Commitment Liquidating Share” with respect to each Capital Commitment Investment means, in the case of dissolution of the Company, the related Capital Commitment Capital Account of a Member (less amounts reserved in accordance with Section 9.3) as of the close of business on the effective date of dissolution.

“Capital Commitment Member Carried Interest” means, with respect to any Member, the aggregate amount of distributions or payments received by such Member (in any capacity) from Affiliates of the Company in respect of or relating to “carried interest”. “Capital Commitment Member Carried Interest” includes any amount initially received by an Affiliate of the Company from any fund (including BGCS), any similar funds formed after the date hereof, and any private equity merchant banking, real estate or mezzanine funds, whether or not in existence as of the date hereof) to which such Affiliate serves as general partner (or other similar capacity) that exceeds such Affiliate’s pro rata share of distributions from such fund based upon capital contributions thereto (or the capital contributions to make the investment of such fund giving rise to such “carried interest”).

“Capital Commitment Member Interest” means a Member’s interest in the Company which relates to the Capital Commitment BGCS Interest, if any.

“Capital Commitment Net Income (Loss)” with respect to each Capital Commitment Investment means all amounts of income received by the Company with respect to such Capital Commitment Investment, including without limitation gain or loss in respect of the disposition, in whole or in part, of such Capital Commitment Investment, less any costs, fees and expenses of the Company allocated thereto and less reasonable reserves for payment of costs, fees and expenses of the Company anticipated to be allocated thereto.

“Capital Commitment Profit Sharing Percentage” with respect to each Capital Commitment Investment means the percentage interest of a Member in Capital Commitment Net Income (Loss) from such Capital Commitment Investment set forth in the books and records of the Company.

“Capital Commitment Recontribution Amount” has the meaning set forth in Section 7.4(g).

“Capital Commitment-Related Capital Contributions” has the meaning set forth in Section 7.1(a).

“Capital Commitment-Related Commitment” with respect to any Member, means such Member’s commitment to the Company relating to such Member’s Capital Commitment Member Interest, as set forth in the books and records of the Company, including, without limitation, any such commitment that may be set forth in such Member’s Commitment Agreement or SMD Agreement, if any.

“Capital Commitment Special Distribution” has the meaning set forth in Section 7.7(a).

“Capital Commitment Value” has the meaning set forth in Section 7.5.

“Carried Interest” means (i) “Carried Interest,” as defined in the BGCS Partnership Agreement, and (ii) any other carried interest distribution to a Fund GP pursuant to any BGCS Agreement. In the case of each of (i) and (ii) above, except as determined by the Managing Member, the amount shall not be less any costs, fees and expenses of the Company with respect thereto and less reasonable reserves for payment of costs, fees and expenses of the Company that are anticipated with respect thereto (in each case which the Managing Member may allocate amongst all or any portion of the GP-Related Investments as it determines in good faith is appropriate).

“Carried Interest Give Back Percentage” means, for any Member or Withdrawn Member, subject to Section 5.8(e), the percentage determined by dividing (A) the aggregate amount of distributions received by such Member or Withdrawn Member from the Company or any Other Fund GPs in respect of Carried Interest by (B) the aggregate amount of distributions made to all Members, Withdrawn Members or any other person by the Company or any Other Fund GP in respect of Carried Interest. For purposes of determining any “Carried Interest Give Back Percentage” hereunder, all Trust Amounts contributed to the Trust by the Company or any Other Fund GPs on behalf of a Member or Withdrawn Member (but not the Trust Income thereon) shall be deemed to have been initially distributed or paid to the Members and Withdrawn Members as members, partners or other equity owners of the Company or any of the Other Fund GPs.

“Carried Interest Sharing Percentage” means, with respect to each GP-Related Investment, the percentage interest of a Member in Carried Interest from such GP-Related Investment set forth in the books and records of the Company.

“Cause” with respect to any Member has the meaning ascribed to such term in the letter agreement between such Member and Blackstone setting forth the terms of such Member becoming a Senior Managing Director or otherwise an employee (as applicable) of Blackstone (such agreement as from time to time amended and as in effect as of the applicable date, the “Employment Agreement”); provided, that with respect to any Member who is not a party to an Employment Agreement, “Cause” means the occurrence or existence of any of the following with respect to such Member, as determined fairly, reasonably, on an informed basis and in good faith by the Managing Member: (i) (w) any breach by any Member of any provision of any non-competition agreement, (x) any material breach of this Agreement or any rules or regulations applicable to such Member that are established by the Managing Member, (y) such Member’s deliberate failure to perform his or her duties to the Company or any of its Affiliates, or (z) such Member’s committing to or engaging in any conduct or behavior that is or may be harmful to the Company or any of its Affiliates in a material way as determined by the Managing Member; *provided*, that in the case of any of the foregoing clauses (w), (x), (y) and (z), the Managing Member has given such Member written notice (a “Notice of Breach”) within fifteen days after the Managing Member becomes aware of such action and such Member fails to cure such breach, failure to perform or conduct or behavior within fifteen days after receipt of such Notice of Breach from the Managing Member (or such longer period, not to exceed an additional fifteen days, as shall be reasonably required for such cure, provided that such Member is diligently pursuing such cure); (ii) any act of fraud, misappropriation, dishonesty, embezzlement or similar conduct against the Company or any of its Affiliates; or (iii) conviction (on the basis of a trial or by an accepted plea of guilty or *nolo contendere*) of a felony or crime (including any misdemeanor charge involving moral turpitude, false statements or misleading omissions, forgery, wrongful taking, embezzlement, extortion or bribery), or a determination by a court of competent jurisdiction, by a regulatory body or by a self-regulatory body having authority with respect to securities laws, rules or regulations of the applicable securities industry, that such Member individually has violated any applicable securities laws or any rules or regulations thereunder, or any rules of any such self-regulatory body (including, without limitation, any licensing requirement), if such conviction or determination has a material adverse effect on (A) such Member’s ability to function as a Member of the Company, taking into account the services required of such Member and the nature of the business of the Company and its Affiliates or (B) the business of the Company and its Affiliates.

“Clawback Adjustment Amount” has the meaning set forth in Section 5.8(e).

“Clawback Amount” means the “Clawback Amount” (as defined in Section 9.4 of the BGCS Partnership Agreement) and any other clawback amount payable to the limited partners of BGCS pursuant to any BGCS Agreement, as applicable.

“Clawback Provisions” means Section 9.4 of the BGCS Partnership Agreement and any other similar provisions in any other BGCS Agreement existing heretofore or hereafter entered into.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, or any successor statute. Any reference herein to a particular provision of the Code means, where appropriate, the corresponding provision in any successor statute.

“Commitment Agreements” means the agreements between the Company and the Members, pursuant to which each Member undertakes certain obligations, including the obligation to make capital contributions pursuant to Sections 4.1 and 7.1. The Commitment Agreements are hereby incorporated by reference as between the Company and the relevant Member.

“Company” has the meaning set forth in the preamble hereto.

“Contingent” means subject to repurchase rights and/or other requirements.

The term “control” when used with reference to any person means the power to direct the management and policies of such person, directly or indirectly, by or through stock or other equity ownership, agency or otherwise, or pursuant to or in connection with an agreement, arrangement or understanding (written or oral) with one or more other persons by or through stock ownership, agency or otherwise; and the terms “*controlling*” and “*controlled*” shall have meanings correlative to the foregoing.

“Controlled Entity” when used with reference to another person means any person controlled by such other person.

“Deceased Member” means any Member or Withdrawn Member who has died or who suffers from Incompetence. For purposes hereof, references to a Deceased Member shall refer collectively to the Deceased Member and the estate and heirs or legal representative of such Deceased Member, as the case may be, that have received such Deceased Member’s interest in the Company.

“Default Interest Rate” means the lower of (i) the sum of (a) the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A., as its prime rate and (b) 5%, or (ii) the highest rate of interest permitted under applicable law.

“Estate Planning Vehicle” has the meaning set forth in Section 6.3.

“Excess Holdback” has the meaning set forth in Section 4.1(d).

“Excess Holdback Percentage” has the meaning set forth in Section 4.1(d).

“Excess Tax-Related Amount” has the meaning set forth in Section 5.8(e).

“Existing Member” means any Member who is neither a Retaining Withdrawn Member nor a Deceased Member.

“Final Event” means the death, Total Disability, Incompetence, Bankruptcy, liquidation, dissolution or withdrawal from the Company of any person who is a Member.

“Firm Advances” has the meaning set forth in Section 7.1.

“Firm Collateral” means a Member’s or Withdrawn Member’s interest in one or more partnerships or limited liability companies, in either case affiliated with the Company, and certain other assets of such Member or Withdrawn Member, in each case that has been pledged or made available to the Trustee(s) to satisfy all or any portion of the Excess Holdback of such Member or Withdrawn Member as more fully described in the Company’s books and records; provided, that for all purposes hereof (and any other agreement (e.g., the Trust Agreement) that incorporates the meaning of the term “Firm Collateral” by reference), references to “Firm Collateral” shall include “Special Firm Collateral”, excluding references to “Firm Collateral” in Section 4.1(d)(v) and Section 4.1(d)(viii).

“Firm Collateral Realization” has the meaning set forth in Section 4.1(d)(v)(B) with respect to Firm Collateral, and Section 4.1(d)(viii)(B) with respect to Special Firm Collateral.

“Fiscal Year” means a calendar year, or any other period chosen by the Managing Member.

“Fund GP” means the Company (only with respect to the GP-Related BGCS Interest) and the Other Fund GPs.

“GAAP” has the meaning specified in Section 5.1(a).

“Giveback Amount” means the amount of the Company’s “giveback obligation” under the Giveback Provisions.

“Giveback Provisions” means Section 5.2(b) and (c) of the BGCS Partnership Agreement and any other similar provisions in any other BGCS Agreement existing heretofore or hereafter entered into.

“GP-Related BGCS Interest” means the interest held by the Company in BGCS, in the Company’s capacity as general partner of BGCS, excluding any Capital Commitment BGCS Interest that may be held by the Company.

“GP-Related BGCS Investment” means the Company’s interest in an Investment (for purposes of this definition, as defined in the BGCS Partnership Agreement), in the Company’s capacity as the general partner of BGCS, excluding any Capital Commitment Investment.

“GP-Related Capital Account” has the meaning set forth in Section 5.2.

“GP-Related Capital Contribution” has the meaning set forth in Section 4.1(a).

“GP-Related Class A Interest” has the meaning set forth in Section 5.8(a).

“GP-Related Class B Interest” has the meaning set forth in Section 5.8(a).

“GP-Related Commitment” with respect to any Member means such Member’s commitment to the Company relating to such Member’s GP-Related Member Interest, as set forth in the books and records of the Company, including, without limitation, any such commitment that may be set forth in such Member’s Commitment Agreement or SMD Agreement, if any.

“GP-Related Defaulting Party” has the meaning set forth in Section 5.8(d).

“GP-Related Deficiency Contribution” has the meaning set forth in Section 5.8(d).

“GP-Related Disposable Investment” has the meaning set forth in Section 5.8(a).

“GP-Related Giveback Amount” has the meaning set forth in Section 5.8(d).

“GP-Related Investment” means any investment (direct or indirect) of the Company in respect of the GP-Related BGCS Interest (including, without limitation, any GP-Related BGCS Investment but excluding any Capital Commitment Investment).

“GP-Related Member Interest” of a Member means all interests of such Member in the Company (other than such Member’s Capital Commitment Member Interest), including, without limitation, such Member’s interest in the Company with respect to the GP-Related BGCS Interest and with respect to all GP-Related Investments.

“GP-Related Net Income (Loss)” has the meaning set forth in Section 5.1(b).

“GP-Related Profit Sharing Percentage” means the “Carried Interest Sharing Percentage” and “Non-Carried Interest Sharing Percentage” of each Member; provided that any references in this Agreement to GP-Related Profit Sharing Percentages made (a) in connection with voting or voting rights or (b) GP-Related Capital Contributions with respect to GP-Related Investments (including Section 5.3(b)) means the “Non-Carried Interest Sharing Percentage” of each Member; provided further that, the term “GP-Related Profit Sharing Percentage” shall not include any Capital Commitment Profit Sharing Percentage.

“GP-Related Recontribution Amount” has the meaning set forth in Section 5.8(d).

“GP-Related Required Amounts” has the meaning set forth in Section 4.1(a).

“GP-Related Unallocated Percentage” has the meaning set forth in Section 5.3(b).

“GP-Related Unrealized Net Income (Loss)” attributable to any GP-Related BGCS Investment as of any date means the GP-Related Net Income (Loss) that would be realized by the Company with respect to such GP-Related BGCS Investment if BGCS’s entire portfolio of investments were sold on such date for cash in an amount equal to their aggregate value on such date (determined in accordance with Section 5.1(e)) and all distributions payable by BGCS to the Company (indirectly through the general partner of BGCS) pursuant to the BGCS Partnership Agreement with respect to such GP-Related BGCS Investment were made on such date. “GP-Related Unrealized Net Income (Loss)” attributable to any other GP-Related Investment (other than a Capital Commitment Investment) as of any date means the GP-Related Net Income (Loss) that would be realized by the Company with respect to such GP-Related Investment if such GP-Related Investment were sold on such date for cash in an amount equal to its value on such date (determined in accordance with Section 5.1(e)).

“GSO Fund” means (i) any of GSO Capital Opportunities Fund LP, GSO Capital Opportunities Overseas Fund L.P., GSO Capital Opportunities Overseas Master Fund L.P., GSO Liquidity Partners LP, GSO Liquidity Overseas Partners LP, Blackstone / GSO Capital Solutions Fund LP, Blackstone / GSO Capital Solutions Overseas Fund L.P. and Blackstone / GSO Capital Solutions Overseas Master Fund L.P., or (ii) any alternative vehicle or parallel fund relating to any of the partnerships referred to in clause (i) above.

“Holdback” has the meaning set forth in Section 4.1(d).

“Holdback Percentage” has the meaning set forth in Section 4.1(d).

“Holdback Vote” has the meaning set forth in Section 4.1(d).

“Holdings” has the meaning set forth in the preamble hereto.

“Incompetence” means, with respect to any Member, the determination by the Managing Member in its sole discretion, after consultation with a qualified medical doctor, that such Member is incompetent to manage his person or his property.

“Inflation Index” means (i) the GNP deflator, which is the fixed-weighted price index representing the average change in the United States gross national product as published in the Survey of Current Business by the National Income and Wealth Division of the Bureau of Economic Analysis of the U.S. Department of Commerce, or (ii) such other index measuring changes in economic prices in the United States as shall be selected by the Managing Member.

“Initial Holdback Percentages” has the meaning set forth in Section 4.1(d).

“Interest” means a limited liability company interest (as defined in § 18-101(8) of the LLC Act) in the Company, including those that are held by a Retaining Withdrawn Member and including any Member’s GP-Related Member Interest and Capital Commitment Member Interest.

“Investment” means any investment (direct or indirect) of the Company designated by the Managing Member from time to time as an investment in which the Members’ respective interests shall be established and accounted for on a basis separate from the Company’s other businesses, activities and investments, including (a) GP-Related Investments, and (b) Capital Commitment Investments.

“Investor Note” means a promissory note of a Member evidencing indebtedness incurred by such Member to purchase a Capital Commitment Interest, the terms of which were or are approved by the Managing Member and which is secured by such Capital Commitment Interest, all other Capital Commitment Interests of such Member and all other interests of such Member in Blackstone Collateral Entities; provided, that such promissory note may also evidence indebtedness relating to other interests of such Member in Blackstone Collateral Entities, and such indebtedness shall be prepayable with Capital Commitment Net Income (whether or not such indebtedness relates to Capital Commitment Investments) as set forth in this Agreement, the Investor Note, the other BCE Agreements and any documentation relating to Other Sources; provided further, that references to “Investor Notes” herein refer to multiple loans made pursuant to such note, whether made with respect to Capital Commitment Investments or other BCE Investments, and references to an “Investor Note” refer to one such loan as the context requires. In no way shall any indebtedness incurred to acquire Capital Commitment Interests or other interests in Blackstone Collateral Entities be considered part of the Investor Notes for purposes hereof if the Lender or Guarantor is not the lender or guarantor with respect thereto.

“Investor Special Member” means any Special Member so designated at the time of its admission by the Managing Member as a Member of the Company.

“Issuer” means the issuer of any Security comprising part of an Investment.

“L/C” has the meaning set forth in Section 4.1(d).

“L/C Member” has the meaning set forth in Section 4.1(d).

“LLC Act” means the Delaware Limited Liability Company Act, 6 Del.C. § 18-101, et seq., as it may be amended from time to time, and any successor to such Act.

“Lender or Guarantor” means Blackstone Holdings I L.P., in its capacity as lender or guarantor under the Investor Notes, or any other Affiliate of the Company that makes or guarantees loans to enable a Member to acquire Capital Commitment Interests or other interests in Blackstone Collateral Entities.

“Loss Amount” has the meaning set forth in Section 5.8(e).

“Loss Investment” has the meaning set forth in Section 5.8(e).

“Majority in Interest of the Members” on any date (a “vote date”) means one or more persons who are Members (including the Managing Member but excluding Nonvoting Special Members) on the vote date and who, as of the last day of the most recent accounting period ending on or prior to the vote date (or as of such later date on or prior to the vote date selected by the Managing Member as of which the Members’ capital account balances can be determined), have aggregate capital account balances representing at least a majority in amount of the total capital account balances of all the persons who are Members (including the Managing Member but excluding Nonvoting Special Members) on the vote date.

“Managing Member” has the meaning specified in the preamble hereto.

“Member” means any person who is a member of the Company, including the Regular Members, the Managing Member and the Special Members. Except as otherwise specifically provided herein, no group of Members, including the Special Members and any group of Members in the same Member Category, shall have any right to vote as a class on any matter relating to the Company, including, but not limited to, any merger, reorganization, dissolution or liquidation.

“Member Category” means the Managing Member, Existing Members, Retaining Withdrawn Members or Deceased Members, each referred to as a group for purposes hereof.

“Moody’s” means Moody’s Investors Services, Inc., or any successor thereto.

“Net Carried Interest Distribution” has the meaning set forth in Section 5.8(e).

“Net Carried Interest Distribution Recontribution Amount” has the meaning set forth in Section 5.8(e).

“Net GP-Related Recontribution Amount” has the meaning set forth in Section 5.8(d).

“Non-Carried Interest” means, with respect to each GP-Related Investment, all amounts of distributions, other than Carried Interest and other than Capital Commitment Distributions, received by the Company with respect to such GP-Related Investment, less any costs, fees and expenses of the Company with respect thereto and less reasonable reserves for payment of costs, fees and expenses of the Company that are anticipated with respect thereto, in each case which the Managing Member may allocate to all or any portion of the GP-Related Investments as it may determine in good faith is appropriate.

“Non-Carried Interest Sharing Percentage” means, with respect to each GP-Related Investment, the percentage interest of a Member in Non-Carried Interest from such GP-Related Investment set forth in the books and records of the Company.

“Non-Contingent” means generally not subject to repurchase rights or other requirements.

“Nonvoting Special Member” has the meaning set forth in Section 6.1(a).

“Other Blackstone Collateral Entity” means any Blackstone Entity (other than any limited partnership, limited liability company or other entity named or referred to in the definition of any of “BFREP,” “BFIP,” “BFMEZP” or “BFCOMP”) in which any limited partner interest, limited liability company interest, unit or other interest is pledged to secure any Investor Note.

“Other Fund GPs” means any entity (other than the Company) through which any Member or Withdrawn Member directly receives any amounts of Carried Interest and any successor thereto; provided, that this includes any other entity which has in its organizational documents a provision which indicates that it is a “Fund GP” or an “Other Fund GP”; provided further, that notwithstanding any of the foregoing, neither Holdings nor any estate planning vehicle established for the benefit of family members of any Member shall be considered a “Fund GP” for purposes hereof.

“Other Sources” means (i) distributions or payments of Capital Commitment Member Carried Interest (which shall include amounts of Capital Commitment Member Carried Interest which are not distributed or paid to a Member but are instead contributed to a trust (or similar arrangement) to satisfy any “holdback” obligation with respect thereto), and (ii) distributions from Blackstone Collateral Entities (other than the Company) to such Member.

“Parallel Fund” means any additional collective investment vehicles (or other similar arrangements) formed pursuant to Section 2.10 of the BGCS Partnership Agreement.

“Prime Rate” means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A. as its prime rate.

“Qualifying Fund” means any fund designated by the Managing Member as a “Qualifying Fund”.

“Regular Member” means any Member, excluding the Managing Member and any Special Members.

“Repurchase Period” has the meaning set forth in Section 5.8(b).

“Required Rating” has the meaning set forth in Section 4.1(d).

“Retained Portion” has the meaning set forth in Section 7.6.

“Retaining Withdrawn Member” means a Withdrawn Member who has retained a GP-Related Member Interest, pursuant to Section 6.5(f) or otherwise. A Retaining Withdrawn Member shall be considered a Nonvoting Special Member for all purposes hereof.

“Securities” means any debt or equity securities of an Issuer and its subsidiaries and other Controlled Entities constituting part of an Investment, including without limitation common and preferred stock, interests in limited partnerships and interests in limited liability companies (including warrants, rights, put and call options and other options relating thereto or any combination thereof), notes, bonds, debentures, trust receipts and other obligations, instruments or evidences of indebtedness, choses in action, other property or interests commonly regarded as securities, interests in real property, whether improved or unimproved, interests in oil and gas properties and mineral properties, short-term investments commonly regarded as money-market investments, bank deposits and interests in personal property of all kinds, whether tangible or intangible.

“Settlement Date” has the meaning set forth in Section 6.5(a).

“SMD Agreements” means the agreements between the Company and/or one or more of its Affiliates and certain of the Members, pursuant to which each such Member undertakes certain obligations with respect to the Company and/or its Affiliates. The SMD Agreements are hereby incorporated by reference as between the Company and the relevant Member.

“Special Firm Collateral” means interests in a Qualifying Fund or other assets that have been pledged to the Trustee(s) to satisfy all or any portion of a Member’s or Withdrawn Member’s Holdback (excluding any Excess Holdback) as more fully described in the Company’s books and records.

“Special Firm Collateral Realization” has the meaning set forth in Section 4.1(d).

“Special Member” means any person shown on the books and records of the Company as a Special Member of the Company, including any Nonvoting Special Member and any Investor Special Member.

“S&P” means Standard & Poor’s Ratings Group, and any successor thereto.

“Subject Investment” has the meaning set forth in Section 5.8(e).

“Subject Member” has the meaning set forth in Section 4.1(d).

“Successor in Interest” means any (i) shareholder of; (ii) trustee, custodian, receiver or other person acting in any Bankruptcy or reorganization proceeding with respect to; (iii) assignee for the benefit of the creditors of; (iv) officer, director or partner of; (v) trustee or receiver, or former officer, director or partner, or other fiduciary acting for or with respect to the dissolution, liquidation or termination of; or (vi) other executor, administrator, committee, legal representative or other successor or assign of, any Partner, whether by operation of law or otherwise.

“Total Disability” means the inability of a Member substantially to perform the services required of a Regular Member for a period of six consecutive months by reason of physical or mental illness or incapacity and whether arising out of sickness, accident or otherwise.

“Trust Account” has the meaning set forth in the Trust Agreement.

“Trust Agreement” means the Trust Agreement, dated as of the date set forth therein, as amended to date, among the Members, the Trustee(s) and certain other persons that may receive distributions in respect of or relating to Carried Interest from time to time.

“Trust Amount” has the meaning set forth in the Trust Agreement.

“Trust Income” has the meaning set forth in the Trust Agreement.

“Trustee(s)” has the meaning set forth in the Trust Agreement.

“Unadjusted Carried Interest Distribution” has the meaning set forth in Section 5.8(e).

“Unallocated Capital Commitment Interests” has the meaning set forth in Section 8.1(f).

“Withdraw” or “Withdrawal” with respect to a Member means a Member ceasing to be a member of the Company (except as a Retaining Withdrawn Member) for any reason (including death, disability, removal, resignation or retirement, whether such is voluntary or involuntary), unless the context shall limit the type of withdrawal to a specific reason, and “Withdrawn” with respect to a Member means, as aforesaid, a Member who has ceased to be a member of the Company.

“Withdrawal Date” means the date of Withdrawal from the Company of a Withdrawn Member.

“Withdrawn Member” means a Member whose interest in the Company has been terminated for any reason, including the occurrence of an event specified in Section 6.2, and shall include, unless the context requires otherwise, the estate or legal representatives of any such Member.

1.2. Terms Generally. The definitions in Section 1.1 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The term “person” includes individuals, partnerships (including limited liability partnerships), companies (including limited liability companies), joint ventures, corporations, trusts, governments (or agencies or political subdivisions thereof) and other associations and entities. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”.

ARTICLE II

GENERAL PROVISIONS

2.1. Managing, Regular and Special Members. The Members may be Managing Members, Regular Members or Special Members (including Investor Special Members). The Managing Member as of the date hereof is Holdings, the Regular Members as of the date hereof are those persons shown as Regular Members in the books and records of the Company, and the Special Members as of the date hereof are persons shown as Special Members in the books and records of the Company. The books and records of the Company contain the GP-Related Profit Sharing Percentage and GP-Related Commitment of each such Member with respect to the GP-Related Investments of the Company as of the date hereof. The books and records of the Company contain the Capital Commitment Profit Sharing Percentage and Capital Commitment-Related Commitment of each such Member with respect to the Capital Commitment Investments of the Company as of the date hereof. The books and records of the

Company shall be amended by the Managing Member from time to time to reflect additional GP-Related Investments, additional Capital Commitment Investments, dispositions by the Company of GP-Related Investments, dispositions by the Company of Capital Commitment Investments, the GP-Related Profit Sharing Percentages of the Members, as modified from time to time, the Capital Commitment Profit Sharing Percentages of the Members, as modified from time to time, the admission and withdrawal of Members and the transfer or assignment of interests in the Company pursuant to the terms of this Agreement. At the time of admission of each additional Member, the Managing Member shall determine in its sole discretion the GP-Related Investments and Capital Commitment Investments in which such Member shall participate and such Member's GP-Related Commitment, Capital Commitment-Related Commitment, GP-Related Profit Sharing Percentage with respect to each such GP-Related Investment and Capital Commitment Profit Sharing Percentage with respect to each such Capital Commitment Investment. Each Member may have a GP-Related Member Interest and/or a Capital Commitment Member Interest.

2.2. Formation; Name; Foreign Jurisdictions. The Company is hereby continued as a limited liability company pursuant to the LLC Act and shall continue to conduct its activities under the name of Blackstone / GSO Capital Solutions Associates LLC. The certificate of formation of the Company may be amended and/or restated from time to time by the Managing Member, as an "authorized person" (within the meaning of the LLC Act). The Managing Member is further authorized to execute and deliver and file any other certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in a jurisdiction in which the Company may wish to conduct business.

2.3. Term. The term of the Company shall continue until December 31, 2059, unless earlier dissolved and its affairs wound up in accordance with this Agreement.

2.4. Purposes; Powers. (a) The purposes of the Company shall be, directly or indirectly through subsidiaries or Affiliates,

(i) to serve as the general partner of BGCS (including any Alternative Vehicle and any Parallel Fund) and perform the functions of a general partner of BGCS (including any Alternative Vehicle and any Parallel Fund) specified in the BGCS Agreements,

(ii) to serve as a capital partner and/or limited partner of BGCS (including any Alternative Vehicle and any Parallel Fund) and perform the functions of a capital partner and/or limited partner of BGCS (including any Alternative Vehicle and any Parallel Fund) specified in the BGCS Agreements,

(iii) to serve as a general partner or limited partner of other partnerships and perform the functions of a general partner or limited partner specified in the respective partnership agreements, as amended, supplemented or otherwise modified from time to time, of any such partnership,

(iv) to serve as a member of limited liability companies and perform the functions of a member specified in the respective limited liability company agreements, as amended, supplemented or otherwise modified from time to time, of any such limited liability company,

(v) to invest in Capital Commitment Investments and/or GP-Related Investments and acquire and invest in Securities or other property (directly or indirectly through BGCS (including any Alternative Vehicle and any Parallel Fund), including, without limitation, in connection with any action referred to in any of clauses (i) through (iv) above,

(vi) to carry on such other businesses, perform such other services and make such other investments as are deemed desirable by the Managing Member and as are permitted under the LLC Act, the BGCS Agreements, the respective partnership agreement of any partnership referred to in clause (iii) above and the respective limited liability company agreement of any limited liability company referred to in clause (iv) above, in the case of each of the foregoing, as amended, supplemented or otherwise modified from time to time,

(vii) any other lawful purpose, and

(viii) to do all things necessary, desirable, convenient or incidental thereto.

(b) In furtherance of its purposes, the Company shall have all powers necessary, suitable or convenient for the accomplishment of its purposes, alone or with others, as principal or agent, including the following:

(i) to be and become a general or limited partner of partnerships, a member of limited liability companies, a holder of common and preferred stock of corporations and/or an investor in the foregoing entities or other entities, in connection with the making of Investments or the acquisition, holding or disposition of Securities or other property or as otherwise deemed appropriate by the Managing Member in the conduct of the Company's business, and to take any action in connection therewith;

(ii) to acquire and invest in general or limited partner interests, in limited liability company interests, in common and preferred stock of corporations and/or in other interests in or obligations of the foregoing entities or other entities and in Investments and Securities or other property or direct or indirect interests therein, whether such Investments and Securities or other property are readily marketable or not, and to receive, hold, sell, dispose of or otherwise transfer any such partner interests, limited liability company interests, stock, interests, obligations, Investments or Securities or other property and any dividends and distributions thereon and to purchase and sell, on margin, and be long or short, futures contracts and to purchase and sell, and be long or short, options on futures contracts;

(iii) to buy, sell and otherwise acquire investments, whether such investments are readily marketable or not;

(iv) to invest and reinvest the cash assets of the Company in money-market or other short-term investments;

(v) to hold, receive, mortgage, pledge, lease, transfer, exchange or otherwise dispose of, grant options with respect to, and otherwise deal in and exercise all rights, powers, privileges and other incidents of ownership or possession with respect to, all property held or owned by the Company;

(vi) to borrow or raise money from time to time and to issue promissory notes, drafts, bills of exchange, warrants, bonds, debentures and other negotiable and non-negotiable instruments and evidences of indebtedness, to secure payment of the principal of any such indebtedness and the interest thereon by mortgage, pledge, conveyance or assignment in trust of, or the granting of a security interest in, the whole or any part of the property of the Company, whether at the time owned or thereafter acquired, to guarantee the obligations of others and to buy, sell, pledge or otherwise dispose of any such instrument or evidence of indebtedness;

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- (vii) to lend any of its property or funds, either with or without security, at any legal rate of interest or without interest;
 - (viii) to have and maintain one or more offices within or without the State of Delaware, and in connection therewith, to rent or acquire office space, engage personnel and compensate them and do such other acts and things as may be advisable or necessary in connection with the maintenance of such office or offices;
 - (ix) to open, maintain and close accounts, including margin accounts, with brokers;
 - (x) to open, maintain and close bank accounts and draw checks and other orders for the payment of moneys;
 - (xi) to engage accountants, auditors, custodians, investment advisers, attorneys and any and all other agents and assistants, both professional and nonprofessional, and to compensate any of them as may be necessary or advisable;
 - (xii) to form or cause to be formed and to own the stock of one or more corporations, whether foreign or domestic, to form or cause to be formed and to participate in partnerships and joint ventures, whether foreign or domestic and to form or cause to be formed and be a member or manager or both of one or more limited liability companies;
 - (xiii) to enter into, make and perform all contracts, agreements and other undertakings as may be necessary, convenient, advisable or incident to carrying out its purposes;
 - (xiv) to sue and be sued, to prosecute, settle or compromise all claims against third parties, to compromise, settle or accept judgment to claims against the Company, and to execute all documents and make all representations, admissions and waivers in connection therewith;
 - (xv) to distribute, subject to the terms of this Agreement, at any time and from time to time to the Members cash or investments or other property of the Company, or any combination thereof; and
 - (xvi) to take such other actions necessary, desirable, convenient or incidental thereto and to engage in such other businesses as may be permitted under Delaware law.

2.5. Place of Business. The Company shall maintain a registered office at The Corporation Trust Company, 1209 Orange Street, New Castle County, Wilmington, Delaware 19801. The Company shall maintain an office and principal place of business at such place or places as the Managing Member specifies from time to time and as set forth in the books and records of the Company. The name and address of the Company's registered agent is The Corporation Trust Company, 1209 Orange Street, New Castle County, Wilmington, Delaware 19801. The Managing Member may from time to time change the registered agent or office by an amendment to the certificate of formation of the Company.

ARTICLE III
MANAGEMENT

3.1. Managing Member. (a) Holdings shall be an original managing member (the “Managing Member”). The Managing Member shall cease to be the Managing Member only if (i) it Withdraws from the Company for any reason, (ii) it consents in its sole discretion to resign as the Managing Member, or (iii) a Final Event with respect to it occurs. The Managing Member may not be removed without its consent. There may be one or more Managing Members. In the event that one or more other Managing Members is admitted to the Company as such, all references herein to the “Managing Member” in the singular form shall be deemed to also refer to such other Managing Members as may be appropriate. The relative rights and responsibilities of such Managing Members will be as agreed upon from time to time between them.

(b) Upon the Withdrawal from the Company or voluntary resignation of the last remaining Managing Member, all of the powers formerly vested therein pursuant to this Agreement and the LLC Act shall be exercised by a Majority in Interest of the Members.

3.2. Member Voting, etc.

(a) Except as otherwise expressly provided herein and except as may be expressly required by the LLC Act, Members (including Special Members) as such shall have no right to, and shall not, take part in the management or control of the Company’s business or act for or bind the Company, and shall have only the rights and powers granted to Members of the applicable class herein.

(b) To the extent a Member is entitled to vote with respect to any matter relating to the Company, such Member shall not be obligated to abstain from voting on any matter (or vote in any particular manner) because of any interest (or conflict of interest) of such Member (or any Affiliate thereof) in such matter.

(c) Meetings of the Members may be called only by the Managing Member.

3.3. Management.

(a) The management, control and operation of the Company and the formulation and execution of business and investment policy shall be vested in the Managing Member. The Managing Member shall, in its discretion, exercise all powers necessary and convenient for the purposes of the Company, including those enumerated in Section 2.4, on behalf and in the name of the Company. All decisions and determinations (howsoever described herein) to be made by the Managing Member pursuant to this Agreement shall be made in its sole discretion, subject only to the express terms and conditions of this Agreement.

(b) Notwithstanding any provision in this Agreement to the contrary, the Company is hereby authorized, without the need for any further act, vote or consent of any person (directly or indirectly through one or more other entities, in the name and on behalf of the Company, on its own behalf or in its capacity as general partner of BGCS, or in the Company’s capacity as a general or limited partner, member or other equity owner of any Company Affiliate (as hereinafter defined), (i) to execute and deliver, and to perform the Company’s obligations under the BGCS Agreements, including, without limitation, serving as a general partner of BGCS, (ii) to execute and deliver, and to perform the Company’s obligations under, the governing agreement, as amended, supplemented, restated or otherwise modified (each a “Company Affiliate Governing Agreement”), of any other partnership,

limited liability company or other entity (each a “Company Affiliate”) of which the Company is to become a general or limited partner, member or other equity owner, including without limitation, serving as a general or limited partner, member or other equity owner of each Company Affiliate, and (iii) to take any action, in the applicable capacity, contemplated by or arising out of this Agreement, the BGCS Agreements or any Company Affiliate Governing Agreement (and any amendment, supplement, restatement and/or other modification of any of the foregoing).

(c) The Managing Member and any other person designated by the Managing Member, each acting individually, is hereby authorized and empowered, as an authorized person of the Company or the Managing Member within the meaning of the LLC Act (the Managing Member hereby authorizing and ratifying any of the following actions):

(i) to execute and deliver and/or file (including any such action, directly or indirectly through one or more other entities, in the name and on behalf of the Company, on its own behalf or in its capacity as general partner of BGCS, or in the Company’s capacity as a general or limited partner, member or other equity owner of any Company Affiliate, any of the following:

- (A) any agreement, certificate, instrument or other document of the Company, BGCS or any Company Affiliate (and any amendments, supplements, restatements and/or other modifications thereof), including, without limitation, the following: (I) the BGCS Agreements and each Company Affiliate Governing Agreement, (II) Subscription Agreements on behalf of BGCS, (III) side letters issued in connection with investments in BGCS, and (IV) such other agreements, certificates, instruments and other documents as may be necessary or desirable in furtherance of the purposes of the Company, BGCS or any Company Affiliate (and any amendments, supplements, restatements and/or other modifications of any of the foregoing referred to in (I) through (IV) hereof);
- (B) the certificates of formation, certificates of limited partnership and/or other organizational documents of the Company, BGCS or any Company Affiliate (and any amendments, supplements, restatements and/or other modifications thereof); and
- (C) any other certificates, notices, applications or other documents (and any amendments, supplements, restatements and/or other modifications thereof) to be filed with any government or governmental or regulatory body, including, without limitation, any such document that may be necessary for the Company, BGCS or any Company Affiliate to qualify to do business in a jurisdiction in which the Company, BGCS or such Company Affiliate desires to do business;

(ii) to prepare or cause to be prepared, and to sign, execute and deliver and/or file (including any such action, directly or indirectly through one or more other entities, in the name and on behalf of the Company, on its own behalf or in its capacity as general partner of BGCS, or in the Company’s capacity as a general or limited partner, member or other equity owner of any Company Affiliate): (A) any certificates, forms, notices, applications or other documents to be filed with any government or governmental or regulatory body on behalf of the Company, BGCS or any Company Affiliate, (B) any certificates, forms, notices, applications or other documents that may be necessary or advisable in connection with any bank account of the Company, BGCS or any Company Affiliate or any banking facilities or services that may be

utilized by the Company, BGCS or any Company Affiliate, and all checks, notes, drafts and other documents of the Company, BGCS or any Company Affiliate that may be required in connection with any such bank account, banking facilities or services, (C) resolutions with respect to any of the foregoing matters (which resolutions, when executed by any person authorized as provided in this Section 3.3(c), each acting individually, shall be deemed to have been adopted by the Managing Member, the Company, BGCS or any Company Affiliate, as applicable, for all purposes).

The authority granted to any person (other than the Managing Member) in this Section 3.3(c) may be revoked at any time by the Managing Member by an instrument in writing signed by the Managing Member.

3.4. Responsibilities of Members. (a) Unless otherwise determined by the Managing Member in a particular case, each Regular Member shall devote substantially all his time and attention to the businesses of the Company and its Affiliates, and each Special Member shall not be required to devote any time or attention to the businesses of the Company or its Affiliates.

(b) All outside business or investment activities of the Members (including outside directorships or trusteeships) shall be subject to such rules and regulations as are established by the Managing Member from time to time.

(c) The Managing Member may from time to time establish such other rules and regulations applicable to Members or other employees as the Managing Member deems appropriate, including rules governing the authority of Members or other employees to bind the Company to financial commitments or other obligations.

3.5. Exculpation and Indemnification. (a) Liability to Members. Notwithstanding any other provision of this Agreement, whether express or implied, to the fullest extent permitted by law, no Member nor any of such Member's representatives, agents or advisors nor any partner, member, officer, employee, representative, agent or advisor of the Company or any of its Affiliates (individually, a "Covered Person" and collectively, the "Covered Persons") shall be liable to the Company or any other Member for any act or omission (in relation to the Company, this Agreement, any related document or any transaction or investment contemplated hereby or thereby) taken or omitted by a Covered Person (other than any act or omission constituting Cause), unless there is a final and non-appealable judicial determination and/or determination of an arbitrator that such Covered Person did not act in good faith and in what such Covered Person reasonably believed to be in, or not opposed to, the best interests of the Company and within the authority granted to such Covered Person by this Agreement, and, with respect to any criminal act or proceeding, had reasonable cause to believe that such Covered Person's conduct was unlawful. Each Covered Person shall be entitled to rely in good faith on the advice of legal counsel to the Company, accountants and other experts or professional advisors, and no action taken by any Covered Person in reliance on such advice shall in any event subject such person to any liability to any Member or the Company. To the extent that, at law or in equity, a Member has duties (including fiduciary duties) and liabilities relating thereto to the Company or to another Member, to the fullest extent permitted by law, such Member acting under this Agreement shall not be liable to the Company or to any such other Member for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they expand or restrict the duties and liabilities of a Member otherwise existing at law or in equity, are agreed by the Members, to the fullest extent permitted by law, to modify to that extent such other duties and liabilities of such Member.

(b) Indemnification. To the fullest extent permitted by law, the Company shall indemnify and hold harmless (but only to the extent of the Company's assets (including, without limitation, the remaining capital commitments of the Members) each Covered Person from and against any and all claims, damages, losses, costs, expenses and liabilities (including, without limitation, amounts paid in satisfaction of judgments, in compromises and settlements, as fines and penalties and legal or other costs and reasonable expenses of investigating or defending against any claim or alleged claim), joint and several, of any nature whatsoever, known or unknown, liquidated or unliquidated (collectively, "Losses"), arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, in which the Covered Person may be involved, or threatened to be involved, as a party or otherwise, by reason of such Covered Person's management of the affairs of the Company or which relate to or arise out of or in connection with the Company, its property, its business or affairs (other than claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, arising out of any act or omission of such Covered Person constituting Cause); provided, that a Covered Person shall not be entitled to indemnification under this Section with respect to any claim, issue or matter if there is a final and non-appealable judicial determination and/or determination of an arbitrator that such Covered Person did not act in good faith and in what such Covered Person reasonably believed to be in, or not opposed to, the best interest of the Company and within the authority granted to such Covered Person by this Agreement, and, with respect to any criminal act or proceeding, had reasonable cause to believe that such Covered Person's conduct was unlawful; provided further, that if such Covered Person is a Member or a Withdrawn Member, such Covered Person shall bear its share of such Losses in accordance with such Covered Person's GP-Related Profit Sharing Percentage in the Company as of the time of the actions or omissions that gave rise to such Losses. To the fullest extent permitted by law, expenses (including legal fees) incurred by a Covered Person (including, without limitation, the Managing Member) in defending any claim, demand, action, suit or proceeding may, with the approval of the Managing Member, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of a written undertaking by or on behalf of the Covered Person to repay such amount to the extent that it shall be subsequently determined that the Covered Person is not entitled to be indemnified as authorized in this Section, and the Company and its Affiliates shall have a continuing right of offset against such Covered Person's interests/investments in the Company and such Affiliates and shall have the right to withhold amounts otherwise distributable to such Covered Person to satisfy such repayment obligation. If a Member institutes litigation against a Covered Person which gives rise to an indemnity obligation hereunder, such Member shall be responsible, up to the amount of such Member's Interests and remaining capital commitment, for such Member's pro rata share of the Company's expenses related to such indemnity obligation, as determined by the Managing Member. The Company may purchase insurance, to the extent available at reasonable cost, to cover losses, claims, damages or liabilities covered by the foregoing indemnification provisions. Members will not be personally obligated with respect to indemnification pursuant to this Section.

3.6. Representations of Members.

(a) Each Regular or Special Member by execution of this Agreement (or by otherwise becoming bound by the terms and conditions hereof as provided herein or in the LLC Act) represents and warrants to every other Member and to the Company, except as may be waived by the Managing Member, that such Member is acquiring each of such Member's Interests for such Member's own account for investment and not with a view to resell or distribute the same or any part hereof, and that no other person has any interest in any such Interest or in the rights of such Member hereunder; *provided*, that a Member may choose to make transfers for estate and charitable planning purposes (in accordance with the terms hereof). Each Regular or Special Member represents and warrants that such Member understands that the Interests have not been registered under the Securities Act of 1933 and therefore such Interests may not be resold without registration under such Act or exemption from such registration, and that accordingly such Member must bear the economic risk of an investment in the Company for an indefinite period of time. Each Regular or Special Member represents that such

Member has such knowledge and experience in financial and business matters, that such Member is capable of evaluating the merits and risks of an investment in the Company, and that such Member is able to bear the economic risk of such investment. Each Regular or Special Member represents that such Member's overall commitment to the Company and other investments which are not readily marketable is not disproportionate to the Member's net worth and the Member has no need for liquidity in the Member's investment in Interests. Each Regular or Special Member represents that to the full satisfaction of the Member, the Member has been furnished any materials that such Member has requested relating to the Company, any Investment and the offering of Interests and has been afforded the opportunity to ask questions of representatives of the Company concerning the terms and conditions of the offering of Interests and any matters pertaining to each Investment and to obtain any other additional information relating thereto. Each Regular or Special Member represents that the Member has consulted to the extent deemed appropriate by the Member with the Member's own advisers as to the financial, tax, legal and related matters concerning an investment in Interests and on that basis believes that an investment in the Interests is suitable and appropriate for the Member.

(b) Each Regular or Special Member agrees that the representations and warranties contained in paragraph (a) above shall be true and correct as of any date that such Member (1) makes a capital contribution to the Company (whether as a result of Firm Advances made to such Member or otherwise) with respect to any Investment, and such Member hereby agrees that such capital contribution shall serve as confirmation thereof and/or (2) repays any portion of the principal amount of a Firm Advance, and such Member hereby agrees that such repayment shall serve as confirmation thereof.

3.7. Tax Information . Each Regular or Special Member certifies that (A) if the Member is a United States person (as defined in the Code) (x) (i) the Member's name, social security number (or, if applicable, employer identification number) and address provided to the Company and its Affiliates pursuant to an IRS Form W-9, Payer's Request for Taxpayer Identification Number Certification ("W-9") or otherwise are correct and (ii) the Member will complete and return a W-9, and (y) (i) the Member is a United States person (as defined in the Code) and (ii) the Member will notify the Company within 60 days of a change to foreign (non-United States) status or (B) if the Member is not a United States person (as defined in the Code) (x) (i) the information on the completed IRS Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding ("W-8BEN") or other applicable form, including but not limited to IRS Form W-8IMY, Certificate of Foreign Intermediary, Foreign Partnership, or Certain U.S. Branches for United States Tax Withholding ("W-8IMY"), or otherwise is correct and (ii) the Member will complete and return the applicable IRS form, including but not limited to a W-8BEN or W-8IMY, and (y) (i) the Member is not a United States person (as defined in the Code) and (ii) the Member will notify the Company within 60 days of any change of such status. The Member agrees to properly execute and provide to the Company in a timely manner any tax documentation that may be reasonably required by the Company or the Managing Member.

ARTICLE IV

CAPITAL OF THE COMPANY

4.1. Capital Contributions by Members .

(a) Each Regular Member shall be required to make capital contributions to the Company ("GP-Related Capital Contributions") at such times and in such amounts (the "GP-Related Required Amounts") as are required to satisfy the Company's obligation to make capital contributions to BGCS in respect of any GP-Related BGCS Investment and as are otherwise determined by the Managing Member from time to time or as may be set forth in such Regular Member's Commitment

Agreement or SMD Agreement, if any. Special Members shall not be required to make GP-Related Capital Contributions to the Company in excess of the GP-Related Required Amounts, except (i) as a condition of an increase in such Special Member's GP-Related Profit Sharing Percentage or (ii) as specifically set forth in this Agreement; provided, that the Managing Member and any Special Member may agree from time to time that such Special Member shall make an additional GP-Related Capital Contribution to the Company; provided further, that each Investor Special Member shall maintain its GP-Related Capital Accounts at an aggregate level equal to the product of (i) its GP-Related Profit Sharing Percentage from time to time and (ii) the total capital of the Company related to the GP-Related BGCS Interest.

(b) Each GP-Related Capital Contribution by a Member shall be credited to the appropriate GP-Related Capital Account of such Member in accordance with Section 5.2.

(c) The Managing Member may elect on a case by case basis to (i) cause the Company to loan any Member (including any additional Member admitted to the Company pursuant to Section 6.1 but excluding any Members that are also executive officers of The Blackstone Group L.P. or any Affiliate thereof) the amount of any GP-Related Capital Contribution required to be made by such Member or (ii) permit any Member (including any additional Member admitted to the Company pursuant to Section 6.1) to make a required GP-Related Capital Contribution to the Company in installments, in each case on terms determined by the Managing Member.

(d) (i) The Members and the Withdrawn Members have entered into the Trust Agreement, pursuant to which certain amounts of Carried Interest will be paid to the Trustee(s) for deposit in the Trust Account (such amounts to be paid to the Trustee(s) for deposit in the Trust Account constituting a “Holdback”). The Managing Member shall determine, as set forth below, the percentage of Carried Interest that shall be withheld for the Managing Member and each Member Category (such withheld percentage constituting the Managing Member's and such Member Category's “Holdback Percentage”). The applicable Holdback Percentages initially shall be 0% for the Managing Member, 15% for Existing Members (other than the Managing Member), 21% for Retaining Withdrawn Members (other than the Managing Member) and 24% for Deceased Members (the “Initial Holdback Percentages”). Any provision of this Agreement not the contrary notwithstanding, the Holdback Percentage for the Managing Member shall not be subject to change pursuant to clause (ii), (iii) or (iv) of this Section 4.1(d).

(ii) The Holdback Percentage may not be reduced for any individual Member as compared to the other Members in his Member Category (except as provided in clause (iv) below). The Managing Member may only reduce the Holdback Percentages among the Member Categories on a proportionate basis. For example, if the Holdback Percentage for Existing Members is decreased to 12.5%, the Holdback Percentage for Retaining Withdrawn Members and Deceased Members shall be reduced to 17.5% and 20%, respectively. Any reduction in the Holdback Percentage for any Member shall apply only to distributions relating to Carried Interest made after the date of such reduction.

(iii) The Holdback Percentage may not be increased for any individual Member as compared to the other Members in his Member Category (except as provided in clause (iv) below). The Managing Member may not increase the Retaining Withdrawn Members' Holdback Percentage beyond 21% unless the Managing Member concurrently increases the Existing Members' Holdback Percentage to the Holdback Percentage of the Retaining Withdrawn Members. The Managing Member may not increase the Deceased Members' Holdback Percentage beyond 24% unless the Managing Member increases the Holdback Percentage for both Existing Members and Retaining Withdrawn Members to 24%.

The Managing Member may not increase the Holdback Percentage of any Member Category beyond 24% unless such increase applies equally to all Member Categories. Any increase in the Holdback Percentage for any Member shall apply only to distributions relating to Carried Interest made after the date of such increase. The foregoing shall in no way prevent the Managing Member from proportionately increasing the Holdback Percentage of any Member Category (following a reduction of the Holdback Percentages below the Initial Holdback Percentages), if the resulting Holdback Percentages are consistent with the above. For example, if the Managing Member reduces the Holdback Percentages for Existing Members, Retaining Withdrawn Members and Deceased Members to 12.5%, 17.5% and 20%, respectively, the Managing Member shall have the right to subsequently increase the Holdback Percentages to the Initial Holdback Percentages.

(iv) (A) Notwithstanding anything contained herein to the contrary, the Company may increase or decrease the Holdback Percentage for any Member in any Member Category (in such capacity, the “Subject Member”) pursuant to a majority vote of the Regular Members (a “Holdback Vote”); provided, that, notwithstanding anything to the contrary contained herein, the Holdback Percentage applicable to the Managing Member shall not be increased or decreased without its prior written consent; provided further, that a Subject Member’s Holdback Percentage shall not be (I) increased prior to such time as such Subject Member (x) is notified by the Company of the decision to increase such Subject Member’s Holdback Percentage and (y) has, if requested by such Subject Member, been given 30 days to gather and provide information to the Company for consideration before a second Holdback Vote (requested by the Subject Member) or (II) decreased unless such decrease occurs subsequent to an increase in a Subject Member’s Holdback Percentage pursuant to a Holdback Vote under this clause (iv); provided further, that such decrease shall not exceed an amount such that such Subject Member’s Holdback Percentage is less than the prevailing Holdback Percentage for the Member Category of such Subject Member; provided further, that a Member shall not vote to increase a Subject Member’s Holdback Percentage unless such voting Member determines, in his good faith judgment, that the facts and circumstances indicate that it is reasonably likely that such Subject Member, or any of his successors or assigns (including his estate or heirs) who at the time of such vote holds the GP-Related Member Interest or otherwise has the right to receive distributions relating thereto, will not be capable of satisfying any GP-Related Recontribution Amounts that may become due.

- (B) A Holdback Vote shall take place at a Company meeting. Each Regular Member shall be entitled to cast one vote with respect to the Holdback Vote regardless of such Regular Member’s interest in the Company. Such vote may be cast by any Regular Member in person or by proxy.
- (C) If the result of the second Holdback Vote is an increase in a Subject Member’s Holdback Percentage, such Subject Member may submit the decision to an arbitrator, the identity of which is mutually agreed upon by both the Subject Member and the Company; provided, that if the Company and the Subject Member cannot agree upon a mutually satisfactory arbitrator within 10 days of the second Holdback Vote, each of the Company and the Subject Member shall request their candidate for arbitrator to select a third arbitrator satisfactory to such candidates; provided further, that if such candidates fail to agree upon a mutually satisfactory arbitrator within 30 days of such request, the then sitting President of the American Arbitration Association shall unilaterally select the arbitrator. Each Subject Member that submits the decision of the Company pursuant to the second Holdback Vote to arbitration and the Company

shall estimate their reasonably projected out-of-pocket expenses relating thereto, and each such party shall, to the satisfaction of the arbitrator and prior to any determination being made by the arbitrator, pay the total of such estimated expenses (i.e., both the Subject Member's and the Company's expenses) into an escrow account to be controlled by Simpson Thacher & Bartlett LLP, as escrow agent (or such other comparable law firm as the Company and the Subject Member shall agree). The arbitrator shall direct the escrow agent to pay out of such escrow account all expenses associated with such arbitration (including costs leading thereto) and to return to the "victorious" party the entire amount of funds such party paid into such escrow account. If the amount contributed to the escrow account by the losing party is insufficient to cover the expenses of such arbitration, such "losing" party shall then provide any additional funds necessary to cover such costs to such "victorious" party. For purposes hereof, the "victorious" party shall be the Company if the Holdback Percentage ultimately determined by the arbitrator is closer to the percentage determined in the second Holdback Vote than it is to the prevailing Holdback Percentage for the Subject Member's Member Category; otherwise, the Subject Member shall be the "victorious" party. The party that is not the "victorious" party shall be the "losing" party.

- (D) In the event of a decrease in a Subject Member's Holdback Percentage (1) pursuant to a Holdback Vote under this clause (iv) or (2) pursuant to a decision of an arbitrator under paragraph (C) of this clause (iv), the Company shall release and distribute to such Subject Member any Trust Amounts (and the Trust Income thereon (except as expressly provided herein with respect to using Trust Income as Firm Collateral)) which exceed the required Holdback of such Subject Member (in accordance with such Subject Member's reduced Holdback Percentage) as though such reduced Holdback Percentage had applied since the increase of the Subject Member's Holdback Percentage pursuant to a previous Holdback Vote under this clause (iv).

(v) (A) If a Member's Holdback Percentage exceeds 15% (such percentage in excess of 15% constituting the "Excess Holdback Percentage"), such Member may satisfy the portion of his Holdback obligation in respect of his Excess Holdback Percentage (such portion constituting such Member's "Excess Holdback"), and such Member (or a Withdrawn Member with respect to amounts contributed to the Trust Account while he was a Member), to the extent his Excess Holdback obligation has previously been satisfied in cash, may obtain the release of the Trust Amounts (but not the Trust Income thereon which shall remain in the Trust Account and allocated to such Member or Withdrawn Member) satisfying such Member's or Withdrawn Member's Excess Holdback obligation, by pledging or otherwise making available to the Company, on a first priority basis (except as provided below), all or any portion of his Firm Collateral in satisfaction of his Excess Holdback obligation. Any Member seeking to satisfy all or any portion of the Excess Holdback utilizing Firm Collateral shall sign such documents and otherwise take such other action as is necessary or appropriate (in the good faith judgment of the Managing Member) to perfect a first priority security interest in, and otherwise assure the ability of the Company to realize on (if required), such Firm Collateral; provided, that, in the case of entities listed in the Company's books and records in which Members are permitted to pledge their interests therein to finance all or a portion of their capital contributions thereto ("Pledgable Blackstone Interests"), to the extent a first priority security interest is unavailable because of an existing lien on such Firm Collateral, the Member or Withdrawn Member seeking to utilize such Firm Collateral shall grant the Company a second priority security interest therein in the manner

provided above; provided further, that (x) in the case of Pledgable Blackstone Interests, to the extent that neither a first priority nor a second priority security interest is available, or (y) if the Managing Member otherwise determines in its good faith judgment that a security interest in Firm Collateral (and the corresponding documents and actions) are not necessary or appropriate, the Member or Withdrawn Member shall (in the case of either clause (x) or (y) above) irrevocably instruct in writing the relevant partnership, limited liability company or other entity listed in the Company's books and records to remit any and all net proceeds resulting from a Firm Collateral Realization on such Firm Collateral to the Trustee(s) as more fully provided in clause (B) below. The Company shall, at the request of any Member or Withdrawn Member, assist such Member or Withdrawn Member in taking such action necessary to enable such Member or Withdrawn Member to use Firm Collateral as provided hereunder.

- (B) If upon a sale or other realization of all or any portion of any Firm Collateral (a “Firm Collateral Realization”), the remaining Firm Collateral is insufficient to cover any Member's or Withdrawn Member's Excess Holdback requirement, then up to 100% of the net proceeds otherwise distributable to such Member or Withdrawn Member from such Firm Collateral Realization (including distributions subject to the repayment of financing sources as in the case of Pledgable Blackstone Interests) shall be paid into the Trust Account to fully satisfy such Excess Holdback requirement (allocated to such Member or Withdrawn Member) and shall be deemed to be Trust Amounts for purposes hereunder. Any net proceeds from such Firm Collateral Realization in excess of the amount necessary to satisfy such Excess Holdback requirement shall be distributed to such Member or Withdrawn Member.
- (C) Upon any valuation or revaluation of Firm Collateral that results in a decreased valuation of such Firm Collateral so that such Firm Collateral is insufficient to cover any Member's or Withdrawn Member's Excess Holdback requirement (including upon a Firm Collateral Realization, if net proceeds therefrom and the remaining Firm Collateral are insufficient to cover any Member's or Withdrawn Member's Excess Holdback requirement), the Company shall provide notice of the foregoing to such Member or Withdrawn Member and such Member or Withdrawn Member shall, within 30 days of receiving such notice, contribute cash (or additional Firm Collateral) to the Trust Account in an amount necessary to satisfy his Excess Holdback requirement. If any such Member or Withdrawn Member defaults upon his obligations under this clause (C), then Section 5.8(d)(iii) shall apply thereto; provided, that clause (A) of the first sentence of Section 5.8(d)(iii) shall be deemed inapplicable to a default under this clause (C); provided further, that for purposes of applying Section 5.8(d)(iii) to a default under this clause (C): (I) the term “GP-Related Defaulting Party” where such term appears in such Section 5.8(d)(iii) shall be construed as “defaulting party” for purposes hereof and (II) the terms “Net GP-Related Recontribution Amount” and “GP-Related Recontribution Amount” where such terms appear in such Section 5.8(d)(iii) shall be construed as the amount due pursuant to this clause (C).

(vi) Any Member or Withdrawn Member may (A) obtain the release of any Trust Amounts (but not the Trust Income thereon which shall remain in the Trust Account and allocated to such Member or Withdrawn Member) or Firm Collateral, in each case, held in the Trust Account for the benefit of such Member or Withdrawn Member or (B) require the Company to distribute all or any portion of amounts otherwise required to be placed in the Trust

Account (whether cash or Firm Collateral), by obtaining a letter of credit (an “L/C”) for the benefit of the Trustee(s) in such amounts. Any Member or Withdrawn Member choosing to furnish an L/C to the Trustee(s) (in such capacity, an “L/C Member”) shall deliver to the Trustee(s) an unconditional and irrevocable L/C from a commercial bank whose (x) short-term deposits are rated at least A-1 by S&P and P-1 by Moody’s (if the L/C is for a term of 1 year or less), or (y) long-term deposits are rated at least A+ by S&P or A1 by Moody’s (if the L/C is for a term of 1 year or more) (each a “Required Rating”). If the relevant rating of the commercial bank issuing such L/C drops below the relevant Required Rating, the L/C Member shall supply to the Trustee(s), within 30 days of such occurrence, a new L/C from a commercial bank whose relevant rating is at least equal to the relevant Required Rating, in lieu of the insufficient L/C. In addition, if the L/C has a term expiring on a date earlier than the latest possible termination date of BGCS, the Trustee(s) shall be permitted to drawdown on such L/C if the L/C Member fails to provide a new L/C from a commercial bank whose relevant rating is at least equal to the relevant Required Rating, at least 30 days prior to the stated expiration date of such existing L/C. The Trustee(s) shall notify an L/C Member 10 days prior to drawing on any L/C. The Trustee(s) may (as directed by the Company in the case of clause (I) below) draw down on an L/C only if (I) such a drawdown is necessary to satisfy an L/C Member’s obligation relating to the Company’s obligations under the Clawback Provisions or (II) an L/C Member has not provided a new L/C from a commercial bank whose relevant rating is at least equal to the relevant Required Rating (or the requisite amount of cash and/or Firm Collateral (to the extent permitted hereunder)), at least 30 days prior to the stated expiration of an existing L/C in accordance with this clause (vi). The Trustee(s), as directed by the Company, shall return to any L/C Member his L/C upon (1) the termination of the Trust Account and satisfaction of the Company’s obligations, if any, in respect of the Clawback Provisions, (2) an L/C Member satisfying his entire Holdback obligation in cash and Firm Collateral (to the extent permitted hereunder), or (3) the release, by the Trustee(s), as directed by the Company, of all amounts in the Trust Account to the Members or Withdrawn Members. If an L/C Member satisfies a portion of his Holdback obligation in cash and/or Firm Collateral (to the extent permitted hereunder) or if the Trustee(s), as directed by the Company, release a portion of the amounts in the Trust Account to the Members or Withdrawn Members in the Member Category of such L/C Member, the L/C of an L/C Member may be reduced by an amount corresponding to such portion satisfied in cash and/or Firm Collateral (to the extent permitted hereunder) or such portion released by the Trustee(s), as directed by the Company; provided, that in no way shall the general release of any Trust Income cause an L/C Member to be permitted to reduce the amount of an L/C by any amount.

(vii) (A) Any in-kind distributions by the Company relating to Carried Interest shall be made in accordance herewith as though such distributions consisted of cash. The Company may direct the Trustee(s) to dispose of any in-kind distributions held in the Trust Account at any time. The net proceeds therefrom shall be treated as though initially contributed to the Trust Account.

- (B) In lieu of the foregoing, any Existing Member may pledge with respect to any in-kind distribution the Special Firm Collateral referred to in asset category 5 on the Company’s books and records; provided, that the initial contribution of such Special Firm Collateral shall initially equal 130% of the required Holdback Amount for a period of 90 days, and thereafter shall equal at least 115% of the required Holdback Amount. Paragraphs 4.1(d)(viii)(C) and (D) shall apply to such Special Firm Collateral. To the extent such Special Firm Collateral exceeds the applicable minimum percentage of the required Holdback Amount specified in the first sentence of this clause (vii)(B), the related Member may obtain a release of such excess amount from the Trust Account.

(viii) (A) Any Regular Member or Withdrawn Member may satisfy all or any portion of his Holdback (excluding any Excess Holdback), and such Member or a Withdrawn Member may, to the extent his Holdback (excluding any Excess Holdback) has been previously been satisfied in cash or by the use of an L/C as provided herein, obtain a release of Trust Amounts (but not the Trust Income thereon which shall remain in the Trust Account and allocated to such Member or Withdrawn Member) that satisfy such Member's or Withdrawn Member's Holdback (excluding any Excess Holdback) by pledging to the Trustee(s) on a first priority basis all of his Special Firm Collateral in a particular Qualifying Fund, which at all times must equal or exceed the amount of the Holdback distributed to the Member or Withdrawn Member (as more fully set forth below). Any Member seeking to satisfy such Member's Holdback utilizing Special Firm Collateral shall sign such documents and otherwise take such other action as is necessary or appropriate (in the good faith judgment of the Managing Member) to perfect a first priority security interest in, and otherwise assure the ability of the Trustee(s) to realize on (if required), such Special Firm Collateral.

- (B) If upon a distribution, withdrawal, sale, liquidation or other realization of all or any portion of any Special Firm Collateral (a “Special Firm Collateral Realization”), the remaining Special Firm Collateral (which shall not include the amount of Firm Collateral that consists of a Qualifying Fund and is being used in connection with an Excess Holdback) is insufficient to cover any Member's or Withdrawn Member's Holdback (when taken together with other means of satisfying the Holdback as provided herein (i.e., cash contributed to the Trust Account or an L/C in the Trust Account)), then up to 100% of the net proceeds otherwise distributable to such Member or Withdrawn Member from such Special Firm Collateral Realization (which shall not include the amount of Firm Collateral that consists of a Qualifying Fund or other asset and is being used in connection with an Excess Holdback) shall be paid into the Trust (and allocated to such Member or Withdrawn Member) to fully satisfy such Holdback and shall be deemed thereafter to be Trust Amounts for purposes hereunder. Any net proceeds from such Special Firm Collateral Realization in excess of the amount necessary to satisfy such Holdback (excluding any Excess Holdback) shall be distributed to such Member or Withdrawn Member. To the extent a Qualifying Fund distributes Securities to a Member or Withdrawn Member in connection with a Special Firm Collateral Realization, such Member or Withdrawn Member shall be required to promptly fund such Member's or Withdrawn Member's deficiency with respect to his Holdback in cash or an L/C.
- (C) Upon any valuation or revaluation of the Special Firm Collateral and/or any adjustment in the Applicable Collateral Percentage applicable to a Qualifying Fund (as provided in the Company's books and records), if such Member's or Withdrawn Member's Special Firm Collateral is valued at less than such Member's Holdback (excluding any Excess Holdback) as provided in the Company's books and records, taking into account other permitted means of satisfying the Holdback hereunder, the Company shall provide notice of the foregoing to such Member or Withdrawn Member and, within 10 business days of receiving such notice, such Member or Withdrawn Member shall contribute cash or additional Special Firm Collateral to the Trust Account in an amount necessary to make up such deficiency. If any such Member or Withdrawn Member defaults upon his obligations under this clause (C), then Section 5.8(d)(iii) shall apply thereto; provided, that the first sentence of Section 5.8(d)(iii) shall be deemed inapplicable to such default; provided further, that for

purposes of applying Section 5.8(d)(iii) to a default under this clause (C): (I) the term “GP-Related Defaulting Party” where such term appears in such Section 5.8(d)(iii) shall be construed as “defaulting party” for purposes hereof and (II) the terms “Net GP-Related Recontribution Amount” and “GP-Related Recontribution Amount” where such terms appear in such Section 5.8(d)(iii) shall be construed as the amount due pursuant to this clause (C).

- (D) Upon a Member becoming a Withdrawn Member, at any time thereafter the Managing Member may revoke the ability of such Withdrawn Member to use Special Firm Collateral as set forth in this Section 4.1(d)(viii), notwithstanding anything else in this Section 4.1(d)(viii). In that case the provisions of clause (C) above shall apply to the Withdrawn Member’s obligation to satisfy the Holdback (except that 30 days’ notice of such revocation shall be given), given that the Special Firm Collateral is no longer available to satisfy any portion of the Holdback (excluding any Excess Holdback).
- (E) Nothing in this Section 4.1(d)(viii) shall prevent any Member or Withdrawn Member from using any amount of such Member’s interest in a Qualifying Fund as Firm Collateral; provided that at all times Section 4.1(d)(v) and this Section 4.1(d)(viii) are each satisfied.

4.2. Interest. No interest shall accrue or be payable on the balances in a Member’s GP-Related Capital Accounts or Capital Commitment-Related Capital Accounts.

4.3. Withdrawals of Capital. Each Member may make partial withdrawals in respect of such Member’s GP-Related Capital Accounts or Capital Commitment-Related Capital Accounts in such amounts and at such times as may be permitted by the Managing Member from time to time. Payments with respect to any such partial withdrawals will be made at such times and in cash or in kind as may be determined by the Managing Member.

ARTICLE V

PARTICIPATION IN PROFITS AND LOSSES

5.1. General Accounting Matters. (a) GP-Related Net Income (Loss) shall be determined by the Managing Member at the end of each accounting period and shall be allocated as described in Section 5.4.

(b) “GP-Related Net Income (Loss)” from any activity of the Company related to the GP-Related BGCS Interest for any accounting period means (i) the gross income realized by the Company from such activity during such accounting period less (ii) all expenses of the Company, and all other items that are deductible from gross income, for such accounting period that are allocable to such activity (determined as provided below).

“GP-Related Net Income (Loss)” from any GP-Related Investment for any accounting period in which such GP-Related Investment has not been sold or otherwise disposed of means (i) the gross amount of dividends, interest or other income received by the Company from such GP-Related Investment during such accounting period less (ii) all expenses of the Company for such accounting period that are allocable to such GP-Related Investment (determined as provided below).

“GP-Related Net Income (Loss)” from any GP-Related Investment for the accounting period in which such GP-Related Investment is sold or otherwise disposed of means (i) the sum of the gross proceeds from the sale or other disposition of such GP-Related Investment and the gross amount of dividends, interest or other income received by the Company from such GP-Related Investment during such accounting period less (ii) the sum of the cost or other basis to the Company of such GP-Related Investment and all expenses of the Company for such accounting period that are allocable to such GP-Related Investment.

GP-Related Net Income (Loss) shall be determined in accordance with the accounting method used by the Company for U.S. federal income tax purposes with the following adjustments: (i) any income of the Company that is exempt from U.S. federal income taxation and not otherwise taken into account in computing GP-Related Net Income (Loss) shall be added to such taxable income or loss; (ii) if any asset has a value on the books of the Company that differs from its adjusted tax basis for U.S. federal income tax purposes, any depreciation, amortization or gain resulting from a disposition of such asset shall be calculated with reference to such value; (iii) upon an adjustment to the value of any asset on the books of the Company pursuant to Regulation Section 1.704-1(b)(2), the amount of the adjustment shall be included as gain or loss in computing such taxable income or loss; (iv) any expenditures of the Company not deductible in computing taxable income or loss, not properly capitalizable and not otherwise taken into account in computing GP-Related Net Income (Loss) pursuant to this definition shall be treated as deductible items; (v) any income from a GP-Related Investment that is payable to Company employees in respect of “phantom interests” in such GP-Related Investment awarded by the Managing Member to employees shall be included as an expense in the calculation of GP-Related Net Income (Loss) from such GP-Related Investment, and (vi) items of income and expense (including interest income and overhead and other indirect expenses) of the Company, Holdings and other Affiliates of the Company shall be allocated among the Company, Holdings and such Affiliates, among various Company activities and GP-Related Investments and between accounting periods, in each case as determined by the Managing Member. Any adjustments to GP-Related Net Income (Loss) by the Managing Member, including adjustments for items of income accrued but not yet received, unrealized gains, items of expense accrued but not yet paid, unrealized losses, reserves (including reserves for taxes, bad debts, actual or threatened litigation, or any other expenses, contingencies or obligations) and other appropriate items shall be made in accordance with U.S. generally accepted accounting principles (“GAAP”); provided, that the Managing Member shall not be required to make any such adjustment.

(c) An accounting period shall be a Fiscal Year, except that, at the option of the Managing Member, an accounting period will terminate and a new accounting period will begin on the admission date of an additional Member or the Settlement Date of a Withdrawn Member, if any such date is not the first day of a Fiscal Year. If any event referred to in the preceding sentence occurs and the Managing Member does not elect to terminate an accounting period and begin a new accounting period, then the Managing Member may make such adjustments as it deems appropriate to the Members’ GP-Related Profit Sharing Percentages for the accounting period in which such event occurs (prior to any allocations of GP-Related Unallocated Percentages or adjustments to GP-Related Profit Sharing Percentages pursuant to Section 5.3) to reflect the Members’ average GP-Related Profit Sharing Percentages during such accounting period; provided, that the GP-Related Profit Sharing Percentages of Members in GP-Related Net Income (Loss) from GP-Related Investments acquired during such accounting period will be based on GP-Related Profit Sharing Percentages in effect when each such GP-Related Investment was acquired.

(d) In establishing GP-Related Profit Sharing Percentages and allocating GP-Related Unallocated Percentages pursuant to Section 5.3, the Managing Member may consider such factors as it deems appropriate.

(e) All determinations, valuations and other matters of judgment required to be made for accounting purposes under this Agreement shall be made by the Managing Member and approved by the Company's independent accountants. Such approved determinations, valuations and other accounting matters shall be conclusive and binding on all Members, all Withdrawn Members, their successors, heirs, estates or legal representatives and any other person, and to the fullest extent permitted by law no such person shall have the right to an accounting or an appraisal of the assets of the Company or any successor thereto.

5.2. GP-Related Capital Accounts. (a) There shall be established for each Member on the books of the Company, to the extent and at such times as may be appropriate, one or more capital accounts as the Managing Member may deem to be appropriate for purposes of accounting for such Member's interests in the capital of the Company related to the GP-Related BGCS Interest and the GP-Related Net Income (Loss) of the Company (each a "GP-Related Capital Account").

(b) As of the end of each accounting period or, in the case of a contribution to the Company by one or more of the Members or a distribution by the Company to one or more of the Members, at the time of such contribution or distribution, (i) the appropriate GP-Related Capital Accounts of each Member shall be credited with the following amounts: (A) the amount of cash and the value of any property contributed by such Member to the capital of the Company related to such Member's GP-Related Member Interest during such accounting period, and (B) the GP-Related Net Income allocated to such Member for such accounting period; and (ii) the appropriate GP-Related Capital Accounts of each Member shall be debited with the following amounts: (x) the amount of cash, the principal amount of any subordinated promissory note of the Company referred to in Section 6.5 (as such amount is paid) and the value of any property distributed to such Member during such accounting period with respect to such Member's GP-Related Member Interest and (y) the GP-Related Net Loss allocated to such Member for such accounting period.

5.3. GP-Related Profit Sharing Percentages. (a) Prior to the beginning of each annual accounting period, the Managing Member shall establish the profit sharing percentage (the "GP-Related Profit Sharing Percentage") of each Member in each category of GP-Related Net Income (Loss) for such annual accounting period pursuant to Section 5.1(a) taking into account such factors as the Managing Member deems appropriate, including those referred to in Section 5.1(d); provided, that (i) the Managing Member may elect to establish GP-Related Profit Sharing Percentages in GP-Related Net Income (Loss) from any GP-Related Investment acquired by the Company during such accounting period at the time such GP-Related Investment is acquired in accordance with paragraph (d) below and (ii) GP-Related Net Income (Loss) for such accounting period from any GP-Related Investment shall be allocated in accordance with the GP-Related Profit Sharing Percentages in such GP-Related Investment established in accordance with paragraph (d) below. The Managing Member may establish different GP-Related Profit Sharing Percentages for any Member in different categories of GP-Related Net Income (Loss). In the case of the Withdrawal of a Member, such former Member's GP-Related Profit Sharing Percentages shall be allocated by the Managing Member to one or more of the remaining Members. In the case of the admission of any Member to the Company as an additional Member, the GP-Related Profit Sharing Percentages of the other Members shall be reduced by an amount equal to the GP-Related Profit Sharing Percentage allocated to such new Member pursuant to Section 6.1(b); such reduction of each other Member's GP-Related Profit Sharing Percentage shall be pro rata based upon such Member's GP-Related Profit Sharing Percentage as in effect immediately prior to the admission of the new Member. Notwithstanding the foregoing, the Managing Member may also adjust the GP-Related Profit Sharing Percentage of any Member for any annual accounting period at the end of such annual accounting period in its sole discretion.

(b) The Managing Member may elect to allocate to the Members less than 100% of the GP-Related Profit Sharing Percentages of any category for any annual accounting period at the time specified in Section 5.3(a) for the annual fixing of GP-Related Profit Sharing Percentages (any remainder of such GP-Related Profit Sharing Percentages being called an “ GP-Related Unallocated Percentage ”); provided, that any GP-Related Unallocated Percentage in any category of GP-Related Net Income (Loss) for any annual accounting period that is not allocated by the Managing Member within 90 days after the end of such accounting period shall be deemed to be allocated among all Members (including the Managing Member) in the manner determined by the Managing Member in its sole discretion.

(c) Unless otherwise determined by the Managing Member in a particular case, (i) GP-Related Profit Sharing Percentages in GP-Related Net Income (Loss) from any GP-Related Investment shall be allocated in proportion to the Members’ respective GP-Related Capital Contributions in respect of such GP-Related Investment and (ii) GP-Related Profit Sharing Percentages in GP-Related Net Income (Loss) from each GP-Related Investment shall be fixed at the time such GP-Related Investment is acquired and shall not thereafter change, subject to any repurchase rights established by the Managing Member pursuant to Section 5.7.

5.4. Allocations of GP-Related Net Income (Loss). (a) Except as provided in Section 5.4(d), GP-Related Net Income of the Company for each GP-Related Investment shall be allocated to the GP-Related Capital Accounts related to such GP-Related Investment of all the Members participating in such GP-Related Investment (including the Managing Member): first, in proportion to and to the extent of the amount of Non-Carried Interest (other than amounts representing a return of GP-Related Capital Contributions) or Carried Interest distributed to the Members; second, to Members that received Non-Carried Interest (other than amounts representing a return of GP-Related Capital Contributions) or Carried Interest in years prior to the years such GP-Related Net Income is being allocated to the extent such Non-Carried Interest (other than amounts representing a return of GP-Related Capital Contributions) or Carried Interest exceeded GP-Related Net Income allocated to such Members in such earlier years; and third, to the Members in the same manner that such Non-Carried Interest (other than amounts representing a return of GP-Related Capital Contributions) or Carried Interest would have been distributed if cash were available to distribute with respect thereto.

(b) GP-Related Net Loss of the Company shall be allocated as follows: (i) GP-Related Net Loss relating to realized losses suffered by BGCS and allocated to the Company with respect to its pro rata share thereof (based on capital contributions made by the Company to BGCS with respect to the GP-Related BGCS Interest) shall be allocated to the Members in accordance with each Member’s Non-Carried Interest Sharing Percentage with respect to the GP-Related Investment giving rise to such loss suffered by BGCS and (ii) GP-Related Net Loss relating to realized losses suffered by BGCS and allocated to the Company with respect to the Carried Interest shall be allocated in accordance with a Member’s (including Withdrawn Member’s) Carried Interest Give Back Percentage (as of the date of such loss) (subject to adjustment pursuant to Section 5.8(e)).

(c) Notwithstanding Section 5.4(a) above, GP-Related Net Income relating to Carried Interest allocated after the allocation of a GP-Related Net Loss pursuant to clause (ii) of Section 5.4(b) shall be allocated in accordance with such Carried Interest Give Back Percentages until such time as the Members have been allocated GP-Related Net Income relating to Carried Interest equal to the aggregate amount of GP-Related Net Loss previously allocated in accordance with clause (ii) of Section 5.4(b). Withdrawn Members shall remain Members for purposes of allocating such GP-Related Net Loss with respect to Carried Interest.

(d) To the extent the Company has any GP-Related Net Income (Loss) for any accounting period unrelated to BGCS, such GP-Related Net Income (Loss) will be allocated in accordance with GP-Related Profit Sharing Percentages prevailing at the beginning of such accounting period.

(e) The Managing Member may authorize from time to time advances to Members (including any additional Member admitted to the Company pursuant to Section 6.1 but excluding any Members that are also executive officers of The Blackstone Group L.P. or any Affiliate thereof) against their allocable shares of GP-Related Net Income (Loss).

5.5. Liability of Members. Except as otherwise provided in the LLC Act or as expressly provided in this Agreement, no Member shall be personally obligated for any debt, obligation or liability of the Company or of any other Member solely by reason of being a Member. In no event shall any Member or Withdrawn Member (i) be obligated to make any capital contribution or payment to or on behalf of the Company or (ii) have any liability to return distributions received by such Member from the Company, in each case except as specifically provided in Sections 4.1(d) or 5.8 or otherwise in this Agreement, as such Member shall otherwise expressly agree in writing or as may be required by applicable law.

5.6. [Intentionally omitted.]

5.7. Repurchase Rights, etc. The Managing Member may from time to time establish such repurchase rights and/or other requirements with respect to the Members' GP-Related Member Interests relating to GP-Related BGCS Investments as the Managing Member may determine. The Managing Member shall have authority to (a) withhold any distribution otherwise payable to any Member until any such repurchase rights have lapsed or any such requirements have been satisfied, (b) pay any distribution to any Member that is Contingent as of the distribution date and require the refund of any portion of such distribution that is Contingent as of the Withdrawal Date of such Member, (c) amend any previously established repurchase rights or other requirements from time to time and (d) make such exceptions thereto as it may determine on a case by case basis.

5.8. Distributions. (a) The Company shall make distributions of available cash (subject to reserves and other adjustments as provided herein) or other property to Members at such times and in such amounts as are determined by the Managing Member. The Managing Member shall, if it deems it appropriate, determine the availability for distribution of, and distribute, cash or other property separately for each category of GP-Related Net Income (Loss) established pursuant to Section 5.1(a). Subject to Section 5.8(e), distributions of cash or other property with respect to Non-Carried Interest shall be made among the Members in accordance with their respective Non-Carried Interest Sharing Percentages, and, subject to Section 4.1(d), distributions of cash or other property with respect to Carried Interest shall be made among Members in accordance with their respective Carried Interest Sharing Percentages. At any time that a sale, exchange, transfer or other disposition by BGCS of a portion of a GP-Related Investment is being considered by the Company (a "GP-Related Disposable Investment"), at the election of the Managing Member each Member's Interest with respect to such GP-Related Investment shall be vertically divided into two separate Interests, an Interest attributable to the GP-Related Disposable Investment (a Member's "GP-Related Class B Interest"), and an Interest attributable to such GP-Related Investment excluding the GP-Related Disposable Investment (a Member's "GP-Related Class A Interest"). Distributions (including those resulting from a sale, transfer, exchange or other disposition by BGCS) relating to a GP-Related Disposable Investment (with respect to both Carried Interest and Non-Carried Interest) shall be made only to holders of GP-Related Class B Interests with respect to such GP-Related Investment in accordance with their GP-Related Profit Sharing Percentages relating to such GP-Related Class B Interests, and distributions (including those resulting from the sale,

transfer, exchange or other disposition by BGCS) relating to a GP-Related Investment excluding such GP-Related Disposable Investment (with respect to both Carried Interest and Non-Carried Interest) shall be made only to holders of GP-Related Class A Interests with respect to such GP-Related Investment in accordance with their respective GP-Related Profit Sharing Percentages relating to such GP-Related Class A Interests. Except as provided above, distributions of cash or other property with respect to each category of GP-Related Net Income (Loss) shall be allocated among the Members in the same proportions as the allocations of GP-Related Net Income (Loss) of each such category.

(b) Subject to the Company's having sufficient available cash in the reasonable judgment of the Managing Member, the Company shall make cash distributions to each Member with respect to each Fiscal Year of the Company in an aggregate amount at least equal to the total Federal, New York State and New York City income and other taxes that would be payable by such Member with respect to all categories of GP-Related Net Income (Loss) allocated to such Member for such Fiscal Year, the amount of which shall be calculated (i) on the assumption that each Member is an individual subject to the then prevailing maximum Federal, New York State and New York City income tax rates, (ii) taking into account the deductibility of state and local income and other taxes for Federal income tax purposes and (iii) taking into account any differential in applicable rates due to the type and character of Net Income (Loss) allocated to such Member. Notwithstanding the provisions of the foregoing sentence, the Managing Member may refrain from making any distribution if, in the reasonable judgment of the Managing Member, such distribution is prohibited by § 18-607 of the LLC Act.

(c) The Managing Member may provide that the GP-Related Member Interest of any Member or employee (including such Member's or employee's right to distributions and investments of the Company related thereto) may be subject to repurchase by the Company during such period as the Managing Member shall determine (a "Repurchase Period"). Any Contingent distributions from GP-Related Investments subject to repurchase rights will be withheld by the Company and will be distributed to the recipient thereof (together with interest thereon at rates determined by the Managing Member from time to time) as the recipient's rights to such distributions become Non-Contingent (by virtue of the expiration of the applicable Repurchase Period or otherwise). The Managing Member may elect in an individual case to have the Company distribute any Contingent distribution to the applicable recipient thereof irrespective of whether the applicable Repurchase Period has lapsed. If a Member Withdraws from the Company for any reason other than his death, Total Disability or Incompetence, the undistributed share of any GP-Related Investment that remains Contingent as of the applicable Withdrawal Date shall be repurchased by the Company at a purchase price determined at such time by the Managing Member. Unless determined otherwise by the Managing Member, the repurchased portion thereof will be allocated among the remaining Members with interests in such GP-Related Investment in proportion to their respective percentage interests in such GP-Related Investment, or if no other Member has a percentage interest in such specific GP-Related Investment, to the Managing Member; provided, that the Managing Member may allocate the Withdrawn Member's share of unrealized investment income from a repurchased GP-Related Investment attributable to the period after the Withdrawn Member's Withdrawal Date on any basis it may determine, including to existing or new Members who did not previously have interests in such GP-Related Investment, except that, in any event, each Investor Special Member shall be allocated a share of such unrealized investment income equal to its respective GP-Related Profit Sharing Percentage of such unrealized investment income.

(d) (i) (A) If the Company is obligated under the Clawback Provisions or Giveback Provisions to contribute to BGCS a Clawback Amount or a Giveback Amount (other than a Capital Commitment Giveback Amount) (the amount of any such obligation of the Company with respect to such a Giveback Amount being herein called a "GP-Related Giveback Amount"), the Company shall call for such amounts as are necessary to satisfy such obligations of the Company as determined by the Managing Member, in which case each Member and Withdrawn Member shall contribute to the

Company, in cash, when and as called by the Company, such an amount of prior distributions by the Company (and the Other Fund GPs) with respect to Carried Interest (and/or Non-Carried Interest in the case of a GP-Related Giveback Amount) (the “GP-Related Reconstitution Amount”) which equals (I) the product of (a) a Member’s or Withdrawn Member’s Carried Interest Give Back Percentage and (b) the aggregate Clawback Amount payable by the Company in the case of Clawback Amounts and (II) with respect to a GP-Related Giveback Amount, such Member’s pro rata share of prior distributions of Carried Interest and/or Non-Carried Interest in connection with (a) the GP-Related BGCS Investment giving rise to the GP-Related Giveback Amount, (b) if the amounts contributed pursuant to clause (II)(a) above are insufficient to satisfy such GP-Related Giveback Amount, GP-Related BGCS Investments other than the one giving rise to such obligation, but only those amounts received by the Members with an interest in the GP-Related BGCS Investment referred to in clause (II)(a) above and (c) if the GP-Related Giveback Amount is unrelated to a specific GP-Related BGCS Investment, all GP-Related BGCS Investments. Each Member and Withdrawn Member shall promptly contribute to the Company, along with satisfying his comparable obligations to the Other Fund GPs, if any, upon such call such Member’s or Withdrawn Member’s GP-Related Reconstitution Amount, less the amount paid out of the Trust Account on behalf of such Member or Withdrawn Member by the Trustee(s) pursuant to written instructions from the Company, or if applicable, any of the Other Fund GPs with respect to Carried Interest (and/or Non-Carried Interest in the case of GP-Related Giveback Amounts) (the “Net GP-Related Reconstitution Amount”), irrespective of the fact that the amounts in the Trust Account may be sufficient on an aggregate basis to satisfy the Company’s and the Other Fund GPs’ obligation under the Clawback Provisions and/or Giveback Provisions; provided, that to the extent a Member’s or Withdrawn Member’s share of the amount paid with respect to the Clawback Amount or the GP-Related Giveback Amount exceeds his GP-Related Reconstitution Amount, such excess shall be repaid to such Member or Withdrawn Member as promptly as reasonably practicable, subject to clause (ii) below; provided further, that such written instructions from the Company shall specify each Member’s and Withdrawn Member’s GP-Related Reconstitution Amount. Prior to such time, the Company may, in its discretion (but shall be under no obligation to), provide notice that in the Company’s judgment, the potential obligations in respect of the Clawback Provisions or the Giveback Provisions will probably materialize (and an estimate of the aggregate amount of such obligations); provided further, that any amount from a Member’s Trust Account used to pay any GP-Related Giveback Amount (or such lesser amount as may be required by the Managing Member) shall be contributed by such Member to such Member’s Trust Account no later than 30 days after the Net GP-Related Reconstitution Amount is paid with respect to such GP-Related Giveback Amount.

- (B) To the extent any Member or Withdrawn Member has satisfied any Holdback obligation with Firm Collateral, such Member or Withdrawn Member shall, within 10 days of the Company’s call for GP-Related Reconstitution Amounts, make a cash payment into the Trust Account in an amount equal to the amount of the Holdback obligation satisfied with such Firm Collateral, or such lesser amount such that the amount in the Trust Account allocable to such Member or Withdrawn Member equals the sum of (I) such Member’s or Withdrawn Member’s GP-Related Reconstitution Amount and (II) any similar amounts payable to any of the Other Fund GPs. Immediately upon receipt of such cash, the Trustee(s) shall take such steps as are necessary to release such Firm Collateral of such Member or Withdrawn Member equal to the amount of such cash payment. If the amount of such cash payment is less than the amount of Firm Collateral of such Member or Withdrawn Member, the balance of such Firm Collateral if any, shall be retained to secure the payment of GP-Related Deficiency Contributions, if any, and shall be fully released upon the satisfaction of the Company’s and the Other Fund GPs’ obligation to pay the Clawback Amount. The failure of any Member or Withdrawn Member to make a cash payment in accordance with this clause (B) (to the extent applicable) shall constitute a default under Section 5.8(d)(iii) as if such cash payment hereunder constitutes a Net GP-Related Reconstitution Amount under Section 5.8(d)(iii).

(ii) In the event any Member or Withdrawn Member initially fails to recontribute all or any portion of such Member or Withdrawn Member's pro rata share of any Clawback Amount pursuant to Section 5.8(d)(i)(A), the Company shall use its reasonable efforts to collect the amount which such Member or Withdrawn Member so fails to recontribute.

(iii) In the event any Member or Withdrawn Member (a "GP-Related Defaulting Party") fails to recontribute all or any portion of such GP-Related Defaulting Party's Net GP-Related Recontribution Amount for any reason, the Company shall require all other Members and Withdrawn Members to contribute, on a pro rata basis (based on each of their respective Carried Interest Give Back Percentages in the case of Clawback Amounts, and GP-Related Profit Sharing Percentages in the case of GP-Related Giveback Amounts (as more fully described in clause (II) of Section 5.8(d)(i)(A) above)), such amounts as are necessary to fulfill the GP-Related Defaulting Party's obligation to pay such GP-Related Defaulting Party's Net GP-Related Recontribution Amount (a "GP-Related Deficiency Contribution") if the Managing Member determines in its good faith judgment that the Company (or an Other Fund GP) will be unable to collect such amount in cash from such GP-Related Defaulting Party for payment of the Clawback Amount or GP-Related Giveback Amount, as the case may be, at least 20 Business Days prior to the latest date that the Company, and the Other Fund GPs, if applicable, are permitted to pay the Clawback Amount or GP-Related Giveback Amount, as the case may be; provided, that, subject to Section 5.8(e), no Member or Withdrawn Member shall as a result of such GP-Related Deficiency Contribution be required to contribute an amount in excess of 150% of the amount of the Net GP-Related Recontribution Amount initially requested from such Member or Withdrawn Member in respect of such default. Thereafter, the Managing Member shall determine in its good faith judgment that the Company should either (1) not attempt to collect such amount in light of the costs associated therewith, the likelihood of recovery and any other factors considered relevant in the good faith judgment of the Managing Member or (2) pursue any and all remedies (at law or equity) available to the Company against the GP-Related Defaulting Party, the cost of which shall be a Company expense to the extent not ultimately reimbursed by the GP-Related Defaulting Party. It is agreed that the Company shall have the right (effective upon such GP-Related Defaulting Party becoming a GP-Related Defaulting Party) to set-off as appropriate and apply against such GP-Related Defaulting Party's Net GP-Related Recontribution Amount any amounts otherwise payable to the GP-Related Defaulting Party by the Company or any Affiliate thereof (including amounts unrelated to Carried Interest, such as returns of capital and profit thereon). Each Member and Withdrawn Member hereby grants to the Company a security interest, effective upon such Member or Withdrawn Member becoming a GP-Related Defaulting Party, in all accounts receivable and other rights to receive payment from any Affiliate of the Company and agrees that, upon the effectiveness of such security interest, the Company may sell, collect or otherwise realize upon such collateral. In furtherance of the foregoing, each Member and Withdrawn Member hereby appoints the Company as its true and lawful attorney-in-fact with full irrevocable power and authority, in the name of such Member or Withdrawn Member or in the name of the Company, to take any actions which may be necessary to accomplish the intent of the immediately preceding sentence. The Company shall be entitled to collect interest on the Net GP-Related Recontribution Amount of a GP-Related Defaulting Party from the date such GP-Related Recontribution Amount was required to be contributed to the Company at a rate equal to the Default Interest Rate.

(iv) Any Member's or Withdrawn Member's failure to make a GP-Related Deficiency Contribution shall cause such Member or Withdrawn Member to be a GP-Related Defaulting Party with respect to such amount. The Company shall first seek any remaining Trust Amounts (and Trust Income thereon) allocated to such Member or Withdrawn Member to satisfy such Member's or Withdrawn Member's obligation to make a GP-Related Deficiency Contribution before seeking cash contributions from such Member or Withdrawn Member in satisfaction of such Member's or Withdrawn Member's obligation to make a GP-Related Deficiency Contribution.

(v) A Member's or Withdrawn Member's obligation to make contributions to the Company under this Section 5.8(d) shall survive the termination of the Company.

(vi) Any provision of this Agreement to the contrary notwithstanding, the obligations of the Company and the Members set forth in this Section 5.8(d) shall be subject to and governed by the Clawback Provisions and the Giveback Provisions, and, in the event of any conflict between this Section 5.8(d) and the Clawback Provisions or Giveback Provisions, the Clawback Provisions or the Giveback Provisions, as applicable, shall control.

(e) The Members acknowledge that the Managing Member will (and is hereby authorized to) take such steps as it deems appropriate, in its good faith, to further the objective of providing for the fair and equitable treatment of all Members, including by allocating Writedowns and Losses (as defined in the BGCS Agreements) on GP-Related BGCS Investments that have been the subject of a Writedown and/or Losses (each, a "Loss Investment") to those Members who participated in such Loss Investments based on their Carried Interest Sharing Percentage therein to the extent that such Members receive or have received Carried Interest distributions from other GP-Related BGCS Investments. Consequently and notwithstanding anything herein to the contrary, adjustments to Carried Interest distributions shall be made as set forth in this Section 5.8(e).

(i) At the time the Company is making Carried Interest distributions in connection with a GP-Related BGCS Investment (the "Subject Investment") that have been reduced under the BGCS Agreements as a result of one or more Loss Investments, the Managing Member shall calculate amounts distributable to or due from each such Member as follows:

- (A) determine each Member's share of each such Loss Investment based on his Carried Interest Sharing Percentage in each such Loss Investment (which may be zero) to the extent such Loss Investment has reduced the Carried Interest distributions otherwise available for distribution to all Members (indirectly through the Company from BGCS) from the Subject Investment (such reduction, the "Loss Amount");
- (B) determine the amount of Carried Interest distributions otherwise distributable to such Member with respect to the Subject Investment (indirectly through the Company from BGCS) before any reduction in respect of the amount determined in clause (A) above (the "Unadjusted Carried Interest Distributions"); and

- (C) subtract (I) the Loss Amounts relating to all Loss Investments from (II) the Unadjusted Carried Interest Distributions for such Member, to determine the amount of Carried Interest distributions to actually be paid to such Member (“Net Carried Interest Distribution”).

To the extent that the Net Carried Interest Distribution for a Member as calculated in this clause (i) is a negative number, the Managing Member shall (I) notify such Member, at or prior to the time such Carried Interest distributions are actually made to the Members, of his obligation to recontribute to the Company prior Carried Interest distributions (a “Net Carried Interest Distribution Recontribution Amount”), up to the amount of such negative Net Carried Interest Distribution, and (II) to the extent amounts recontributed pursuant to clause (I) are insufficient to satisfy such negative Net Carried Interest Distribution Amount, reduce future Carried Interest distributions otherwise due such Member, up to the amount of such remaining negative Net Carried Interest Distribution. If a Member’s (x) Net Carried Interest Distribution Recontribution Amount exceeds (y) the aggregate amount of prior Carried Interest distributions less the amount of tax thereon, calculated based on the Assumed Tax Rate (as defined in the BGCS Agreements) in effect in the Fiscal Years of such distributions (the “Excess Tax-Related Amount”), then such Member may, in lieu of paying such Member’s Excess Tax-Related Amount, defer such amounts as set forth below. Such deferred amount shall accrue interest at the Prime Rate. Such deferred amounts shall be reduced and repaid by the amount of Carried Interest otherwise distributable to such Member in connection with future Carried Interest distributions until such balance is reduced to zero. Any deferred amounts shall be payable in full upon the earlier of (i) such time as the Clawback is determined (as provided herein) and (ii) such time as the Member becomes a Withdrawn Member.

To the extent there is an amount of negative Net Carried Interest Distribution with respect to a Member remaining after the application of this clause (i), notwithstanding clause (II) of the preceding paragraph, such remaining amount of negative Net Carried Interest Distribution shall be allocated to the other Members pro rata based on each of their Carried Interest Sharing Percentages in the Subject Investment.

A Member who fails to pay a Net Carried Interest Distribution Recontribution Amount promptly upon notice from the Managing Member (as provided above) shall be deemed a GP-Related Defaulting Party for all purposes hereof.

A Member may satisfy in part any Net Carried Interest Distribution Recontribution Amount from cash that is then subject to a Holdback, to the extent that the amounts that remain subject to a Holdback satisfy the Holdback requirements hereof as they relate to the reduced amount of aggregate Carried Interest distributions received by such Member (taking into account any Net Carried Interest Distribution Recontribution Amount contributed to the Company by such Member).

Any Net Carried Interest Distribution Recontribution Amount contributed by a Member, including amounts of cash subject to a Holdback as provided above, shall increase the amount available for distribution to the other Members as Carried Interest distributions with respect to the Subject Investment; provided, that any such amounts then subject to a Holdback may be so distributed to the other Members to the extent a Member receiving such distribution has satisfied the Holdback requirements with respect to such distribution (taken together with the other Carried Interest distributions received by such Member to date).

(ii) In the case of Clawback Amounts which are required to be contributed to the Company as otherwise provided herein, the obligation of the Members with respect to any Clawback Amount shall be adjusted by the Managing Member as follows:

- (A) determine each Member's share of any Losses in any GP-Related BGCS Investments which gave rise to the Clawback Amount (i.e., the Losses that followed the last GP-Related BGCS Investment with respect to which Carried Interest distributions were made), based on such Member's Carried Interest Sharing Percentage in such GP-Related BGCS Investments;
- (B) determine each Member's obligation with respect to the Clawback Amount based on such Member's Carried Interest Give Back Percentage as otherwise provided herein; and
- (C) subtract the amount determined in clause (B) above from the amount determined in clause (A) above with respect to each Member to determine the amount of adjustment to each Member's share of the Clawback Amount (a Member's "Clawback Adjustment Amount").

A Member's share of the Clawback Amount shall for all purposes hereof be decreased by such Member's Clawback Adjustment Amount, to the extent it is a negative number (except to the extent expressly provided below). A Member's share of the Clawback Amount shall for all purposes hereof be increased by such Member's Clawback Adjustment Amount (to the extent it is a positive number); provided, that in no way shall a Member's aggregate obligation to satisfy a Clawback Amount as a result of this clause (ii) exceed the aggregate Carried Interest distributions received by such Member. To the extent a positive Clawback Adjustment Amount remains after the application of this clause (ii) with respect to a Member, such remaining Clawback Adjustment Amount shall be allocated to the Members (including any Member whose Clawback Amount was increased pursuant to this clause (ii)) pro rata based on their Carried Interest Give Back Percentages (determined without regard to this clause (ii)).

Any distribution or contribution adjustments pursuant to this Section 5.8(e) by the Managing Member shall be based on its good faith judgment, and no Member shall have any claim against the Company, the Managing Member or any other Members as a result of any adjustment made as set forth above. This Section 5.8(e) applies to all Members, including Withdrawn Members.

It is agreed and acknowledged that this Section 5.8(e) is an agreement among the Members and in no way modifies the obligations of each Member regarding the Clawback as provided in the BGCS Agreements.

5.9. Business Expenses . The Company shall reimburse the Members for reasonable travel, entertainment and miscellaneous expenses incurred by them in the conduct of the Company's business in accordance with rules and regulations established by the Managing Member from time to time.

5.10. Tax Capital Accounts; Tax Allocations .

(a) For U.S. federal income tax purposes, there shall be established for each Member a single capital account combining such Member's Capital Commitment Capital Account and GP-Related Capital Account, with such adjustments as the Managing Member determines is appropriate so that such single capital account is maintained in compliance with the principles and requirements of Section 704(b) of the Code and the Regulations thereunder.

(b) For federal, state and local income tax purposes only, Company income, gain, loss, deduction or expense (or any item thereof) for each fiscal year shall be allocated to and among the Members in a manner corresponding to the manner in which corresponding items are allocated among the Members pursuant to clause (a) above, provided the Managing Member may in its sole discretion make such allocations for tax purposes as it determines is appropriate so that allocations have substantial economic effect or are in accordance with the interests of the Members, within the meaning of the Code and the Regulations thereunder.

ARTICLE VI

ADDITIONAL MEMBERS; WITHDRAWAL OF MEMBERS; SATISFACTION AND DISCHARGE OF COMPANY INTERESTS; TERMINATION

6.1. Additional Members. (a) Effective on the first day of any month (or on such other date as shall be determined by the Managing Member in its sole discretion), the Managing Member shall have the right to admit one or more additional persons into the Company as Regular Members or Special Members. Each such person shall make the representations with respect to itself set forth in Section 3.6. The Managing Member shall determine and negotiate with the additional Member all terms of such additional Member's participation in the Company, including the additional Member's initial GP-Related Capital Contribution, Capital Commitment-Related Capital Contribution, GP-Related Profit Sharing Percentage and Capital Commitment Profit Sharing Percentage. Each additional Member shall have such voting rights as may be determined by the Managing Member from time to time unless, upon the admission to the Company of any Special Member, the Managing Member shall designate that such Special Member shall not have such voting rights (any such Special Member being called a "Nonvoting Special Member"). Any additional Member shall, as a condition to becoming a Member, agree to become a party to, and be bound by the terms and conditions of, the Trust Agreement.

(b) The GP-Related Profit Sharing Percentages to be allocated to an additional Member as of the date such Member is admitted to the Company, together with the pro rata reduction in all other Members' GP-Related Profit Sharing Percentages as of such date, shall be established by the Managing Member pursuant to Section 5.3. The Capital Commitment Profit Sharing Percentages to be allocated to an additional Partner as of the date such Partner is admitted to the Partnership, together with the pro rata reduction in all other Partners' Capital Commitment Profit Sharing Percentages as of such date, shall be established by the General Partner.

(c) An additional Member shall be required to contribute to the Company his pro rata share of the Company's total capital, excluding capital in respect of GP-Related Investments and Capital Commitment Investments in which such Member does not acquire any interests, at such times and in such amounts as shall be determined by the Managing Member in accordance with Sections 4.1 and 7.1.

(d) The admission of an additional Member will be evidenced by (i) the execution of a counterpart copy of this Agreement by such additional Member or (ii) the execution of an amendment to this Agreement by all the Members (including the additional Member), as determined by the Managing Member. In addition, each additional Member shall sign a counterpart copy of the Trust Agreement or any other writing evidencing the intent of such person to become a party to the Trust Agreement that is accepted by the Managing Member on behalf of the Company.

6.2. Withdrawal of Members. (a) Any Member may Withdraw voluntarily from the Company on the last day of any calendar month (or on such other date as shall be determined by the Managing Member in its sole discretion), on not less than 15 days' prior written notice by such Member to the Managing Member (or on such shorter notice period as may be mutually agreed upon between such Member and the Managing Member); provided, that a Member may not voluntarily Withdraw without the consent of the Managing Member if such Withdrawal would (i) cause the Company to be in default under any of its contractual obligations or (ii) in the reasonable judgment of the Managing Member, have a material adverse effect on the Company or its business; provided further, that a Member may Withdraw from the Company with respect to such Member's GP-Related Member Interest without Withdrawing from the Company with respect to such Member's Capital Commitment Member Interest, and a Member may Withdraw from the Company with respect to such Member's Capital Commitment Member Interest without Withdrawing from the Company with respect to such Member's GP-Related Member Interest.

(b) Upon the Withdrawal of any Member, including by the occurrence of any withdrawal event under the LLC Act with respect to any Member, such Member shall thereupon cease to be a Member, except as expressly provided herein.

(c) Upon the Total Disability of a Regular Member, such Member shall thereupon cease to be a Regular Member with respect to such person's GP-Related Member Interest; provided, that the Managing Member may elect to admit such Withdrawn Member to the Company as a Nonvoting Special Member with respect to such person's GP-Related Member Interest, with such GP-Related Member Interest as the Managing Member may determine. The determination of whether any Member has suffered a Total Disability shall be made by the Managing Member in its sole discretion after consultation with a qualified medical doctor. In the absence of agreement between the Managing Member and such Member, each party shall nominate a qualified medical doctor and the two doctors shall select a third doctor, who shall make the determination as to Total Disability.

(d) If the Managing Member determines that it shall be in the best interests of the Company for any Member (including any Member who has given notice of voluntary Withdrawal pursuant to paragraph (a) above) to Withdraw from the Company (whether or not Cause exists) with respect to such person's GP-Related Member Interest and/or with respect to such person's Capital Commitment Member Interest, such Member, upon written notice by the Managing Member to such Member, shall be required to Withdraw with respect to such person's GP-Related Member Interest and/or with respect to such person's Capital Commitment Member Interest, as of a date specified in such notice, which date shall be on or after the date of such notice. If the Managing Member requires any Member to Withdraw for Cause with respect to such person's GP-Related Member Interest and/or with respect to such person's Capital Commitment Member Interest, such notice shall state that it has been given for Cause and shall describe the particulars thereof in reasonable detail.

(e) The withdrawal from the Company of any Member shall not, in and of itself, affect the obligations of the other Members to continue the Company during the remainder of its term.

6.3. GP-Related Member Interests Not Transferable. No Member may sell, assign, pledge or otherwise transfer or encumber all or any portion of such Member's GP-Related Member Interest other than as permitted by written agreement between such Member and the Company; provided, that this Section 6.3 shall not impair transfers by operation of law, transfers by will or by other testamentary instrument occurring by virtue of the death or dissolution of a Member, or transfers required by trust agreements; provided further, that a Regular Member may transfer, for estate planning purposes, up to 25% of his GP-Related Profit Sharing Percentage to any estate planning trust, limited partnership, or limited liability company with respect to which a Regular Member controls investments related to any interest in the Company held therein (an "Estate Planning Vehicle"). Each Estate Planning Vehicle will be a Nonvoting Special Member. Such Regular Member and the Nonvoting Special Member shall be jointly and severally liable for all obligations of both such Regular Member and such Nonvoting Special

Member with respect to the Company (including the obligation to make additional GP-Related Capital Contributions), as the case may be. The Managing Member may at its sole option exercisable at any time require any Estate Planning Vehicle to withdraw from the Company on the terms of this Article VI. Except as provided in the second proviso to the first sentence of this Section 6.3, no assignee, legatee, distributee, heir or transferee (by conveyance, operation of law or otherwise) of the whole or any portion of any Member's GP-Related Member Interest shall have any right to be a Member without the prior written consent of the Managing Member (which consent may be withheld without giving any reason therefor). Notwithstanding the granting of a security interest in the entire Interest of any Member, such Member shall continue to be a Member of the Company.

6.4. Consequences upon Withdrawal of a Member. (a) The Withdrawal of a Regular Member shall not dissolve the Company if at the time of such Withdrawal there are one or more remaining Regular Members and any one or more of such remaining Regular Members continue the business of the Company (any and all such remaining Regular Members being hereby authorized to continue the business of the Company without dissolution and hereby agreeing to do so). Notwithstanding Section 6.4(b), if upon the Withdrawal of a Regular Member there shall be no remaining Regular Member, the Company shall be dissolved and shall be wound up unless, within 90 days after the occurrence of such Withdrawal, all remaining Special Members agree in writing to continue the business of the Company and to the appointment, effective as of the date of such Withdrawal, of one or more Regular Members.

(b) The Company shall not be dissolved, in and of itself, by the Withdrawal of any Member, but shall continue with the surviving or remaining Members as members thereof in accordance with and subject to the terms and provisions of this Agreement.

6.5. Satisfaction and Discharge of a Withdrawn Member's GP-Related Interest. (a) The terms of this Section 6.5 shall apply to the GP-Related Member Interest of a Withdrawn Member, but, except as otherwise expressly provided in this Section 6.5, shall not apply to the Capital Commitment Member Interest of a Withdrawn Member. The term "Settlement Date" means the date as of which a Withdrawn Member's GP-Related Member Interest is settled as determined under paragraph (b) below. Notwithstanding the foregoing, any Regular Member who Withdraws from the Company, and all or any portion of whose GP-Related Member Interest is retained as a Special Member, shall be considered a Withdrawn Member for all purposes hereof.

(b) Except where a later date for the settlement of a Withdrawn Member's interest in the Company may be agreed to by the Managing Member and a Withdrawn Member, a Withdrawn Member's Settlement Date shall be his Withdrawal Date; provided, that if a Withdrawn Member's Withdrawal is not the last day of a month, then the Managing Member may elect for such Withdrawn Member's Settlement Date to be the last day of the month in which his Withdrawal Date occurs. During the interval, if any, between a Withdrawn Member's Withdrawal Date and Settlement Date, such Withdrawn Member shall have the same rights and obligations with respect to capital contributions, interest on capital, allocations of Net Income (Loss) and distributions as would have applied had such Withdrawn Member remained a Member of the Company during such period.

(c) In the event of the Withdrawal of a Member, the Managing Member shall promptly after such Withdrawn Member's Settlement Date (i) determine and allocate to the Withdrawn Member's GP-Related Capital Accounts such Withdrawn Member's allocable share of the GP-Related Net Income (Loss) of the Company for the period ending on such Settlement Date in accordance with Article V and (ii) credit the Withdrawn Member's GP-Related Capital Accounts with interest in accordance with Section 5.2. In making the foregoing calculations, the Managing Member shall be entitled to establish such reserves (including reserves for taxes, bad debts, unrealized losses, actual or

threatened litigation or any other expenses, contingencies or obligations) as it deems appropriate. Unless otherwise determined by the Managing Member in a particular case, a Withdrawn Member shall not be entitled to receive any GP-Related Unallocated Percentage in respect of the accounting period during which such Member Withdraws from the Company (whether or not previously awarded or allocated) or any GP-Related Unallocated Percentage in respect of prior accounting periods that have not been paid or allocated (whether or not previously awarded) as of such Withdrawn Member's Withdrawal Date.

(d) From and after the Settlement Date of the Withdrawn Member, the Withdrawn Member's GP-Related Profit Sharing Percentages shall, unless otherwise allocated by the Managing Member pursuant to Section 5.3(a), be deemed to be GP-Related Unallocated Percentages (except for GP-Related Profit Sharing Percentages with respect to GP-Related Investments as provided in paragraph (f) below).

(e)(i) Upon the Withdrawal from the Company of a Member with respect to such Member's GP-Related Member Interest, such Withdrawn Member thereafter shall not, except as expressly provided in this Section 6.5, have any rights of a Member (including voting rights) with respect to such Member's GP-Related Member Interest, and, except as expressly provided in this Section 6.5, such Withdrawn Member shall not have any interest in the Company's GP-Related Net Income (Loss), or in distributions, GP-Related Investments or other assets related to such Member's GP-Related Member Interest. If a Member Withdraws from the Company with respect to such Member's GP-Related Member Interest for any reason other than for Cause pursuant to Section 6.2, then the Withdrawn Member shall be entitled to receive, at the time or times specified in Section 6.5(i) below, in satisfaction and discharge in full of the Withdrawn Member's GP-Related Member Interest, (x) payment equal to the aggregate credit balance, if any, as of the Settlement Date of the Withdrawn Member's GP-Related Capital Accounts, (excluding any GP-Related Capital Account or portion thereof attributable to any GP-Related Investment) and (y) the Withdrawn Member's percentage interest attributable to each GP-Related Investment in which the Withdrawn Member has an interest as of the Settlement Date as provided in paragraph (f) below (which shall be settled in accordance with paragraph (f) below), subject to all the terms and conditions of paragraphs (a)-(r) of this Section 6.5. If the amount determined pursuant to clause (x) above is an aggregate negative balance, the Withdrawn Member shall pay the amount thereof to the Company upon demand by the Managing Member on or after the date of the statement referred to in paragraph (i) below; provided, that if the Withdrawn Member was solely a Special Member on his Withdrawal Date, such payment shall be required only to the extent of any amounts payable to such Withdrawn Member pursuant to this Section 6.5. Any aggregate negative balance in the GP-Related Capital Accounts of a Withdrawn Member who was solely a Special Member, upon the settlement of such Withdrawn Member's GP-Related Member Interest pursuant to this Section 6.5, shall be allocated among the other Members' GP-Related Capital Accounts in accordance with their respective GP-Related Profit Sharing Percentages in the categories of GP-Related Net Income (Loss) giving rise to such negative balance as determined by the Managing Member as of such Withdrawn Member's Settlement Date. In the settlement of any Withdrawn Member's GP-Related Member Interest in the Company, no value shall be ascribed to goodwill, the Company name or the anticipation of any value the Company or any successor thereto might have in the event the Company or any interest therein were to be sold in whole or in part.

(ii) Notwithstanding clause (i) of this Section 6.5(e), in the case of a Member whose Withdrawal with respect to such Member's GP-Related Member Interest resulted from such Member's death or Incompetence, such Member's estate or legal representative, as the case may be, may elect, at the time described below, to receive a Nonvoting Special Member GP-Related Member Interest and retain such Member's GP-Related Profit Sharing Percentage in all (but not less than all) illiquid investments of the Company in lieu of a cash payment (or Note) in

settlement of that portion the Withdrawn Member's GP-Related Member Interest. The election referred to above shall be made within 60 days after the Withdrawn Member's Settlement Date, based on a statement of the settlement of such Withdrawn Member's GP-Related Member Interest in the Company pursuant to this Section 6.5.

(f) For purposes of clause (y) of paragraph (e)(i) above, a Withdrawn Member's "percentage interest" means his GP-Related Profit Sharing Percentage as of the Settlement Date in the relevant GP-Related Investment. The Withdrawn Member shall retain his percentage interest in such GP-Related Investment and shall retain his GP-Related Capital Account or portion thereof attributable to such GP-Related Investment, in which case such Withdrawn Member (a "Retaining Withdrawn Member") shall become and remain a Special Member for such purpose (and, if the Managing Member so designates, such Special Member shall be a Nonvoting Special Member). The GP-Related Member Interest of a Retaining Withdrawn Member pursuant to this paragraph (f) shall be subject to the terms and conditions applicable to GP-Related Member Interests of any kind hereunder and such other terms and conditions as are established by the Managing Member. At the option of the Managing Member in its sole discretion, the Managing Member and the Retaining Withdrawn Member may agree to have the Company acquire such GP-Related Member Interest without the approval of the other Members; provided, that the Managing Member shall reflect in the books and records of the Company the terms of any acquisition pursuant to this sentence.

(g) The Managing Member may elect, in lieu of payment in cash of any amount payable to a Withdrawn Member pursuant to paragraph (e) above, to (i) have the Company issue to the Withdrawn Member a subordinated promissory note and/or to (ii) distribute in kind to the Withdrawn Member such Withdrawn Member's pro rata share (as determined by the Managing Member) of any securities or other investments of the Company. If any securities or other investments are distributed in kind to a Withdrawn Member under this paragraph (g), the amount described in clause (x) of paragraph (e)(i) shall be reduced by the value of such distribution as valued on the latest balance sheet of the Company in accordance with generally accepted accounting principles or, if not appearing on such balance sheet, as reasonably determined by the Managing Member.

(h) [Intentionally omitted.]

(i) Within 120 days after each Settlement Date, the Managing Member shall submit to the Withdrawn Member a statement of the settlement of such Withdrawn Member's GP-Related Member Interest in the Company pursuant to this Section 6.5 together with any cash payment, subordinated promissory note and in kind distributions to be made to such Member as shall be determined by the Managing Member. The Managing Member shall submit to the Withdrawn Member supplemental statements with respect to additional amounts payable to or by the Withdrawn Member in respect of the settlement of his GP-Related Member Interest in the Company (e.g., payments in respect of GP-Related Investments pursuant to paragraph (f) above or adjustments to reserves pursuant to paragraph (j) below) promptly after such amounts are determined by the Managing Member. To the fullest extent permitted by law, such statements and the valuations on which they are based shall be accepted by the Withdrawn Member without examination of the accounting books and records of the Company or other inquiry. Any amounts payable by the Company to a Withdrawn Member pursuant to this Section 6.5 shall be subordinate in right of payment and subject to the prior payment or provision for payment in full of claims of all present or future creditors of the Company or any successor thereto arising out of matters occurring prior to the applicable date of payment or distribution; provided, that such Withdrawn Member shall otherwise rank pari passu in right of payment (x) with all persons who become Withdrawn Members and whose Withdrawal Date is within one year before the Withdrawal Date of the Withdrawn Member in question and (y) with all persons who become Withdrawn Members and whose Withdrawal Date is within one year after the Withdrawal Date of the Withdrawn Member in question.

(j) If the aggregate reserves established by the Managing Member as of the Settlement Date in making the foregoing calculations should prove, in the determination of the Managing Member, to be excessive or inadequate, the Managing Member may elect, but shall not be obligated, to pay the Withdrawn Member or his estate such excess, or to charge the Withdrawn Member or his estate such deficiency, as the case may be.

(k) Any amounts owed by the Withdrawn Member to the Company at any time on or after the Settlement Date (e.g., outstanding Company loans or advances to such Withdrawn Member) shall be offset against any amounts payable or distributable by the Company to the Withdrawn Member at any time on or after the Settlement Date or shall be paid by the Withdrawn Member to the Company, in each case as determined by the Managing Member. All cash amounts payable by a Withdrawn Member to the Company under this Section 6.5 shall bear interest from the due date to the date of payment at a floating rate equal to the lesser of (x) the rate of interest publicly announced from time to time by JPMorgan Chase Bank, N.A. as its prime rate or (y) the maximum rate of interest permitted by applicable law. The “due date” of amounts payable by a Withdrawn Member pursuant to Section 6.5(i) above shall be 120 days after a Withdrawn Member’s Settlement Date. The “due date” of amounts payable to or by a Withdrawn Member in respect of GP-Related Investments for which the Withdrawn Member has retained a percentage interest in accordance with paragraph (f) above shall be 120 days after realization with respect to such GP-Related Investment. The “due date” of any other amounts payable by a Withdrawn Member shall be 60 days after the date such amounts are determined to be payable.

(l) At the time of the settlement of any Withdrawn Member’s GP-Related Member Interest in the Company pursuant to this Section 6.5, the Managing Member may, to the fullest extent permitted by applicable law, impose any restrictions it deems appropriate on the assignment, pledge, encumbrance or other transfer by such Withdrawn Member of any interest in any GP-Related Investment retained by such Withdrawn Member, any securities or other investments distributed in kind to such Withdrawn Member or such Withdrawn Member’s right to any payment from the Company.

(m) If a Member is required to Withdraw from the Company with respect to such Member’s GP-Related Member Interest for Cause pursuant to Section 6.2(d), then his GP-Related Member Interest shall be settled in accordance with paragraphs (a)-(r) of this Section 6.5; provided, that the Managing Member may elect (but shall not be required) to apply any or all the following terms and conditions to such settlement:

(i) In settling the Withdrawn Member’s interest in any GP-Related Investment in which he has an interest as of his Settlement Date, the Managing Member may elect to (A) determine the GP-Related Unrealized Net Income (Loss) attributable to each such GP-Related Investment as of the Settlement Date and allocate to the appropriate GP-Related Capital Account of the Withdrawn Member his allocable share of such GP-Related Unrealized Net Income (Loss) for purposes of calculating the aggregate balance of such Withdrawn Member’s GP-Related Capital Account pursuant to clause (x) of paragraph (e)(i) above, (B) credit or debit, as applicable, the Withdrawn Member with the balance of his GP-Related Capital Account or portion thereof attributable to each such GP-Related Investment as of his Settlement Date without giving effect to the GP-Related Unrealized Net Income (Loss) from such GP-Related Investment as of his Settlement Date, which shall be forfeited by the Withdrawn Member or (C) apply the provisions of paragraph (f) above, provided, that the maximum amount of GP-Related Net Income (Loss) allocable to such Withdrawn Member with respect to any GP-Related

Investment shall equal such Member's percentage interest of the GP-Related Unrealized Net Income, if any, attributable to such GP-Related Investment as of the Settlement Date (the balance of such GP-Related Net Income (Loss), if any, shall be allocated as determined by the Managing Member). The Withdrawn Member shall not have any continuing interest in any GP-Related Investment to the extent an election is made pursuant to (A) or (B) above.

(ii) Any amounts payable by the Company to the Withdrawn Member pursuant to this Section 6.5 shall be subordinate in right of payment and subject to the prior payment in full of claims of all present or future creditors of the Company or any successor thereto arising out of matters occurring prior to or on or after the applicable date of payment or distribution.

(n) The payments to a Withdrawn Member pursuant to this Section 6.5 may be conditioned on the compliance by such Withdrawn Member with any lawful and reasonable (under the circumstances) restrictions against engaging or investing in a business competitive with that of the Company or any of its subsidiaries and Affiliates for a period not exceeding two years determined by the Managing Member. Upon written notice to the Managing Member, any Withdrawn Member who is subject to noncompetition restrictions established by the Managing Member pursuant to this paragraph (n) may elect to forfeit the principal amount payable in the final installment of his subordinated promissory note, together with interest to be accrued on such installment after the date of forfeiture, in lieu of being bound by such restrictions.

(o) In addition to the foregoing, the Managing Member shall have the right to pay a Withdrawn Member (other than the Managing Member) a discretionary additional payment in an amount and based upon such circumstances and conditions as it determines to be relevant.

(p) The provisions of this Section 6.5 shall apply to any Investor Special Member relating to a Regular Member or Special Member and to any transferee of any GP-Related Member Interest of such Member pursuant to Section 6.3 if such Member Withdraws from the Company.

(q)(i) The Company will assist a Withdrawn Member or his estate or guardian, as the case may be, in the settlement of the Withdrawn Member's GP-Related Member Interest in the Company. Third party costs incurred by the Company in providing this assistance will be borne by the Withdrawn Member or his estate.

(ii) The Company may reasonably determine in good faith to retain outside professionals to provide the assistance to Withdrawn Members or their estates or guardians, as referred to above. In such instances, the Company will obtain the prior approval of a Withdrawn Member or his estate or guardian, as the case may be, prior to engaging such professionals. If the Withdrawn Member (or his estate or guardian) declines to incur such costs, the Company will provide such reasonable assistance as and when it can so as not to interfere with the Company's day-to-day operating, financial, tax and other related responsibilities to the Company and the Members.

(r) Each Member (other than the Managing Member) hereby irrevocably appoints the Managing Member as such Member's true and lawful agent, representative and attorney-in-fact, each acting alone, in such Member's name, place and stead, to make, execute, sign and file, on behalf of such Member, any and all agreements, instruments, documents and certificates which the Managing Member deems necessary or advisable in connection with any transaction or matter contemplated by or provided for in this Section 6.5, including, without limitation, the performance of any obligation of such Member or the Company or the exercise of any right of such Member or the Company. Such power of

attorney is coupled with an interest and shall survive and continue in full force and effect notwithstanding the Withdrawal from the Company of any Member for any reason and shall not be affected by the death, disability or incapacity of such Member.

6.6. Dissolution of the Company. The Managing Member may dissolve the Company prior to the expiration of its term at any time on not less than 60 days' notice of the dissolution date given to the other Members.

6.7. Certain Tax Matters. (a) All items of income, gain, loss, deduction and credit of the Company shall be allocated among the Members for Federal, state and local income tax purposes in the same manner as such items of income, gain, loss, deduction and credit shall be allocated among the Members pursuant to this Agreement, except as may otherwise be provided herein or by the Code or other applicable law. To the extent Treasury Regulations promulgated pursuant to Subchapter K of the Code (including under Sections 704(b) and (c) of the Code) or other applicable law require allocations for tax purposes that differ from the foregoing allocations, the Managing Member may determine the manner in which such tax allocations shall be made so as to comply more fully with such Treasury Regulations or other applicable law and, at the same time, preserve the economic relationships among the Members as set forth in this Agreement. In the event there is a net decrease in partnership minimum gain or partner nonrecourse debt minimum gain (determined in accordance with the principles of Regulations Sections 1.704-2(d) and 1.704-2(i)) during any taxable year of the Company, each Member shall be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to its respective share of such net decrease during such year, determined pursuant to Regulations Sections 1.704-2(g) and 1.704-2(i)(5). The items to be so allocated shall be determined in accordance with Regulations Section 1.704-2(f). In addition, this Agreement shall be considered to contain a "qualified income offset" as provided in Regulations Section 1.704-1(b)(2)(ii)(d).

(b) The Managing Member shall cause to be prepared all Federal, state and local tax returns of the Company for each year for which such returns are required to be filed and, after approval of such returns by the Managing Member, shall cause such returns to be timely filed. The Managing Member shall determine the appropriate treatment of each item of income, gain, loss, deduction and credit of the Company and the accounting methods and conventions under the tax laws of the United States, the several states and other relevant jurisdictions as to the treatment of any such item or any other method or procedure related to the preparation of such tax returns. The Managing Member may cause the Company to make or refrain from making any and all elections permitted by such tax laws. Each Member agrees that he shall not, unless he provides prior notice of such action to the Company, (i) treat, on his individual income tax returns, any item of income, gain, loss, deduction or credit relating to his interest in the Company in a manner inconsistent with the treatment of such item by the Company as reflected on the Form K-1 or other information statement furnished by the Company to such Member for use in preparing his income tax returns or (ii) file any claim for refund relating to any such item based on, or which would result in, such inconsistent treatment. In respect of an income tax audit of any tax return of the Company, the filing of any amended return or claim for refund in connection with any

item of income, gain, loss, deduction or credit reflected on any tax return of the Company, or any administrative or judicial proceedings arising out of or in connection with any such audit, amended return, claim for refund or denial of such claim, (A) the Tax Matters Member (as defined below) shall be authorized to act for, and his decision shall be final and binding upon, the Company and all Members except to the extent a Member shall properly elect to be excluded from such proceeding pursuant to the Code, (B) all expenses incurred by the Tax Matters Member in connection therewith (including, without limitation, attorneys', accountants' and other experts' fees and disbursements) shall be expenses of the Company and (C) no Member shall have the right to (1) participate in the audit of any Company tax return, (2) file any amended return or claim for refund in connection with any item of income, gain, loss, deduction or credit reflected on any tax return of the Company (unless he provides prior notice of such action to the Company as provided above), (3) participate in any administrative or judicial proceedings conducted by the Company or the Tax Matters Member arising out of or in connection with any such audit, amended return, claim for refund or denial of such claim, or (4) appeal, challenge or otherwise protest any adverse findings in any such audit conducted by the Company or the Tax Matters Member or with respect to any such amended return or claim for refund filed by the Company or the Tax Matters Member or in any such administrative or judicial proceedings conducted by the Company or the Tax Matters Member. The Company and each Member hereby designate any Member selected by the Managing Member as the "tax matters partner" for purposes of Section 6231(a)(7) of the Code (the "Tax Matters Member"). To the fullest extent permitted by applicable law, each Member agrees to indemnify and hold harmless the Company and all other Members from and against any and all liabilities, obligations, damages, deficiencies and expenses resulting from any breach or violation by such Member of the provisions of this Section 6.7 and from all actions, suits, proceedings, demands, assessments, judgments, costs and expenses, including reasonable attorneys' fees and disbursements, incident to any such breach or violation.

(c) Each individual Member shall provide to the Company copies of each Federal, state and local income tax return of such Member (including any amendment thereof) within 30 days after filing such return.

6.8. Special Basis Adjustments. In connection with any assignment or transfer of a Company interest permitted by the terms of this Agreement, the Managing Member may cause the Company, on behalf of the Members and at the time and in the manner provided in Code Regulations Section 1.754-1(b), to make an election to adjust the basis of the Company's property in the manner provided in Sections 734(b) and 743(b) of the Code.

ARTICLE VII

CAPITAL COMMITMENT INTERESTS; CAPITAL CONTRIBUTIONS; ALLOCATIONS; DISTRIBUTIONS

7.1. Capital Commitment Interests, etc.

(a) This Article VII and Article VIII hereof set forth certain terms and conditions with respect to the Capital Commitment Member Interests and the Capital Commitment BGCS Interest and matters related to the Capital Commitment Member Interests and the Capital Commitment BGCS Interest. Except as otherwise expressly provided in this Article VII or in Article VIII, the terms and provisions of this Article VII and Article VIII shall not apply to the GP-Related Member Interests or the GP-Related BGCS Interest.

(b) Each Member, severally, agrees to make contributions of capital to the Company (“Capital Commitment-Related Capital Contributions”) as required to fund the Company’s capital contributions to BGCS in respect of the Capital Commitment BGCS Interest, if any, and the related Capital Commitment BGCS Commitment, if any. No Member shall be obligated to make Capital Commitment-Related Capital Contributions to the Company in an amount in excess of such Member’s Capital Commitment-Related Commitment. The Commitment Agreements and SMD Agreements of the Members may include provisions with respect to the foregoing matters. It is understood that a Member will not necessarily participate in each Capital Commitment Investment (which may include additional amounts invested in an existing Capital Commitment Investment) nor will a Member necessarily have the same Capital Commitment Profit Sharing Percentage with respect to each Capital Commitment Investment in which such Member participates; provided, that this in no way limits the terms of any Commitment Agreement or SMD Agreement. In addition, nothing contained herein shall be construed to give any Member the right to obtain financing with respect to the purchase of any Capital Commitment Interest, and nothing contained herein shall limit or dictate the terms upon which the Company and its Affiliates may provide such financing. The acquisition of a Capital Commitment Interest by a Member shall be evidenced by receipt by the Company of funds equal to such Member’s Capital Commitment- Related Commitment then due with respect to such Capital Commitment Interest and such appropriate documentation as the Managing Member may submit to the Members from time to time.

(c) The Company or one of its Affiliates (in such capacity, the “Advancing Party”) may in its sole discretion advance to any Member (including any additional Member admitted to the Company pursuant to Section 6.1 but excluding any Members that are also executive officers of The Blackstone Group L.P. or any Affiliate thereof) all or any portion of the Capital Commitment Capital Contributions due to the Company from such Member with respect to any Capital Commitment Investment (“Firm Advances”). Each such Member shall pay interest on each Firm Advance from the date of each such Firm Advance until the repayment thereof by such Member. Each Firm Advance shall be repayable in full, including accrued interest to the date of such repayment, upon prior written notice by the Advancing Party. The making and repayment of each Firm Advance shall be recorded in the books and records of the Company, and such recording shall be conclusive evidence of each such Firm Advance, binding on the Member and the Advancing Party absent manifest error. Except as provided below, the interest rate applicable to a Firm Advance shall equal the cost of funds of the Advancing Party at the time of the making of such Firm Advance. The Advancing Party shall inform any Member of such rate upon such Member’s request; provided, that amounts that are otherwise payable to such Member pursuant to Section 7.4(a) shall be used to repay such Firm Advance (including interest thereon). The Advancing Party may, in its sole discretion, change the terms of Firm Advances (including the terms contained herein) and/or discontinue the making of Firm Advances; provided, that (i) the Advancing Party shall notify the relevant Members of any material changes to such terms and (ii) the interest rate applicable to such Firm Advances and overdue amounts thereon shall not exceed the maximum interest rate allowable by applicable law.

7.2. Capital Commitment Capital Accounts.

(a) There shall be established for each Member on the books of the Company as of the date of formation of the Company, or such later date on which such Member is admitted to the Company, and on each such other date as such Member first acquires a Capital Commitment Interest in a particular Capital Commitment Investment, a Capital Commitment Capital Account for each Capital Commitment Investment in which such Member acquires a Capital Commitment Interest on such date. Each Capital Commitment Capital Contribution of a Member shall be credited to the appropriate Capital Commitment Capital Account of such Member on the date such Capital Commitment Capital Contribution is paid to the Company. Capital Commitment Capital Accounts shall be adjusted to reflect any transfer of a Member’s interest in the Company related to his Capital Commitment Member Interest as provided in this Agreement.

(b) A Member shall not have any obligation to the Company or to any other Member to restore any negative balance in the Capital Commitment Capital Account of such Member. Until distribution of any such Member's interest in the Company with respect to a Capital Commitment Interest as a result of the disposition by the Company of the related Capital Commitment Investment and in whole upon the dissolution of the Company, neither such member's Capital Commitment Capital Accounts nor any part thereof shall be subject to withdrawal or redemption except with the consent of the Managing Member.

7.3. Allocations.

(a) Capital Commitment Net Income (Loss) of the Company for each Capital Commitment Investment shall be allocated to the related Capital Commitment Capital Accounts of all the Members (including the Managing Member) participating in such Capital Commitment Investment in proportion to their respective Capital Commitment Profit Sharing Percentages for such Capital Commitment Investment. Capital Commitment Net Income (Loss) on any Unallocated Capital Commitment Interest shall be allocated to each Member in the proportion which such Member's aggregate Capital Commitment Capital Accounts bear to the aggregate Capital Commitment Capital Accounts of all Members; provided, that if any Member makes the election provided for in Section 7.6, Capital Commitment Net Income (Loss) of the Company for each Capital Commitment Investment shall be allocated to the related Capital Commitment Capital Accounts of all the Members participating in such Capital Commitment Investment who do not make such election in proportion to their respective Capital Commitment Profit Sharing Percentages for such Capital Commitment Investment.

(b) Any special costs relating to distributions pursuant to Section 7.6 or 7.7 shall be specially allocated to the electing Member.

7.4. Distributions.

(a) Each Member's allocable portion of Capital Commitment Net Income received from his Capital Commitment Investments, distributions to such Member that constitute returns of capital, and other Capital Commitment Net Income of the Company (including, without limitation, Capital Commitment Net Income attributable to Unallocated Capital Commitment Interests) during a fiscal year of the Company will be credited to payment of the Investor Notes to the extent required below as of the last day of such fiscal year (or on such earlier date as related distributions are made in the sole discretion of the Managing Member) with any cash amount distributable to such Member pursuant to clauses (ii) and (vii) below to be distributed within 45 days after the end of each fiscal year of the Company (or in each case on such earlier date as selected by the Managing Member in its sole discretion) as follows (subject to Section 7.4(c) below):

(i) First, to the payment of interest then due on all Investor Notes (relating to Capital Commitment Investments or otherwise) of such Member (to the extent Capital Commitment Net Income and distributions or payments from Other Sources do not equal or exceed all interest payments due, the selection of those of such Member's Investor Notes upon which interest is to be paid and the division of payments among such Investor Notes to be determined by the Lender or Guarantor);

(ii) Second, to distribution to the Member of an amount equal to the Federal, state and local income taxes on income of the Company allocated to such Member for such year in respect of such Member's Capital Commitment Member Interest (the aggregate amount of any such distribution shall be determined by the Managing Member, subject to the limitation that the minimum aggregate amount of such distribution be the tax that would be payable if the taxable income of the Company related to all Members' Capital Commitment Member Interests were all allocated to an individual subject to the then-prevailing maximum Federal, New York State and New York City tax rates (taking into account the extent to which such taxable income allocated by the Company was composed of long-term capital gains and the deductibility of state and local

income taxes for Federal income tax purposes)); provided, that additional amounts shall be paid to the Member pursuant to this clause (ii) to the extent that such amount reduces the amount otherwise distributable to the Member pursuant to a comparable provision in any other BCE Agreement and there are not sufficient amounts to fully satisfy such provision from the relevant partnership or other entity; provided further, that amounts paid pursuant to the provisions in such other BCE Agreements comparable to the immediately preceding proviso shall reduce those amounts otherwise distributable to the Member pursuant to provisions in such other BCE Agreements that are comparable to this clause (ii);

(iii) Third, to the payment in full of the principal amount of the Investor Note financing (A) any Capital Commitment Investment disposed of during or prior to such fiscal year or (B) any BCE Investments (other than Capital Commitment Investments) disposed of during or prior to such fiscal year, to the extent not repaid from Other Sources;

(iv) Fourth, to the return to such Member of (A) all Capital Commitment Capital Contributions made in respect of the Capital Commitment Interest to which any Capital Commitment Investment disposed of during or prior to such fiscal year relates or (B) all capital contributions made to any Blackstone Collateral Entity (other than the Company) in respect of interests therein relating to BCE Investments (other than Capital Commitment Investments) disposed of during or prior to such fiscal year (including all principal paid on the related Investor Notes), to the extent not repaid from amounts of Other Sources (other than amounts of Capital Commitment Member Carried Interest);

(v) Fifth, to the payment of principal (including any previously deferred amounts) then owing under all other Investor Notes of such Member (including those unrelated to the Company), the selection of those of such Member's Investor Notes to be repaid and the division of payments among such Investor Notes to be determined by the Lender or Guarantor;

(vi) Sixth, up to 50% of any Capital Commitment Net Income remaining after application pursuant to clauses (i) through (v) above shall be applied pro rata to prepayment of principal of all remaining Investor Notes of such Member (including those unrelated to the Company), the selection of those of such Member's Investor Notes to be repaid, the division of payments among such Investor Notes and the percentage of remaining Capital Commitment Net Income to be applied thereto to be determined by the Lender or Guarantor; and

(vii) Seventh, to such Member to the extent of any amount of Capital Commitment Net Income remaining after making the distributions in clauses (i) through (vi) above, and such amount is not otherwise required to be applied to Investor Notes pursuant to the terms thereof.

To the extent there is a partial disposition of a Capital Commitment Investment or any other BCE Investment, as applicable, the payments in clauses (iii) and (iv) above shall be based on that portion of the Capital Commitment Investment or other BCE Investment, as applicable, disposed of, and the principal amount and related interest payments of such Investor Note shall be adjusted to reflect such partial payment so that there are equal payments over the remaining term of the related Investor Note. For a Member who is no longer an employee or officer of Holdings or its Affiliates, distributions shall be made pursuant to clauses (i) through (iii) above, and then, unless the Company or

its Affiliate has exercised its rights pursuant to Section 8.1 hereof, any remaining income or other distribution in respect of such Member's Capital Commitment Member Interest shall be applied to the prepayment of the outstanding Investor Notes of such Member, until all such Member's Investor Notes have been repaid in full, with any such income or other distribution remaining thereafter distributed to such Member.

Distributions of Capital Commitment Net Income may be made at any other time at the discretion of the Managing Member. At the Managing Member's discretion, any amounts distributed to a Member in respect of such Member's Capital Commitment Member Interest will be net of any interest and principal payable on his Investor Notes for the full period in respect of which the distribution is made.

(b) [Intentionally omitted.]

(c) To the extent that the foregoing Company distributions and distributions and payments from Other Sources are insufficient to satisfy any principal and/or interest due on Investor Notes, and to the extent that the Managing Member in its sole discretion elect to apply this paragraph (e) to any individual payments due, such unpaid interest will be added to the remaining principal amount of such Investor Notes and shall be payable on the next scheduled principal payment date (along with any deferred principal and any principal and interest due on such date); provided, that such deferral shall not apply to a Member that is no longer an employee or officer of Holdings or an Affiliate thereof. All unpaid interest on such Investor Notes shall accrue interest at the interest rate then in effect for such Investor Notes.

(d) [Intentionally omitted.]

(e) The Capital Commitment Capital Account of each Member shall be reduced by the amount of any distribution to such Member pursuant to paragraph (a) of this Section 7.4.

(f) At any time that a sale, exchange, transfer or other disposition of a portion of a Capital Commitment Investment is being considered by the Company or BGCS (a "Capital Commitment Disposable Investment"), at the election of the Managing Member each Member's Capital Commitment Interest with respect to such Capital Commitment Investment shall be vertically divided into two separate Capital Commitment Interests, a Capital Commitment Interest attributable to the Capital Commitment Disposable Investment (a Member's "Capital Commitment Class B Interest"), and a Capital Commitment Interest attributable to such Capital Commitment Investment excluding the Capital Commitment Disposable Investment (a Member's "Capital Commitment Class A Interest"). Distributions (including those resulting from a direct or indirect sale, transfer, exchange or other disposition by the Company) relating to a Capital Commitment Disposable Investment shall be made only to holders of Capital Commitment Class B Interests with respect to such Capital Commitment Investment in accordance with their respective Capital Commitment Profit Sharing Percentages relating to such Capital Commitment Class B Interests, and distributions (including those resulting from the direct or indirect sale, transfer, exchange or other disposition by the Company) relating to a Capital Commitment Investment excluding such Capital Commitment Disposable Investment shall be made only to holders of Capital Commitment Class A Interests with respect to such Capital Commitment Investment in accordance with their respective Capital Commitment Profit Sharing Percentages relating to such Capital Commitment Class A Interests.

(g)(i) If the Company is obligated under the Giveback Provisions to contribute a Giveback Amount to BGCS in respect of any Capital Commitment BGCS Interest that may be held by the Company (the amount of any such obligation of the Company with respect to such a Giveback

Amount being herein called a “ Capital Commitment Giveback Amount ”), the Company shall call for such amounts as are necessary to satisfy such obligation of the Company as determined by the Managing Member, in which case each Member shall contribute to the Company, in cash, when and as called by the Company, such an amount of prior distributions by the Company with respect to the Capital Commitment BGCS Interest (the “ Capital Commitment Recontribution Amount ”) which equals such Member’s pro rata share of prior distributions in connection with (a) the Capital Commitment BGCS Investment giving rise to the Capital Commitment Giveback Amount, (b) if the amounts contributed pursuant to clause (a) above are insufficient to satisfy such Capital Commitment Giveback Amount, Capital Commitment BGCS Investments other than the one giving rise to such obligation, but only those amounts received by the Members with an interest in the Capital Commitment BGCS Investment referred to in clause (a) above, and (c) if the Capital Commitment Giveback Amount is unrelated to a specific Capital Commitment BGCS Investment, all Capital Commitment BGCS Investments. Each Member shall promptly contribute to the Company upon notice thereof such Member’s Capital Commitment Recontribution Amount. Prior to such time, the Company may, at the Managing Member’s discretion (but shall be under no obligation to), provide notice that in the Managing Member’s judgment, the potential obligations in respect of the Capital Commitment Giveback Amount will probably materialize (and an estimate of the aggregate amount of such obligations).

(ii) In the event any Member (a “ Capital Commitment Defaulting Party ”) fails to recontribute all or any portion of such Capital Commitment Defaulting Party’s Capital Commitment Recontribution Amount for any reason, the Company shall require all other Members and Withdrawn Members to contribute, on a pro rata basis (based on each of their respective Capital Commitment Profit Sharing Percentages), such amounts as are necessary to fulfill the Capital Commitment Defaulting Party’s obligation to pay such Capital Commitment Defaulting Party’s Capital Commitment Recontribution Amount (a “ Capital Commitment Deficiency Contribution ”) if the Managing Member determines in its good faith judgment that the Company will be unable to collect such amount in cash from such Capital Commitment Defaulting Party for payment of the Capital Commitment Giveback Amount at least 20 Business Days prior to the latest date that the Company is permitted to pay the Capital Commitment Giveback Amount; provided, that no Member shall as a result of such Capital Commitment Deficiency Contribution be required to contribute an amount in excess of 150% of the amount of the Capital Commitment Recontribution Amount initially requested from such Member in respect of such default. Thereafter, the Managing Member shall determine in its good faith judgment that the Company should either (1) not attempt to collect such amount in light of the costs associated therewith, the likelihood of recovery and any other factors considered relevant in the good faith judgment of the Managing Member or (2) pursue any and all remedies (at law or equity) available to the Company against the Capital Commitment Defaulting Party, the cost of which shall be a Company expense to the extent not ultimately reimbursed by the Capital Commitment Defaulting Party. It is agreed that the Company shall have the right (effective upon such Capital Commitment Defaulting Party becoming a Capital Commitment Defaulting Party) to set-off as appropriate and apply against such Capital Commitment Defaulting Party’s Capital Commitment Recontribution Amount any amounts otherwise payable to the Capital Commitment Defaulting Party by the Company or any Affiliate thereof. Each Member hereby grants to the Company a security interest, effective upon such Member becoming a Capital Commitment Defaulting Party, in all accounts receivable and other rights to receive payment from the Company or any Affiliate of the Company and agrees that, upon the effectiveness of such security interest, the Company may sell, collect or otherwise realize upon such collateral. In furtherance of the foregoing, each Member hereby appoints the Company as its true and lawful attorney-in-fact with full irrevocable power and authority, in the name of such Member or in the name of the Company, to take any actions which may be necessary to accomplish the intent of

the immediately preceding sentence. The Company shall be entitled to collect interest on the Capital Commitment Recontribution Amount of a Capital Commitment Defaulting Party from the date such Capital Commitment Recontribution Amount was required to be contributed to the Company at a rate equal to the Default Interest Rate.

(iii) Any Member's failure to make a Capital Commitment Deficiency Contribution shall cause such Member to be a Capital Commitment Defaulting Party with respect to such amount.

(iv) A Member's obligation to make contributions to the Company under this Section 7.4(g) shall survive the termination of the Company.

7.5. Valuations. Capital Commitment Investments shall be valued annually as of the end of each year (and at such other times as deemed appropriate by the Managing Member) in accordance with the principles utilized by the Company (or any Affiliate of the Company that is a general partner of BGCS) in valuing investments of BGCS or, in the case of investments not held by BGCS, in the good faith judgment of the Managing Member, subject in each case to the second proviso of the immediately succeeding sentence. The value of any Capital Commitment Interest as of any date (the "Capital Commitment Value") shall be based on the value of the underlying Capital Commitment Investment as set forth above; provided, that the Capital Commitment Value may be determined as of an earlier date if determined appropriate by the Managing Member in good faith; provided further, that such value may be adjusted by the Managing Member to take into account factors relating solely to the value of a Capital Commitment Interest (as compared to the value of the underlying Capital Commitment Investment), such as restrictions on transferability, the lack of a market for such Capital Commitment Interest and lack of control of the underlying Capital Commitment Investment. To the full extent permitted by applicable law such valuations shall be final and binding on all Members; provided further, that the immediately preceding proviso shall not apply to any Capital Commitment Interests held by a person who is or was at any time a direct Member of the Company.

7.6. Disposition Election.

(a) At any time prior to the date of the Company's execution of a definitive agreement to dispose of a Capital Commitment Investment, the Managing Member may in its sole discretion permit a Member to retain all or any portion of its pro rata share of such Capital Commitment Investment (as measured by such Member's Capital Commitment Profit Sharing Percentage in such Capital Commitment Investment). If the Managing Member so permits, such Member shall instruct the Managing Member in writing prior to such date (i) not to dispose of all or any portion of such Member's pro rata share of such Capital Commitment Investment (the "Retained Portion") and (ii) either to (A) distribute such Retained Portion to such Member on the closing date of such disposition or (B) retain such Retained Portion in the Company on behalf of such Member until such time as such Member shall instruct the Managing Member upon 5 days notice to distribute such Retained Portion to such Member. Such Member's Capital Commitment Capital Account shall not be adjusted in any way to reflect the retention in the Company of such Retained Portion or the Company's disposition of other Members' pro rata shares of such Capital Commitment Investment; provided, that such Member's Capital Commitment Capital Account shall be adjusted upon distribution of such Retained Portion to such Member or upon distribution of proceeds with respect to a subsequent disposition thereof by the Company.

(b) No distribution of such Retained Portion shall occur unless any Investor Notes relating thereto shall have been paid in full prior to or simultaneously with such distribution.

7.7. Capital Commitment Special Distribution Election.

(a) From time to time during the term of this Agreement, the Managing Member may in its sole discretion, upon receipt of a written request from a Member, distribute to such Member any portion of its pro rata share of a Capital Commitment Investment (as measured by such Member's Capital Commitment Profit Sharing Percentage in such Capital Commitment Investment) (a "Capital Commitment Special Distribution"). Such Member's Capital Commitment Capital Account shall be adjusted upon distribution of such Capital Commitment Special Distribution.

(b) No Capital Commitment Special Distributions shall occur unless any Investor Notes relating thereto shall have been paid in full prior to or simultaneously with such Capital Commitment Special Distribution.

ARTICLE VIII

WITHDRAWAL, ADMISSION OF NEW MEMBERS

8.1. Member Withdrawal; Repurchase of Capital Commitment Interests.

(a) Capital Commitment Interests (or a portion thereof) that were financed by Investor Notes will be treated as not subject to repurchase for purposes hereof based upon the proportion of (a) the sum of Capital Commitment Capital Contributions not financed by an Investor Note with respect to each Capital Commitment Interest and principal payments on the related Investor Note to (b) the sum of the Capital Commitment Capital Contributions not financed by an Investor Note with respect to such Capital Commitment Interest, the original principal amount of such Investor Note and all deferred amounts of interest which from time to time comprise part of the principal amount of the Investor Note. A Member may prepay a portion of any outstanding principal on the Investor Notes; provided, that in the event that a Member prepays all or any portion of the principal amount of the Investor Notes within nine months prior to the date on which such Member is no longer an employee or officer of Holdings or an Affiliate thereof, the Company (or its designee) shall have the right, in its sole discretion, to purchase the Capital Commitment Interest that became Non-Contingent as a result of such prepayment; provided further, that the purchase price for such Capital Commitment Interest shall be determined in accordance with the determination of the purchase price of a Member's Contingent Capital Commitment Interests as set forth in paragraph (b) below. Prepayments made by a Member shall apply pro rata against all of such Member's Investor Notes; provided, that such Member may request that such prepayments be applied only to Investor Notes related to BCE Investments that are related to one or more Blackstone Collateral Entities specified by such Member. Except as expressly provided herein, Capital Commitment Interests that were not financed in any respect with Investor Notes shall be treated as Non-Contingent Capital Commitment Interests.

(b) Upon a Member ceasing to be an officer or employee of the Company or any of its Affiliates, other than as a result of such Member dying or suffering a Total Disability, such Member (the "Withdrawn Member") and the Company or any other person designated by the Managing Member shall each have the right (exercisable by the Withdrawn Member within 30 days and by the Company or its designee(s) within 45 days of such Member's ceasing to be such an officer or employee) or any time thereafter, upon 30 days notice, but not the obligation, to require the Company, subject to the LLC Act, to buy (in the case of exercise of such right by such Withdrawn Member) or the Withdrawn Member to sell (in the case of exercise of such right by the Company or its designee(s)) all (but not less than all) such Withdrawn Member's Contingent Capital Commitment Interests. The purchase price for each such Contingent Capital Commitment Interest will be an amount equal to (i) the outstanding principal amount of the related Investor Note plus accrued interest thereon to the date of purchase (such portion

of the purchase price to be made in cash) and (ii) an additional amount (the “ Adjustment Amount ”) equal to (x) all interest paid by the Member on the portion of the principal amount of the Investor Note relating to the portion of the related Capital Commitment Interest remaining Contingent plus (y) all Capital Commitment Net Losses allocated to the Withdrawn Member on the Contingent portion of such Capital Commitment Interest minus (z) all Capital Commitment Net Income allocated to the Withdrawn Member on the Contingent portion of such Capital Commitment Interest; provided, that, if the Withdrawn Member was terminated from employment or his position as an officer for Cause, the amounts referred to in clause (x) or (y) of the Adjustment Amount, in the Managing Member’s sole discretion, may be deemed to equal zero. The Adjustment Amount shall, if positive, be payable by the holders of the purchased Capital Commitment Interests to the Withdrawn Member from the next Capital Commitment Net Income received by such holders on the Contingent portion of such Withdrawn Member’s Capital Commitment Interests at the time such Capital Commitment Net Income is received. If the Adjustment Amount resulting from an exchange is negative, it shall be payable to the holders of the purchased Capital Commitment Interest by the Withdrawn Member at the time such Capital Commitment Net Income is received by the Withdrawn Member from the next Capital Commitment Net Income on the Non-Contingent portion of the Withdrawn Member’s Capital Commitment Interests or, if the Company or its designee(s) elect to purchase such Withdrawn Member’s Non-Contingent Capital Commitment Interests, in cash by the Withdrawn Member at the time of such purchase; provided, that the Company and its Affiliates may offset any amounts otherwise owing to a Withdrawn Member against any Adjustment Amount owed by such Withdrawn Member. Until so paid, such remaining Adjustment Amount will not itself bear interest. At the time of such purchase of the Withdrawn Member’s Contingent Capital Commitment Interests, his related Investor Note shall be payable in full. If neither the Withdrawn Member nor the Company nor its designee(s) exercise the right to require repurchase of such Contingent Capital Commitment Interests, then the Withdrawn Member shall retain the Contingent portion of his Capital Commitment Interests and the Investor Notes shall remain outstanding, shall become fully recourse to the Withdrawn Member in his individual capacity, shall be payable in accordance with their remaining original maturity schedules and shall be prepayable at any time by the Withdrawn Member at his option, and the Company shall apply such prepayments against outstanding Investor Notes on a pro rata basis. To the extent that another Member purchases a portion of a Capital Commitment Interest of a Withdrawn Member, the purchasing Member’s Capital Commitment Capital Account and Capital Commitment Profit Sharing Percentage for such Capital Commitment Investment shall be correspondingly increased.

(c) Upon the occurrence of a Final Event with respect to any Member, such Member shall thereupon cease to be a Member with respect to such Member’s Capital Commitment Member Interest. If such a Final Event shall occur, no Successor in Interest to any such Member shall for any purpose hereof become or be deemed to become a Member. The sole right, as against the Company and the remaining Members, acquired hereunder by, or resulting hereunder to, a Successor in Interest to any Member shall be to receive any distributions and allocations with respect to such Member’s Capital Commitment Member Interest pursuant to Article VII and this Article VIII, subject to the right of the Company to purchase the Capital Commitment Interests of such former Member pursuant to Section 8.1(b) or Section 8.1(d)) to the extent, at the time, in the manner and in the amount otherwise payable to such Member had such a Final Event not occurred, and no other right shall be acquired hereunder by, or shall result hereunder to, a Successor in Interest to such Member, whether by operation of law or otherwise. Until distribution of any such Member’s interest in the Company upon the dissolution of the Company as provided in Section 9.2, neither his Capital Commitment Capital Accounts nor any part thereof shall be subject to withdrawal or redemption without the consent of the Managing Member. The Company shall be entitled to treat any Successor in Interest to such Member as the only person entitled to receive distributions and allocations hereunder with respect to such Member’s Capital Commitment Member Interest.

(d) If a Member dies or suffers a Total Disability, all Contingent Capital Commitment Interests of such Member shall be purchased by the Company or its designee (within 30 days of the first date on which the Company knows or has reason to know of such Member's death or Total Disability) as provided in Section 8.1(b) (except that any Adjustment Amount shall be payable by or to the estate or personal representative in cash) and any Investor Notes financing such Contingent Capital Commitment Interests shall thereupon be prepaid as provided in Section 8.1(b). In addition, in the case of the death or Total Disability of a Member, if the estate or personal representative of such Member so requests in writing within 180 days of the Member's death or ceasing to be an employee or member (directly or indirectly) of the Company or any of its Affiliates by reason of Total Disability (such requests shall not exceed one per calendar year), the Company or its designee may but is not obligated to purchase for cash all (but not less than all) Non-Contingent Capital Commitment Interests of such Member as of the last day of the Company's then current fiscal year at a price equal to the Capital Commitment Value thereof. Each Member shall be required to include appropriate provisions in his will to reflect such provisions of this Agreement. In addition, the Company may, in the sole discretion of the Managing Member, upon notice to the estate or personal representative of such Member within 30 days of the first date on which the Company knows or has reason to know of such Member's death or Total Disability, determine either (i) to distribute Securities or other property to the estate or personal representative in exchange for such Non-Contingent Capital Commitment Interests as provided in Section 8.1(e) or (ii) to require sale of such Non-Contingent Capital Commitment Interests to the Company or its designee as of the last day of any fiscal year of the Company (or earlier period, as determined by the Managing Member in its sole discretion) for an amount in cash equal to the Capital Commitment Value thereof.

(e) In lieu of retaining a Withdrawn Member as a Member with respect to any Non-Contingent Capital Commitment Interests, the Managing Member may, in its sole discretion, by notice to such Withdrawn Member within 45 days of his ceasing to be an employee or officer of the Company or any of its Affiliates, or at any time thereafter, upon 30 days written notice, determine (1) to distribute to such Withdrawn Member the pro rata portion of the Securities or other property underlying such Withdrawn Member's Non-Contingent Capital Commitment Interests, subject to any restrictions on distributions associated with the Securities or other property, in satisfaction of his Non-Contingent Capital Commitment Interests in the Company or (2) to cause, as of the last day of any fiscal year of the Company (or earlier period, as determined by the Managing Member in its sole discretion), the Company or another person designated by the Managing Member (who may be itself another Member or another Affiliate of the Company) to purchase all (but not less than all) of such Withdrawn Member's Non-Contingent Capital Commitment Interests for a price equal to the Capital Commitment Value thereof. The Managing Member shall condition any distribution or purchase of voting Securities pursuant to paragraph (d) above or this paragraph (e) upon the Withdrawn Member's execution and delivery to the Company of an appropriate irrevocable proxy, in favor of the Company or its nominee, relating to such Securities.

(f) The Company may subsequently transfer any Unallocated Capital Commitment Interest or portion thereof which is purchased by it as described above to any other person approved by the Managing Member. In connection with such purchase or transfer or the purchase of a Capital Commitment Interest or portion thereof by the Company's designee(s), Holdings may loan all or a portion of the purchase price of the transferred or purchased Capital Commitment Interest to the Company, the transferee or the designee-purchaser(s), as applicable. To the extent that a Withdrawn Member's Capital Commitment Interests (or portions thereof) are repurchased by the Company and not transferred to or purchased by another person, all or any portion of such repurchased Capital Commitment Interests may, in the sole discretion of the Managing Member, (i) be allocated to each Member already participating in the Capital Commitment Investment to which the repurchased Capital Commitment Interest relates, (ii) be allocated to each Member in the Company, whether or not already

participating in such Capital Commitment Investment, and/or (iii) continue to be held by the Company itself as an unallocated Capital Commitment Investment (such Capital Commitment Interests being herein called “Unallocated Capital Commitment Interests”). To the extent that a Capital Commitment Interest is allocated to Members as provided in clause (i) and/or (ii) above, any indebtedness incurred by the Company to finance such repurchase shall also be allocated to such Members. All such Capital Commitment Interests allocated to Members shall be deemed to be Contingent and shall become Non-Contingent as and to the extent that the principal amount of such related indebtedness is repaid. The Members receiving such allocations shall be responsible for such related indebtedness only on a nonrecourse basis to the extent appropriate as provided in this Agreement, except as such Members and the Managing Member shall otherwise agree. If the indebtedness financing such repurchased interests is not so limited, the Company may require an assumption by the Members of such indebtedness on the terms thereof as a precondition to allocation of the related Capital Commitment Interests to such Members; provided, that a Member shall not, except as set forth in his Investor Note, be obligated to accept any personally recourse obligation unless his prior consent is obtained. So long as the Company itself retains the Unallocated Capital Commitment Interests pursuant to clause (iii) above, such Unallocated Capital Commitment Interests shall belong to the Company and any indebtedness financing the Unallocated Capital Commitment Interests shall be an obligation of the Company to which all income of the Company is subject except as otherwise agreed by the lender of such indebtedness. Any Capital Commitment Net Income (Loss) on an Unallocated Capital Commitment Interest shall be allocated to each Member in the proportion his aggregate Capital Commitment Capital Accounts bear to the aggregate Capital Commitment Capital Accounts of all Members; debt service on such related financing will be an expense of the Company allocable to all Members in such proportions.

(g) If a Member is required to Withdraw from the Company with respect to such Member’s Capital Commitment Member Interest for Cause, then his Capital Commitment Interest shall be settled in accordance with paragraphs (a)-(f) and (j) of this Section 8.1; provided, that if such Member was not at any time a direct Regular Member of the Company, the Managing Member may elect (but shall not be required) to apply any or all the following terms and conditions to such settlement:

(i) purchase for cash all of such Withdrawn Member’s Non-Contingent Capital Commitment Interests. The purchase price for each such Non-Contingent Capital Commitment Interest shall be the lower of (A) the original cost of such Non-Contingent Capital Commitment Interest or (B) an amount equal to the Capital Commitment Value thereof;

(ii) allow the Withdrawn Member to retain such Non-Contingent Capital Commitment Interests; provided, that the maximum amount of Capital Commitment Net Income allocable to such Withdrawn Member with respect to any Capital Commitment Investment shall equal the amount of Capital Commitment Net Income that would have been allocated to such Withdrawn Member if such Capital Commitment Investment had been sold as of the Settlement Date at the then prevailing Capital Commitment Value thereof; or

(iii) in lieu of cash, purchase such Non-Contingent Capital Commitment Interests by providing the Withdrawn Member with a promissory note in the amount determined in (i) above. Such promissory note shall have a maximum term of ten (10) years with interest at the Federal Funds Rate.

(h) The Company will assist a Withdrawn Member or his estate or guardian, as the case may be, in the settlement of the Withdrawn Member’s Capital Commitment Member Interest in the Company. Third party costs incurred by the Company in providing this assistance will be borne by the Withdrawn Member or his estate.

(i) The Company may reasonably determine in good faith to retain outside professionals to provide the assistance to Withdrawn Members or their estates or guardians, as referred to above. In such instances, the Company will obtain the prior approval of a Withdrawn Member or his estate or guardian, as the case may be, prior to engaging such professionals. If the Withdrawn Member (or his estate or guardian) declines to incur such costs, the Company will provide such reasonable assistance as and when it can so as not to interfere with the Company's day-to-day operating, financial, tax and other related responsibilities to the Company and the Members.

(j) Each Member hereby irrevocably appoints the Managing Member as such Member's true and lawful agent, representative and attorney-in-fact, each acting alone, in such Member's name, place and stead, to make, execute, sign and file, on behalf of such Member, any and all agreements, instruments, documents and certificates which such Managing Member deems necessary or advisable in connection with any transaction or matter contemplated by or provided for in this Section 8.1, including, without limitation, the performance of any obligation of such Member or the Company or the exercise of any right of such Member or the Company. Such power of attorney is coupled with an interest and shall survive and continue in full force and effect notwithstanding the Withdrawal from the Company of any Member for any reason and shall not be affected by the death, disability or incapacity of such Member.

8.2. Transfer of Member's Capital Commitment Interest. Except as otherwise agreed by the Managing Member, no Member or former Member shall have the right to sell, assign, mortgage, pledge or otherwise dispose of or transfer (" Transfer ") all or part of any such Member's Capital Commitment Member Interest in the Company; provided, that this Section 8.2 shall in no way impair Transfers (i) as permitted in Section 8.1 above, in the case of the purchase of a Withdrawn Member's or deceased or Totally Disabled Member's Capital Commitment Interests, (ii) Transfers by a Member to another Member of Non- Contingent Capital Commitment Interests, (iii) Transfers of up to 25% of a Regular Member's Capital Commitment Member Interest to an Estate Planning Vehicle and (iv) with the prior written consent of the Managing Member (which consent may be withheld without giving any reason therefor). No person acquiring an interest in the Company pursuant to this Section 8.2 shall become a Member of the Company, or acquire such Member's right to participate in the affairs of the Company, unless such person shall be admitted as a Member pursuant to Section 6.1. A Member shall not cease to be a Member of the Company upon the collateral assignment of, or the pledging or granting of a security interest in, its entire Interest in the Company in accordance with the provisions of this Agreement.

8.3. Compliance with Law. Notwithstanding any provision hereof to the contrary, no sale or Transfer of a Capital Commitment Interest in the Company may be made except in compliance with all Federal, state and other applicable laws, including Federal and state securities laws.

ARTICLE IX

DISSOLUTION

9.1. Dissolution. The Company shall be dissolved and subsequently terminated:

- (a) pursuant to Section 6.6; or
- (b) upon the expiration of the Term.

9.2. Final Distribution. Upon the dissolution of the Company, and following the payment of creditors of the Company and the making of provisions for the payment of any contingent, conditional or unmatured claims known to the Company as required under the LLC Act:

(a) The Members' respective interests in the Company shall be valued and settled in accordance with the procedures set forth in Section 6.5 which provide for allocations to the GP-Related Capital Accounts of the Members and distributions in accordance with the GP-Related Capital Account balances of the Members; and

(b) With respect to each Member's Capital Commitment Member Interest, an amount shall be paid to such Member in cash or Securities in an amount equal to such Member's respective Capital Commitment Liquidating Share for each Capital Commitment Investment; provided, that if the remaining assets relating to any Capital Commitment Investment shall not be equal to or exceed the aggregate Capital Commitment Liquidating Shares for such Capital Commitment Investment, to each Member in proportion to its Capital Commitment Liquidating Share for such Capital Commitment Investment; and the remaining assets of the Company related to the Members' Capital Commitment Member Interests shall be paid to the Members in cash or Securities in proportion to their respective Capital Commitment Profit Sharing Percentages for each Capital Commitment Investment from which such cash or Securities are derived.

The Managing Member shall be the liquidator. In the event that the Managing Member is unable to serve as liquidator, a liquidating trustee shall be chosen by the affirmative vote of a Majority in Interest of the Members voting at a meeting of Members (excluding Nonvoting Special Members).

9.3. Amounts Reserved Related to Capital Commitment Member Interests.

(a) If there are any Securities or other property or other investments or securities related to the Members' Capital Commitment Member Interests which, in the judgment of the liquidator, cannot be sold, or properly distributed in kind in the case of dissolution, without sacrificing a significant portion of the value thereof, the value of a Member's interest in each such Security or other investment or security may be excluded from the amount distributed to the Members participating in the related Capital Commitment Investment pursuant to clause (ii) of Section 9.2(b). Any interest of a Member, including his pro rata interest in any gains, losses or distributions, in Securities or other property or other investments or securities so excluded shall not be paid or distributed until such time as the liquidator shall determine.

(b) If there is any pending transaction, contingent liability or claim by or against the Company related to the Members' Capital Commitment Member Interests as to which the interest or obligation of any Member therein cannot, in the judgment of the liquidator, be then ascertained, the value thereof or probable loss therefrom may be deducted from the amount distributable to such Member pursuant to clause (ii) of Section 9.2(b). No amount shall be paid or charged to any such Member on account of any such transaction or claim until its final settlement or such earlier time as the liquidator shall determine. The Company may meanwhile retain from other sums due such Member in respect of such Member's Capital Commitment Member Interest an amount which the liquidator estimates to be sufficient to cover the share of such Member in any probable loss or liability on account of such transaction or claim.

(c) Upon determination by the liquidator that circumstances no longer require the exclusion of any Securities or other property or retention of sums as provided in paragraphs (a) and (b) of this Section 9.3, the liquidator shall, at the earliest practicable time, distribute as provided in clause (ii) of Section 9.2(b) such sums or such Securities or other property or the proceeds realized from the sale of such Securities or other property to each Member from whom such sums or Securities or other property were withheld.

ARTICLE X
MISCELLANEOUS

10.1. Submission to Jurisdiction; Waiver of Jury Trial.

(a) Any and all disputes which cannot be settled amicably, including any ancillary claims of any party, arising out of, relating to or in connection with the validity, negotiation, execution, interpretation, performance or non-performance of this Agreement (including the validity, scope and enforceability of this arbitration provision) shall be finally settled by arbitration conducted by a single arbitrator in New York in accordance with the then-existing Rules of Arbitration of the International Chamber of Commerce. If the parties to the dispute fail to agree on the selection of an arbitrator within thirty (30) days of the receipt of the request for arbitration, the International Chamber of Commerce shall make the appointment. The arbitrator shall be a lawyer and shall conduct the proceedings in the English language. Performance under this Agreement shall continue if reasonably possible during any arbitration proceedings.

(b) Notwithstanding the provisions of paragraph (a), the Managing Member may bring, or may cause the Company to bring, on behalf of the Managing Member or the Company or on behalf of one or more Members, an action or special proceeding in any court of competent jurisdiction for the purpose of compelling a party to arbitrate, seeking temporary or preliminary relief in aid of an arbitration hereunder, and/or enforcing an arbitration award and, for the purposes of this paragraph (b), each Member (i) expressly consents to the application of paragraph (c) of this Section 10.1 to any such action or proceeding, (ii) agrees that proof shall not be required that monetary damages for breach of the provisions of this Agreement would be difficult to calculate and that remedies at law would be inadequate, and (iii) irrevocably appoints the Managing Member as such Member's agent for service of process in connection with any such action or proceeding and agrees that service of process upon any such agent, who shall promptly advise such Member of any such service of process, shall be deemed in every respect effective service of process upon the Member in any such action or proceeding.

(c)(i) EACH MEMBER HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF COURTS LOCATED IN NEW YORK, NEW YORK FOR THE PURPOSE OF ANY JUDICIAL PROCEEDING BROUGHT IN ACCORDANCE WITH THE PROVISIONS OF THIS SECTION 10.1, OR ANY JUDICIAL PROCEEDING ANCILLARY TO AN ARBITRATION OR CONTEMPLATED ARBITRATION ARISING OUT OF OR RELATING TO OR CONCERNING THIS AGREEMENT. Such ancillary judicial proceedings include any suit, action or proceeding to compel arbitration, to obtain temporary or preliminary judicial relief in aid of arbitration, or to confirm an arbitration award. The parties acknowledge that the forum(s) designated by this paragraph (c) have a reasonable relation to this Agreement, and to the parties' relationship with one another.

(ii) The parties hereby waive, to the fullest extent permitted by applicable law, any objection which they now or hereafter may have to personal jurisdiction or to the laying of venue of any such ancillary suit, action or proceeding brought in any court referred to in paragraph (c)(i) of this Section 10.1 and such parties agree not to plead or claim the same.

(d) Notwithstanding any provision of this Agreement to the contrary, this Section 10.1 shall be construed to the maximum extent possible to comply with the laws of the State of Delaware, including the Delaware Uniform Arbitration Act (10 Del. C. § 5701 et seq.) (the "Delaware Arbitration").

Act”). If, nevertheless, it shall be determined by a court of competent jurisdiction that any provision or wording of this Section 10.1, including any rules of the International Chamber of Commerce, shall be invalid or unenforceable under the Delaware Arbitration Act, or other applicable law, such invalidity shall not invalidate all of this Section 10.1. In that case, this Section 10.1 shall be construed so as to limit any term or provision so as to make it valid or enforceable within the requirements of the Delaware Arbitration Act or other applicable law, and, in the event such term or provision cannot be so limited, this Section 10.1 shall be construed to omit such invalid or unenforceable provision.

10.2. Ownership and Use of the Blackstone Name. The Company acknowledges that Blackstone TM L.L.C. (“TM”), a Delaware limited liability company with a principal place of business at 345 Park Avenue, New York, New York 10154, (or its successors or assigns) is the sole and exclusive owner of the mark and name BLACKSTONE and that the ownership of, and the right to use, sell or otherwise dispose of, the firm name or any abbreviation or modification thereof which consists of or includes BLACKSTONE, shall belong exclusively to TM. The Company shall not be permitted to use the BLACKSTONE name and service mark without the prior written consent of TM. To the extent the Company is permitted to use the BLACKSTONE name and service mark, all services rendered by the Company under the BLACKSTONE mark and name will be rendered in a manner and with quality levels that are consistent with the high reputation heretofore developed for the BLACKSTONE mark by TM and its Affiliates and licensees. The Company understands that, to the extent TM hereinafter permits the Company to use the BLACKSTONE name and service mark, TM may thereafter terminate the Company’s right to use BLACKSTONE at any time in TM’s sole discretion by giving the Company written notice of termination. Promptly following any such termination, the Company will take all steps necessary to change its company name to one which does not include BLACKSTONE or any confusingly similar term and cease all use of BLACKSTONE or any term confusingly similar thereto as a service mark or otherwise.

10.3. Written Consent. Any action required or permitted to be taken by a vote of Members at a meeting may be taken without a meeting if a Majority in Interest of the Members consent thereto in writing.

10.4. Letter Agreements; Schedules. The Managing Member may, or may cause the Company to, enter into separate letter agreements with individual Members, officers or employees with respect to GP-Related Profit Sharing Percentages, Capital Commitment Profit Sharing Percentages, any other profit sharing agreements, benefits or any other matter (such letter agreements, the “Admission Letters”). For the avoidance of doubt, any provision of this Agreement to the contrary notwithstanding, in the event of a conflict between this Agreement, on the one hand, and a Member’s Admission Letter, on the other hand, the terms and provisions of the Admission Letter of such Member shall control as between the Company and such Member. The Managing Member may from time to time execute and deliver to the Members schedules which set forth the then current capital balances, GP-Related Profit Sharing Percentages and Capital Commitment Profit Sharing Percentages of the Members and any other matters deemed appropriate by the Managing Member. Such schedules shall be for information purposes only and shall not be deemed to be part of this Agreement for any purpose whatsoever; provided, that this in no way limits the effectiveness of any Commitment Agreement.

10.5. Governing Law; Separability of Provisions. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to principles of conflict of laws. In particular, the Company has been formed pursuant to the LLC Act, and the rights and liabilities of the Members shall be as provided therein, except as herein otherwise expressly provided. If any provision of this Agreement shall be held to be invalid, such provision shall be given its meaning to the maximum extent permitted by law and the remainder of this Agreement shall not be affected thereby.

10.6. Successors and Assigns. This Agreement shall be binding upon and shall, subject to the penultimate sentence of Section 6.3(a), inure to the benefit of the parties hereto, their respective heirs and personal representatives, and any successor to a trustee of a trust which is or becomes a party hereto; provided, that no person claiming by, through or under a Member (whether such Member's heir, personal representative or otherwise), as distinct from such Member itself, shall have any rights as, or in respect to, a Member (including the right to approve or vote on any matter or to notice thereof) except the right to receive only those distributions expressly payable to such person pursuant to Articles VI and VIII. Any Member or Withdrawn Member shall remain liable for the obligations under this Agreement (including any Net GP-Related Recontribution Amounts and any Capital Commitment Recontribution Amount) of any transferee of all or any portion of such Member's or Withdrawn Member's interest in the Company, unless waived by the Managing Member. The Company shall, if the Managing Member determine, in its good faith judgment, based on the standards set forth in Sections 5.8(d)(iii) and 7.4(g), to pursue such transferee, pursue payment (including any Net GP-Related Recontribution Amounts and/or Capital Commitment Recontribution Amounts) from the transferee with respect to any such obligations. Nothing in this Agreement is intended, nor shall anything herein be construed, to confer any rights, legal or equitable, on any person other than the Members and their respective legal representatives, heirs, successors and permitted assigns. Notwithstanding the foregoing, solely to the extent required by the BGCS Agreements, (x) each Limited Partner (as defined in the BGCS Agreements) of BGCS shall be a third-party beneficiary of the provisions of Sections 5.8(d)(i)(A) and 5.8(d)(ii) (and the definitions relating thereto), solely as they relate to any Clawback Amount (for purpose of this sentence, as defined in Section 9.4(a) of the BGCS Partnership Agreement), and (y) Sections 5.8(d)(i)(A) and 5.8(d)(ii) (and the definitions relating thereto), solely as they relate to any Clawback Amount (for purpose of this sentence, as defined in Section 9.4(a) of the BGCS Partnership Agreement), shall not be amended in a manner adverse to the Limited Partners of BGCS without the consent of 66 ²/₃ % in Interest of such Limited Partners (as such terms are used in the BGCS Agreements).

10.7. Confidentiality. By executing this Agreement, each Member expressly agrees, at all times during the term of the Company and thereafter and whether or not at the time a Member of the Company, to maintain the confidentiality of, and not to disclose to any person other than the Company, another Member or a person designated by the Company, any information relating to the business, financial structure, financial position or financial results, clients or affairs of the Company that shall not be generally known to the public or the securities industry, except as otherwise required by law or by any regulatory or self-regulatory organization having jurisdiction; provided, that any corporate Member may disclose any such information it is required by law, rule, regulation or custom to disclose. Notwithstanding anything in this Agreement to the contrary, to comply with Treasury Regulation Section 1.6011-4(b)(3)(i), each Member (and any employee, representative or other agent of such Member) may disclose to any and all persons, without limitation of any kind, the U.S. federal income tax treatment and tax structure of the Company, it being understood and agreed, for this purpose, (1) the name of, or any other identifying information regarding (a) the Members or any existing or future investor (or any Affiliate thereof) in any of the Members, or (b) any investment or transaction entered into by the Members; (2) any performance information relating to any of the Members or their investments; and (3) any performance or other information relating to previous funds or investments sponsored by any of the Members, does not constitute such tax treatment or tax structure information.

10.8. Notices. Whenever notice is required or permitted by this Agreement to be given, such notice shall be in writing (including telecopy or similar writing) and shall be given to any Member at its address or telecopy number shown in the Company's books and records or, if given to the Managing Member, at the address of the Company provided herein. Each such notice shall be effective (i) if given by telecopy, upon dispatch, and (ii) if given by hand delivery, when delivered to the address of such Member or Managing Member specified as aforesaid.

10.9. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute a single instrument.

10.10. Power of Attorney. Each Member hereby irrevocably appoints the Managing Member as such Member's true and lawful representative and attorney-in-fact, each acting alone, in such Member's name, place and stead, to make, execute, sign and file all instruments, documents and certificates which, from time to time, may be required to set forth any amendment to this Agreement or may be required by this Agreement or by the laws of the United States of America, the State of Delaware or any other state in which the Company shall determine to do business, or any political subdivision or agency thereof, to execute, implement and continue the valid and subsisting existence of the Company. Such power of attorney is coupled with an interest and shall survive and continue in full force and effect notwithstanding the subsequent Withdrawal from the Company of any Member for any reason and shall not be affected by the subsequent disability or incapacity of such Member.

10.11. Member's Will. Each Member and Withdrawn Member shall include in his or her will a provision that addresses certain matters in respect of his or her obligations relating to the Company that is satisfactory to the Managing Member and each such Member and Withdrawn Member shall confirm annually to the Company, in writing, that such provision remains in his current will. Where applicable, any estate planning trust of such Member or Withdrawn Member to which a portion of such Member's or Withdrawn Member's Interest is transferred shall include a provision substantially similar to such provision and the trustee of such trust shall confirm annually to the Company, in writing, that such provision or its substantial equivalent remains in such trust. In the event any Member or Withdrawn Member fails to comply with the provisions of this Section 10.11 after the Company has notified such Member or Withdrawn Member of his failure to so comply and such failure to so comply is not cured within 30 days of such notice, the Company may withhold any and all distributions to such Member until the time at which such party complies with the requirements of this Section 10.11.

10.12. Cumulative Remedies. Rights and remedies under this Agreement are cumulative and do not preclude use of other rights and remedies available under applicable law.

10.13. Legal Fees. Except as more specifically provided herein, in the event of a legal dispute (including litigation, arbitration or mediation) between any Member or Withdrawn Member and the Company, arising in connection with any party seeking to enforce Section 4.1 (d) or any other provision of this Agreement relating to the Holdback, the Clawback Amount, the GP-Related Giveback Amount, the Capital Commitment Giveback Amount, the Net GP-Related Recontribution Amount or the Capital Commitment Recontribution Amount, the "losing" party to such dispute shall promptly reimburse the "victorious party" for all reasonable legal fees and expenses incurred in connection with such dispute (such determination to be made by the relevant adjudicator). Any amounts due under this Section 10.13 shall be paid within 30 days of the date upon which such amounts are due to be paid and such amounts remaining unpaid after such date shall accrue interest at the Default Interest Rate.

10.14. Entire Agreement. This Agreement embodies the entire agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants or undertakings, other than those expressly set forth or referred to herein. Subject to Section 10.4, this Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the day and year first above written. In the event that it is impracticable to obtain the signature of any of the Members to this Agreement, this Agreement shall be binding among the other Members executing the same.

MANAGING MEMBER:

GSO Holdings I L.L.C.

By: Blackstone Holdings I L.P., its managing member

By: Blackstone Holdings I/II GP Inc.,
its general partner

By: /s/ Robert L. Friedman

Name: Robert L. Friedman

Title: Chief Legal Officer and Secretary

MEMBERS:

All Members now and hereafter admitted pursuant to powers of attorney now and hereafter granted to GSO Holdings I L.L.C.

By: GSO Holdings I L.L.C., as Attorney-in-Fact

By: Blackstone Holdings I L.P., its managing member

By: Blackstone Holdings I/II GP Inc.,
its general partner

By: /s/ Robert L. Friedman

Name: Robert L. Friedman

Title: Chief Legal Officer and Secretary

BLACKSTONE / GSO CAPITAL SOLUTIONS OVERSEAS ASSOCIATES LLC
SECOND AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT
DATED AS OF JULY 10, 2009

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BLACKSTONE / GSO CAPITAL SOLUTIONS OVERSEAS ASSOCIATES LLC

SECOND AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT of Blackstone / GSO Capital Solutions Overseas Associates LLC (the “Company”), dated as of July 10, 2009, by and among GSO Holdings I L.L.C., a Delaware limited liability company (the “Managing Member” or “Holdings”), the other members of the Company as set forth in the books and records of the Company, and such other persons that are admitted to the Company as members after the date hereof in accordance herewith.

WITNESSETH

WHEREAS, the original limited liability company agreement of the Company was executed as of March 5, 2009 (the “Original Operating Agreement”);

WHEREAS, the Original Operating Agreement was amended and restated in its entirety by the Amended and Restated Limited Liability Company Agreement, dated as of May 13, 2009, of the Company (as so amended and restated, the “Existing Agreement”); and

WHEREAS, the parties hereto now wish to amend and restate the Existing Agreement in its entirety as of the date hereof and as more fully set forth below.

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

1.1. Definitions. Unless the context otherwise requires, the following terms shall have the following meanings for purposes of this Agreement:

“Admission Letter” has the meaning set forth in Section 10.4.

“Advancing Party” has the meaning set forth in Section 7.1(b).

“Affiliate” when used with reference to another person means any person (other than the Company), directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with, such other person.

“Agreement” means this Second Amended and Restated Limited Liability Company Agreement, as it may be further amended, supplemented or otherwise modified from time to time.

“Alternative Vehicle” means any investment vehicle or structure formed pursuant to Section 2.9 of the BGCS Partnership Agreement or any other “Alternative Vehicle” (as defined in any other BGCS Agreements).

“Applicable Collateral Percentage” has the meaning with respect to any Firm Collateral or Special Firm Collateral as set forth in the books and records of the Company with respect thereto.

“Bankruptcy” means, with respect to any person, the occurrence of any of the following events: (i) the filing of an application by such person for, or a consent to, the appointment of a trustee or custodian of his assets; (ii) the filing by such person of a voluntary petition in Bankruptcy or the seeking of relief under Title 11 of the United States Code, as now constituted or hereafter amended, or the filing of a pleading in any court of record admitting in writing his inability to pay his debts as they become due; (iii) the failure of such person to pay his debts as such debts become due; (iv) the making by such person of a general assignment for the benefit of creditors; (v) the filing by such person of an answer admitting the material allegations of, or his consenting to, or defaulting in answering, a Bankruptcy petition filed against him in any Bankruptcy proceeding or petition seeking relief under Title 11 of the United States Code, as now constituted or as hereafter amended; or (vi) the entry of an order, judgment or decree by any court of competent jurisdiction adjudicating such person a bankrupt or insolvent or for relief in respect of such person or appointing a trustee or custodian of his assets and the continuance of such order, judgment or decree unstayed and in effect for a period of 60 consecutive days.

“BCE Agreement” means the limited partnership agreement, limited liability company agreement or other governing document of any limited partnership, limited liability company or other entity named or referred to in the definition of any of “BFREP,” “BFIP,” “BFMEZP,” “BFCOMP” or “Other Blackstone Collateral Entity,” as such limited partnership agreement, limited liability company agreement or other governing document may be amended, supplemented, restated or otherwise modified to date, and as such limited partnership agreement, limited liability company agreement or other governing document may be further amended, supplemented, restated or otherwise modified from time to time, and any other Blackstone Collateral Entity limited partnership agreement, limited liability company agreement or other governing document.

“BCE Investment” means any direct or indirect investment by any Blackstone Collateral Entity.

“BCOM” means (i) Blackstone Communications Partners I L.P., a Delaware limited partnership, and (ii) any other investment vehicle established pursuant to Article 2 of the partnership agreement for the partnership referred to in clause (i) above.

“BCP VI” is the collective reference to (i) Blackstone Capital Partners VI L.P., a Delaware limited partnership, (ii) Blackstone Capital Partners VI-Executive Fund L.P., a Delaware limited partnership, and (iii) any alternative investment vehicle relating thereto and any parallel fund.

“BFCOMP” means Blackstone Family Communications Partnership I L.P., Blackstone Family Communications Partnership I-SMD L.P. and any other entity that is an Affiliate thereof and has terms substantially similar to those of the foregoing partnerships and is formed in connection with the participation by one or more partners thereof directly or indirectly in investments in securities also purchased by BCOM or any other funds with substantially similar investment objectives to BCOM and that are sponsored or managed by an Affiliate of the Company (which includes serving as general partner of such funds).

“BFIP” means Blackstone Capital Associates II L.P., Blackstone Capital Associates III L.P., Blackstone Family Investment Partnership II L.P., Blackstone Family Investment Partnership III L.P., Blackstone Family Investment Partnership IV-A L.P., Blackstone Family Investment Partnership IV-A -SMD L.P., Blackstone Family Investment Partnership V L.P., Blackstone Family Investment Partnership V- SMD L.P., Blackstone Family Investment Partnership VI L.P., Blackstone Family Investment Partnership VI-SMD L.P., and any other entity that is an Affiliate thereof and has terms similar to those of the foregoing partnerships and

is formed in connection with the participation by one or more of the partners thereof in investments in securities also purchased by BCP VI or any other fund with substantially similar investment objectives to BCP VI and that are sponsored or managed by an Affiliate of the Company (which includes serving as general partner of such funds).

“**BFMEZP**” means Blackstone Family Mezzanine Partnership-SMD L.P., Blackstone Family Mezzanine Partnership II-SMD L.P., Blackstone Mezzanine Holdings L.P., Blackstone Mezzanine Holdings II L.P., any entity formed to invest side-by-side with any GSO Fund and any other entity that is an Affiliate thereof and that has terms substantially similar to those of the foregoing partnerships or other entities and is formed in connection with the participation by one or more partners or other equity owners thereof directly or indirectly in investments in securities also purchased by BMEZP I, BMEZP II, any GSO Fund or any other funds with substantially similar investment objectives to BMEZP I, BMEZP II or any GSO Fund and that are sponsored or managed by an Affiliate of the Company (which includes serving as general partner of such funds).

“**BFREP**” means Blackstone Real Estate Capital Associates L.P., Blackstone Real Estate Capital Associates II L.P., Blackstone Real Estate Capital Associates III L.P., Blackstone Family Real Estate Partnership L.P., Blackstone Family Real Estate Partnership II L.P., Blackstone Family Real Estate Partnership III L.P., Blackstone Family Real Estate Partnership International-A-SMD L.P., Blackstone Family Real Estate Partnership IV-SMD L.P., Blackstone Family Real Estate Partnership International II-SMD L.P., Blackstone Family Real Estate Partnership V-SMD L.P., Blackstone Family Real Estate Partnership VI-SMD L.P., Blackstone Family Real Estate Partnership Europe III-SMD L.P., Blackstone Family Real Estate Special Situations Partnership - SMD L.P., Blackstone Family Real Estate Special Situations Partnership Europe - SMD L.P., Blackstone Real Estate Holdings L.P., Blackstone Real Estate Holdings II L.P., Blackstone Real Estate Holdings III L.P., Blackstone Real Estate Holdings International - A L.P., Blackstone Real Estate Holdings IV L.P., Blackstone Real Estate Holdings International II L.P., Blackstone Real Estate Holdings V L.P., Blackstone Real Estate Holdings VI L.P., Blackstone Real Estate Holdings Europe III L.P., Blackstone Real Estate Special Situations Holdings II L.P., Blackstone Real Estate Special Situations Holdings Europe L.P. and any other entity that is an Affiliate thereof and that has terms substantially similar to those of the foregoing partnerships and is formed in connection with the participation by one or more partners thereof in real estate and real estate-related investments also purchased by BREP VI, BSSF II or BSSF Europe and any other funds with substantially similar investment objectives to BREP VI, BSSF II or BSSF Europe and that are sponsored or managed by an Affiliate of the Company (which includes serving as general partner of such funds).

“**BGCS**” means (i) Blackstone / GSO Capital Solutions Overseas Fund L.P. and Blackstone / GSO Capital Solutions Overseas Master Fund L.P., each a Cayman Islands exempted limited partnership, and (ii) any Alternative Vehicle relating to either of the exempted limited partnerships referred to in clause (i) above, and any Parallel Fund.

“**BGCS Agreements**” means (i) the BGCS Partnership Agreement and (ii) any other BGCS partnership agreements.

“**BGCS Master Fund Agreement**” means the Amended and Restated Agreement of Limited Partnership, dated as of the date set forth therein, of Blackstone / GSO Capital Solutions Overseas Master Fund L.P., as it may be amended, supplemented, restated or otherwise modified from time to time.

“BGCS Overseas Fund Agreement” means the Amended and Restated Agreement of Limited Partnership, dated as of the date set forth therein, of Blackstone / GSO Capital Solutions Overseas Fund L.P., as it may be amended, supplemented, restated or otherwise modified from time to time.

“BGCS Partnership Agreement” means the BGCS Overseas Fund Agreement and the BGCS Master Fund Agreement, as each may be amended, supplemented, restated or otherwise modified from time to time.

“Blackstone Collateral Entity” means any limited partnership, limited liability company or other entity named or referred to in the definition of any of “BFREP,” “BFIP,” “BFMEZP,” “BFCOMP” or “Other Blackstone Collateral Entity.”

“Blackstone Entity” means any partnership, limited liability company or other entity (excluding any natural persons and any portfolio companies of any Blackstone – sponsored fund) that is an Affiliate of The Blackstone Group L.P.

“BMEZP I” means (i) Blackstone Mezzanine Partners L.P., a Delaware limited partnership, and (ii) any other investment vehicle established pursuant to Article 2 of the partnership agreement for the partnership referred to in clause (i) above.

“BMEZP II” means (i) Blackstone Mezzanine Partners II L.P., a Delaware limited partnership, and (ii) any other investment vehicle established pursuant to Article 2 of the partnership agreement for the partnership referred to in clause (i) above.

“BREP VI” means (i) Blackstone Real Estate Partners VI L.P., Blackstone Real Estate Partners VI.TE.1 L.P., Blackstone Real Estate Partners VI.TE.2 L.P. and Blackstone Real Estate Partners VI.F L.P., each a Delaware limited partnership, (ii) any other Parallel Funds or other Supplemental Capital Vehicles (each as defined in the respective partnership agreements for the partnerships referred to in clause (i) above), or (iii) any other investment vehicle established pursuant to Article 2 of the respective partnership agreements for any of the partnerships referred to in clause (i) above.

“BSSF Europe” means (i) Blackstone Real Estate Special Situations Europe L.P., Blackstone Real Estate Special Situations Europe.1 L.P. and Blackstone Real Estate Special Situations Europe.2 L.P., each a limited partnership formed or to be formed under the laws of the United Kingdom pursuant to the Limited Partnerships Act 1907 of the United Kingdom, (ii) any alternative vehicle, parallel fund or other investment vehicle established pursuant to Article 2 of the partnership agreements for the partnerships referred to in clause (i) above, and (iii) any investment vehicle formed to co-invest with any of the partnerships referred to in clause (i) above using third party capital and that potentially pays Carried Interest Distributions (as such term is used in such partnership agreements).

“BSSF II” means (i) Blackstone Real Estate Special Situations Fund II L.P., a Delaware limited partnership, (ii) Blackstone Real Estate Special Situations Fund II.1 L.P., a Delaware limited partnership, and (iii) Blackstone Real Estate Special Situations Fund II.2 L.P., a Delaware limited partnership, and any alternative vehicles thereof or parallel funds formed in connection therewith.

“Capital Commitment BGCS Commitment” means the Capital Commitment (as defined in the BGCS Partnership Agreement), if any, of the Company to BGCS that relates solely to the Capital Commitment BGCS Interest.

“Capital Commitment BGCS Interest” means the Interest (as defined in the BGCS Partnership Agreement), if any, of the Company as a capital partner in BGCS.

“Capital Commitment BGCS Investment” means the Company’s interest in a specific investment of BGCS through the Company’s interest in BGCS in the Company’s capacity as a capital partner of BGCS.

“Capital Commitment Capital Account” means, with respect to each Capital Commitment Investment for each Member, the account maintained for such Member to which are credited such Member’s contributions to the Company with respect to such Capital Commitment Investment and any net income allocated to such Member pursuant to Section 7.3 with respect to such Capital Commitment Investment and from which are debited any distributions with respect to such Capital Commitment Investment to such Member and any net losses allocated to such Member with respect to such Capital Commitment Investment pursuant to Section 7.3. In the case of any such distribution in kind, the Capital Commitment Capital Accounts for the related Capital Commitment Investment shall be adjusted as if the asset distributed had been sold in a taxable transaction and the proceeds distributed in cash, and any resulting gain or loss on such sale shall be allocated to the Members participating in such Capital Commitment Investment pursuant to Section 7.3.

“Capital Commitment Class A Interest” has the meaning set forth in Section 7.4(f).

“Capital Commitment Class B Interest” has the meaning set forth in Section 7.4(f).

“Capital Commitment Defaulting Party” has the meaning specified in Section 7.4(g).

“Capital Commitment Deficiency Contribution” has the meaning specified in Section 7.4(g).

“Capital Commitment Disposable Investment” has the meaning set forth in Section 7.4(f).

“Capital Commitment Distributions” means, with respect to each Capital Commitment Investment, all amounts of distributions received by the Company with respect to such Capital Commitment Investment solely in respect of the Capital Commitment BGCS Interest, less any costs, fees and expenses of the Company with respect thereto and less reasonable reserves for payment of costs, fees and expenses of the Company that are anticipated with respect thereto, in each case which the Managing Member may allocate to all or any portion of such Capital Commitment Investment as it may determine in good faith is appropriate.

“Capital Commitment Giveback Amount” has the meaning set forth in Section 7.4(g).

“Capital Commitment Interest” means the interest of a Member in a specific Capital Commitment Investment as provided herein.

“Capital Commitment Investment” means any investment of the Company in respect of the Capital Commitment BGCS Interest, including any Capital Commitment BGCS Investment, but excluding any GP-Related Investment.

“Capital Commitment Liquidating Share” with respect to each Capital Commitment Investment means, in the case of dissolution of the Company, the related Capital Commitment Capital Account of a Member (less amounts reserved in accordance with Section 9.3) as of the close of business on the effective date of dissolution.

“Capital Commitment Member Carried Interest” means, with respect to any Member, the aggregate amount of distributions or payments received by such Member (in any capacity) from Affiliates of the Company in respect of or relating to “carried interest”. “Capital Commitment Member Carried Interest” includes any amount initially received by an Affiliate of the Company from any fund (including BGCS), any similar funds formed after the date hereof, and any private equity merchant banking, real estate or mezzanine funds, whether or not in existence as of the date hereof) to which such Affiliate serves as general partner (or other similar capacity) that exceeds such Affiliate’s pro rata share of distributions from such fund based upon capital contributions thereto (or the capital contributions to make the investment of such fund giving rise to such “carried interest”).

“Capital Commitment Member Interest” means a Member’s interest in the Company which relates to the Capital Commitment BGCS Interest, if any.

“Capital Commitment Net Income (Loss)” with respect to each Capital Commitment Investment means all amounts of income received by the Company with respect to such Capital Commitment Investment, including without limitation gain or loss in respect of the disposition, in whole or in part, of such Capital Commitment Investment, less any costs, fees and expenses of the Company allocated thereto and less reasonable reserves for payment of costs, fees and expenses of the Company anticipated to be allocated thereto.

“Capital Commitment Profit Sharing Percentage” with respect to each Capital Commitment Investment means the percentage interest of a Member in Capital Commitment Net Income (Loss) from such Capital Commitment Investment set forth in the books and records of the Company.

“Capital Commitment Recontribution Amount” has the meaning set forth in Section 7.4(g).

“Capital Commitment-Related Capital Contributions” has the meaning set forth in Section 7.1(a).

“Capital Commitment-Related Commitment” with respect to any Member, means such Member’s commitment to the Company relating to such Member’s Capital Commitment Member Interest, as set forth in the books and records of the Company, including, without limitation, any such commitment that may be set forth in such Member’s Commitment Agreement or SMD Agreement, if any.

“Capital Commitment Special Distribution” has the meaning set forth in Section 7.7(a).

“Capital Commitment Value” has the meaning set forth in Section 7.5.

“Carried Interest” means (i) “Carried Interest,” as defined in the BGCS Master Fund Agreement, and (ii) any other carried interest distribution to a Fund GP pursuant to any BGCS Agreement. In the case of each of (i) and (ii) above, except as determined by the Managing Member, the amount shall not be less any costs, fees and expenses of the Company with respect thereto and less reasonable reserves for payment of costs, fees and expenses of the Company that are anticipated with respect thereto (in each case which the Managing Member may allocate amongst all or any portion of the GP-Related Investments as it determines in good faith is appropriate).

“Carried Interest Give Back Percentage” means, for any Member or Withdrawn Member, subject to Section 5.8(e), the percentage determined by dividing (A) the aggregate amount of distributions received by such Member or Withdrawn Member from the Company or any Other Fund GPs in respect of Carried Interest by (B) the aggregate amount of distributions made to all Members, Withdrawn Members or any other person by the Company or any Other Fund GP in respect of Carried Interest. For purposes of determining any “Carried Interest Give Back Percentage” hereunder, all Trust Amounts contributed to the Trust by the Company or any Other Fund GPs on behalf of a Member or Withdrawn Member (but not the Trust Income thereon) shall be deemed to have been initially distributed or paid to the Members and Withdrawn Members as members, partners or other equity owners of the Company or any of the Other Fund GPs.

“Carried Interest Sharing Percentage” means, with respect to each GP-Related Investment, the percentage interest of a Member in Carried Interest from such GP-Related Investment set forth in the books and records of the Company.

“Cause” with respect to any Member has the meaning ascribed to such term in the letter agreement between such Member and Blackstone setting forth the terms of such Member becoming a Senior Managing Director or otherwise an employee (as applicable) of Blackstone (such agreement as from time to time amended and as in effect as of the applicable date, the “Employment Agreement”); provided, that with respect to any Member who is not a party to an Employment Agreement, “Cause” means the occurrence or existence of any of the following with respect to such Member, as determined fairly, reasonably, on an informed basis and in good faith by the Managing Member: (i) (w) any breach by any Member of any provision of any non-competition agreement, (x) any material breach of this Agreement or any rules or regulations applicable to such Member that are established by the Managing Member, (y) such Member’s deliberate failure to perform his or her duties to the Company or any of its Affiliates, or (z) such Member’s committing to or engaging in any conduct or behavior that is or may be harmful to the Company or any of its Affiliates in a material way as determined by the Managing Member; provided, that in the case of any of the foregoing clauses (w), (x), (y) and (z), the Managing Member has given such Member written notice (a “Notice of Breach”) within fifteen days after the Managing Member becomes aware of such action and such Member fails to cure such breach, failure to perform or conduct or behavior within fifteen days after receipt of such Notice of Breach from the Managing Member (or such longer period, not to exceed an additional fifteen days, as shall be reasonably required for such cure, provided that such Member is diligently pursuing such cure); (ii) any act of fraud, misappropriation, dishonesty, embezzlement or similar conduct against the Company or any of its Affiliates; or (iii) conviction (on the basis of a trial or by an accepted plea of guilty or *nolo contendere*) of a felony or crime (including any misdemeanor charge involving moral turpitude, false statements or misleading omissions, forgery, wrongful taking, embezzlement, extortion or bribery), or a determination by a court of competent jurisdiction, by a regulatory body or by a self-regulatory body having authority with respect to securities laws, rules or regulations of the applicable securities industry, that such Member individually has violated any applicable securities laws or any rules or regulations

thereunder, or any rules of any such self-regulatory body (including, without limitation, any licensing requirement), if such conviction or determination has a material adverse effect on (A) such Member's ability to function as a Member of the Company, taking into account the services required of such Member and the nature of the business of the Company and its Affiliates or (B) the business of the Company and its Affiliates.

"Clawback Adjustment Amount" has the meaning set forth in Section 5.8(e).

"Clawback Amount" means the "Clawback Amount" (as defined in Section 9.4 of the BGCS Master Fund Agreement) and any other clawback amount payable to the limited partners of BGCS pursuant to any BGCS Agreement, as applicable.

"Clawback Provisions" means Section 9.4 of the BGCS Master Fund Agreement and any other similar provisions in any other BGCS Agreement existing heretofore or hereafter entered into.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, or any successor statute. Any reference herein to a particular provision of the Code means, where appropriate, the corresponding provision in any successor statute.

"Commitment Agreements" means the agreements between the Company and the Members, pursuant to which each Member undertakes certain obligations, including the obligation to make capital contributions pursuant to Sections 4.1 and 7.1. The Commitment Agreements are hereby incorporated by reference as between the Company and the relevant Member.

"Company" has the meaning set forth in the preamble hereto.

"Contingent" means subject to repurchase rights and/or other requirements.

The term "control" when used with reference to any person means the power to direct the management and policies of such person, directly or indirectly, by or through stock or other equity ownership, agency or otherwise, or pursuant to or in connection with an agreement, arrangement or understanding (written or oral) with one or more other persons by or through stock ownership, agency or otherwise; and the terms "*controlling*" and "*controlled*" shall have meanings correlative to the foregoing.

"Controlled Entity" when used with reference to another person means any person controlled by such other person.

"Deceased Member" means any Member or Withdrawn Member who has died or who suffers from Incompetence. For purposes hereof, references to a Deceased Member shall refer collectively to the Deceased Member and the estate and heirs or legal representative of such Deceased Member, as the case may be, that have received such Deceased Member's interest in the Company.

"Default Interest Rate" means the lower of (i) the sum of (a) the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A., as its prime rate and (b) 5%, or (ii) the highest rate of interest permitted under applicable law.

"Estate Planning Vehicle" has the meaning set forth in Section 6.3.

“Excess Holdback” has the meaning set forth in Section 4.1(d).

“Excess Holdback Percentage” has the meaning set forth in Section 4.1(d).

“Excess Tax-Related Amount” has the meaning set forth in Section 5.8(e).

“Existing Member” means any Member who is neither a Retaining Withdrawn Member nor a Deceased Member.

“Final Event” means the death, Total Disability, Incompetence, Bankruptcy, liquidation, dissolution or withdrawal from the Company of any person who is a Member.

“Firm Advances” has the meaning set forth in Section 7.1.

“Firm Collateral” means a Member’s or Withdrawn Member’s interest in one or more partnerships or limited liability companies, in either case affiliated with the Company, and certain other assets of such Member or Withdrawn Member, in each case that has been pledged or made available to the Trustee(s) to satisfy all or any portion of the Excess Holdback of such Member or Withdrawn Member as more fully described in the Company’s books and records; provided, that for all purposes hereof (and any other agreement (e.g., the Trust Agreement) that incorporates the meaning of the term “Firm Collateral” by reference), references to “Firm Collateral” shall include “Special Firm Collateral”, excluding references to “Firm Collateral” in Section 4.1(d)(v) and Section 4.1(d)(viii).

“Firm Collateral Realization” has the meaning set forth in Section 4.1(d)(v)(B) with respect to Firm Collateral, and Section 4.1(d)(viii)(B) with respect to Special Firm Collateral.

“Fiscal Year” means a calendar year, or any other period chosen by the Managing Member.

“Fund GP” means the Company (only with respect to the GP-Related BGCS Interest) and the Other Fund GPs.

“GAAP” has the meaning specified in Section 5.1(a).

“Giveback Amount” means the amount of the Company’s “giveback” obligations under the Giveback Provisions.

“Giveback Provisions” means Section 5.2(b) and (c) of each of the BGCS Overseas Fund Agreement and the BGCS Master Fund Agreement and any other similar provisions in any other BGCS Agreement existing heretofore or hereafter entered into.

“GP-Related BGCS Interest” means the interest held by the Company in BGCS, in the Company’s capacity as general partner of BGCS, excluding any Capital Commitment BGCS Interest that may be held by the Company.

“GP-Related BGCS Investment” means the Company’s interest in an Investment (for purposes of this definition, as defined in the BGCS Partnership Agreement), in the Company’s capacity as the general partner\of BGCS, excluding any Capital Commitment Investment.

“GP-Related Capital Account” has the meaning set forth in Section 5.2.

“GP-Related Capital Contribution” has the meaning set forth in Section 4.1(a).

“GP-Related Class A Interest” has the meaning set forth in Section 5.8(a).

“GP-Related Class B Interest” has the meaning set forth in Section 5.8(a).

“GP-Related Commitment” with respect to any Member means such Member’s commitment to the Company relating to such Member’s GP-Related Member Interest, as set forth in the books and records of the Company, including, without limitation, any such commitment that may be set forth in such Member’s Commitment Agreement or SMD Agreement, if any.

“GP-Related Defaulting Party” has the meaning set forth in Section 5.8(d).

“GP-Related Deficiency Contribution” has the meaning set forth in Section 5.8(d).

“GP-Related Disposable Investment” has the meaning set forth in Section 5.8(a).

“GP-Related Giveback Amount” has the meaning set forth in Section 5.8(d).

“GP-Related Investment” means any investment (direct or indirect) of the Company in respect of the GP-Related BGCS Interest (including, without limitation, any GP-Related BGCS Investment but excluding any Capital Commitment Investment).

“GP-Related Member Interest” of a Member means all interests of such Member in the Company (other than such Member’s Capital Commitment Member Interest), including, without limitation, such Member’s interest in the Company with respect to the GP-Related BGCS Interest and with respect to all GP-Related Investments.

“GP-Related Net Income (Loss)” has the meaning set forth in Section 5.1(b).

“GP-Related Profit Sharing Percentage” means the “Carried Interest Sharing Percentage” and “Non-Carried Interest Sharing Percentage” of each Member; provided that any references in this Agreement to GP-Related Profit Sharing Percentages made (a) in connection with voting or voting rights or (b) GP-Related Capital Contributions with respect to GP-Related Investments (including Section 5.3(b)) means the “Non-Carried Interest Sharing Percentage” of each Member; provided further that, the term “GP-Related Profit Sharing Percentage” shall not include any Capital Commitment Profit Sharing Percentage.

“GP-Related Recontribution Amount” has the meaning set forth in Section 5.8(d).

“GP-Related Required Amounts” has the meaning set forth in Section 4.1(a).

“GP-Related Unallocated Percentage” has the meaning set forth in Section 5.3(b).

“GP-Related Unrealized Net Income (Loss)” attributable to any GP-Related BGCS Investment as of any date means the GP-Related Net Income (Loss) that would be realized by the Company with respect to such GP-Related BGCS Investment if BGCS’s entire portfolio of investments were sold on such date for cash in an amount equal to their aggregate value on such date (determined in accordance with Section 5.1(e)) and all distributions payable by BGCS to the Company (indirectly through the general partner of BGCS) pursuant to the BGCS Partnership Agreement with respect to such GP-Related BGCS Investment were made on such date.

“GP- Related Unrealized Net Income (Loss)” attributable to any other GP-Related Investment (other than a Capital Commitment Investment) as of any date means the GP-Related Net Income (Loss) that would be realized by the Company with respect to such GP-Related Investment if such GP-Related Investment were sold on such date for cash in an amount equal to its value on such date (determined in accordance with Section 5.1(e)).

“GSO Fund” means (i) any of GSO Capital Opportunities Fund LP, GSO Capital Opportunities Overseas Fund L.P., GSO Capital Opportunities Overseas Master Fund L.P., GSO Liquidity Partners LP, GSO Liquidity Overseas Partners LP, Blackstone / GSO Capital Solutions Fund LP, Blackstone / GSO Capital Solutions Overseas Fund L.P. and Blackstone / GSO Capital Solutions Overseas Master Fund L.P., or (ii) any alternative vehicle or parallel fund relating to any of the partnerships referred to in clause (i) above. “Holdback” has the meaning set forth in Section 4.1(d).

“Holdback Percentage” has the meaning set forth in Section 4.1(d).

“Holdback Vote” has the meaning set forth in Section 4.1(d).

“Holdings” has the meaning set forth in the preamble hereto.

“Incompetence” means, with respect to any Member, the determination by the Managing Member in its sole discretion, after consultation with a qualified medical doctor, that such Member is incompetent to manage his person or his property.

“Inflation Index” means (i) the GNP deflator, which is the fixed-weighted price index representing the average change in the United States gross national product as published in the Survey of Current Business by the National Income and Wealth Division of the Bureau of Economic Analysis of the U.S. Department of Commerce, or (ii) such other index measuring changes in economic prices in the United States as shall be selected by the Managing Member.

“Initial Holdback Percentages” has the meaning set forth in Section 4.1(d).

“Interest” means a limited liability company interest (as defined in § 18-101(8) of the LLC Act) in the Company, including those that are held by a Retaining Withdrawn Member and including any Member’s GP-Related Member Interest and Capital Commitment Member Interest.

“Investment” means any investment (direct or indirect) of the Company designated by the Managing Member from time to time as an investment in which the Members’ respective interests shall be established and accounted for on a basis separate from the Company’s other businesses, activities and investments, including (a) GP-Related Investments, and (b) Capital Commitment Investments.

“Investor Note” means a promissory note of a Member evidencing indebtedness incurred by such Member to purchase a Capital Commitment Interest, the terms of which were or are approved by the Managing Member and which is secured by such Capital Commitment Interest, all other Capital Commitment Interests of such Member and all other interests of such Member in Blackstone Collateral Entities; provided, that such promissory note may also evidence indebtedness relating to other interests of such Member in Blackstone Collateral Entities, and such indebtedness shall be prepayable with Capital Commitment Net Income (whether or not such indebtedness relates to Capital Commitment Investments) as set forth in this Agreement, the Investor Note, the other BCE Agreements and any documentation relating to Other Sources;

provided further, that references to “Investor Notes” herein refer to multiple loans made pursuant to such note, whether made with respect to Capital Commitment Investments or other BCE Investments, and references to an “Investor Note” refer to one such loan as the context requires. In no way shall any indebtedness incurred to acquire Capital Commitment Interests or other interests in Blackstone Collateral Entities be considered part of the Investor Notes for purposes hereof if the Lender or Guarantor is not the lender or guarantor with respect thereto.

“Investor Special Member” means any Special Member so designated at the time of its admission by the Managing Member as a Member of the Company.

“Issuer” means the issuer of any Security comprising part of an Investment.

“L/C” has the meaning set forth in Section 4.1(d).

“L/C Member” has the meaning set forth in Section 4.1(d).

“LLC Act” means the Delaware Limited Liability Company Act, 6 Del.C. § 18-101, et seq., as it may be amended from time to time, and any successor to such Act.

“Lender or Guarantor” means Blackstone Holdings I L.P., in its capacity as lender or guarantor under the Investor Notes, or any other Affiliate of the Company that makes or guarantees loans to enable a Member to acquire Capital Commitment Interests or other interests in Blackstone Collateral Entities.

“Loss Amount” has the meaning set forth in Section 5.8(e).

“Loss Investment” has the meaning set forth in Section 5.8(e).

“Majority in Interest of the Members” on any date (a “vote date”) means one or more persons who are Members (including the Managing Member but excluding Nonvoting Special Members) on the vote date and who, as of the last day of the most recent accounting period ending on or prior to the vote date (or as of such later date on or prior to the vote date selected by the Managing Member as of which the Members’ capital account balances can be determined), have aggregate capital account balances representing at least a majority in amount of the total capital account balances of all the persons who are Members (including the Managing Member but excluding Nonvoting Special Members) on the vote date.

“Managing Member” has the meaning specified in the preamble hereto.

“Member” means any person who is a member of the Company, including the Regular Members, the Managing Member and the Special Members. Except as otherwise specifically provided herein, no group of Members, including the Special Members and any group of Members in the same Member Category, shall have any right to vote as a class on any matter relating to the Company, including, but not limited to, any merger, reorganization, dissolution or liquidation.

“Member Category” means the Managing Member, Existing Members, Retaining Withdrawn Members or Deceased Members, each referred to as a group for purposes hereof.

“Moody’s” means Moody’s Investors Services, Inc., or any successor thereto.

“Net Carried Interest Distribution” has the meaning set forth in Section 5.8(e).

“Net Carried Interest Distribution Recontribution Amount” has the meaning set forth in Section 5.8(e).

“Net GP-Related Recontribution Amount” has the meaning set forth in Section 5.8(d).

“Non-Carried Interest” means, with respect to each GP-Related Investment, all amounts of distributions, other than Carried Interest and other than Capital Commitment Distributions, received by the Company with respect to such GP-Related Investment, less any costs, fees and expenses of the Company with respect thereto and less reasonable reserves for payment of costs, fees and expenses of the Company that are anticipated with respect thereto, in each case which the Managing Member may allocate to all or any portion of the GP-Related Investments as it may determine in good faith is appropriate.

“Non-Carried Interest Sharing Percentage” means, with respect to each GP-Related Investment, the percentage interest of a Member in Non-Carried Interest from such GP-Related Investment set forth in the books and records of the Company.

“Non-Contingent” means generally not subject to repurchase rights or other requirements.

“Nonvoting Special Member” has the meaning set forth in Section 6.1(a).

“Other Blackstone Collateral Entity” means any Blackstone Entity (other than any limited partnership, limited liability company or other entity named or referred to in the definition of any of “BFREP,” “BFIP,” “BFMEZP” or “BFCOMP”) in which any limited partner interest, limited liability company interest, unit or other interest is pledged to secure any Investor Note.

“Other Fund GPs” means any entity (other than the Company) through which any Member or Withdrawn Member directly receives any amounts of Carried Interest and any successor thereto; provided, that this includes any other entity which has in its organizational documents a provision which indicates that it is a “Fund GP” or an “Other Fund GP”; provided further, that notwithstanding any of the foregoing, neither Holdings nor any estate planning vehicle established for the benefit of family members of any Member shall be considered a “Fund GP” for purposes hereof.

“Other Sources” means (i) distributions or payments of Capital Commitment Member Carried Interest (which shall include amounts of Capital Commitment Member Carried Interest which are not distributed or paid to a Member but are instead contributed to a trust (or similar arrangement) to satisfy any “holdback” obligation with respect thereto), and (ii) distributions from Blackstone Collateral Entities (other than the Company) to such Member.

“Parallel Fund” means any additional collective investment vehicles (or other similar arrangements) formed pursuant to Section 2.10 of the BGCS Overseas Fund Agreement.

“Prime Rate” means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A. as its prime rate.

“Qualifying Fund” means any fund designated by the Managing Member as a “Qualifying Fund”.

“Regular Member” means any Member, excluding the Managing Member and any Special Members.

“Repurchase Period” has the meaning set forth in Section 5.8(b).

“Required Rating” has the meaning set forth in Section 4.1(d)(vi).

“Retained Portion” has the meaning set forth in Section 7.6.

“Retaining Withdrawn Member” means a Withdrawn Member who has retained a GP-Related Member Interest, pursuant to Section 6.5(f) or otherwise. A Retaining Withdrawn Member shall be considered a Nonvoting Special Member for all purposes hereof.

“Securities” means any debt or equity securities of an Issuer and its subsidiaries and other Controlled Entities constituting part of an Investment, including without limitation common and preferred stock, interests in limited partnerships and interests in limited liability companies (including warrants, rights, put and call options and other options relating thereto or any combination thereof), notes, bonds, debentures, trust receipts and other obligations, instruments or evidences of indebtedness, choses in action, other property or interests commonly regarded as securities, interests in real property, whether improved or unimproved, interests in oil and gas properties and mineral properties, short-term investments commonly regarded as money-market investments, bank deposits and interests in personal property of all kinds, whether tangible or intangible.

“Settlement Date” has the meaning set forth in Section 6.5(a).

“SMD Agreements” means the agreements between the Company and/or one or more of its Affiliates and certain of the Members, pursuant to which each such Member undertakes certain obligations with respect to the Company and/or its Affiliates. The SMD Agreements are hereby incorporated by reference as between the Company and the relevant Member.

“Special Firm Collateral” means interests in a Qualifying Fund or other assets that have been pledged to the Trustee(s) to satisfy all or any portion of a Member’s or Withdrawn Member’s Holdback (excluding any Excess Holdback) as more fully described in the Company’s books and records.

“Special Firm Collateral Realization” has the meaning set forth in Section 4.1(d).

“Special Member” means any person shown on the books and records of the Company as a Special Member of the Company, including any Nonvoting Special Member and any Investor Special Member.

“S&P” means Standard & Poor’s Ratings Group, and any successor thereto.

“Subject Investment” has the meaning set forth in Section 5.8(e).

“Subject Member” has the meaning set forth in Section 4.1(d).

“Successor in Interest” means any (i) shareholder of; (ii) trustee, custodian, receiver or other person acting in any Bankruptcy or reorganization proceeding with respect to; (iii) assignee for the benefit of the creditors of; (iv) officer, director or partner of; (v) trustee or receiver, or

former officer, director or partner, or other fiduciary acting for or with respect to the dissolution, liquidation or termination of; or (vi) other executor, administrator, committee, legal representative or other successor or assign of, any Partner, whether by operation of law or otherwise.

“Total Disability” means the inability of a Member substantially to perform the services required of a Regular Member for a period of six consecutive months by reason of physical or mental illness or incapacity and whether arising out of sickness, accident or otherwise.

“Trust Account” has the meaning set forth in the Trust Agreement.

“Trust Agreement” means the Trust Agreement, dated as of the date set forth therein, as amended to date, among the Members, the Trustee(s) and certain other persons that may receive distributions in respect of or relating to Carried Interest from time to time.

“Trust Amount” has the meaning set forth in the Trust Agreement.

“Trust Income” has the meaning set forth in the Trust Agreement.

“Trustee(s)” has the meaning set forth in the Trust Agreement.

“Unadjusted Carried Interest Distribution” has the meaning set forth in Section 5.8(e).

“Unallocated Capital Commitment Interests” has the meaning set forth in Section 8.1(f).

“Withdraw” or “Withdrawal” with respect to a Member means a Member ceasing to be a member of the Company (except as a Retaining Withdrawn Member) for any reason (including death, disability, removal, resignation or retirement, whether such is voluntary or involuntary), unless the context shall limit the type of withdrawal to a specific reason, and “Withdrawn” with respect to a Member means, as aforesaid, a Member who has ceased to be a member of the Company.

“Withdrawal Date” means the date of Withdrawal from the Company of a Withdrawn Member.

“Withdrawn Member” means a Member whose interest in the Company has been terminated for any reason, including the occurrence of an event specified in Section 6.2, and shall include, unless the context requires otherwise, the estate or legal representatives of any such Member.

1.2. Terms Generally. The definitions in Section 1.1 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The term “person” includes individuals, partnerships (including limited liability partnerships), companies (including limited liability companies), joint ventures, corporations, trusts, governments (or agencies or political subdivisions thereof) and other associations and entities. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”.

ARTICLE II

GENERAL PROVISIONS

2.1. Managing, Regular and Special Members. The Members may be Managing Members, Regular Members or Special Members (including Investor Special Members). The Managing Member as of the date hereof is Holdings, the Regular Members as of the date hereof are those persons shown as Regular Members in the books and records of the Company, and the Special Members as of the date hereof are persons shown as Special Members in the books and records of the Company. The books and records of the Company contain the GP-Related Profit Sharing Percentage and GP-Related Commitment of each such Member with respect to the GP-Related Investments of the Company as of the date hereof. The books and records of the Company contain the Capital Commitment Profit Sharing Percentage and Capital Commitment-Related Commitment of each such Member with respect to the Capital Commitment Investments of the Company as of the date hereof. The books and records of the Company shall be amended by the Managing Member from time to time to reflect additional GP-Related Investments, additional Capital Commitment Investments, dispositions by the Company of GP-Related Investments, dispositions by the Company of Capital Commitment Investments, the GP-Related Profit Sharing Percentages of the Members, as modified from time to time, the Capital Commitment Profit Sharing Percentages of the Members, as modified from time to time, the admission and withdrawal of Members and the transfer or assignment of interests in the Company pursuant to the terms of this Agreement. At the time of admission of each additional Member, the Managing Member shall determine in its sole discretion the GP-Related Investments and Capital Commitment Investments in which such Member shall participate and such Member's GP-Related Commitment, Capital Commitment-Related Commitment, GP-Related Profit Sharing Percentage with respect to each such GP-Related Investment and Capital Commitment Profit Sharing Percentage with respect to each such Capital Commitment Investment. Each Member may have a GP-Related Member Interest and/or a Capital Commitment Member Interest.

2.2. Formation; Name; Foreign Jurisdictions. The Company is hereby continued as a limited liability company pursuant to the LLC Act and shall continue to conduct its activities under the name of Blackstone / GSO Capital Solutions Overseas Associates LLC. The certificate of formation of the Company may be amended and/or restated from time to time by the Managing Member, as an "authorized person" (within the meaning of the LLC Act). The Managing Member is further authorized to execute and deliver and file any other certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in a jurisdiction in which the Company may wish to conduct business.

2.3. Term. The term of the Company shall continue until December 31, 2059, unless earlier dissolved and its affairs wound up in accordance with this Agreement.

2.4. Purposes; Powers. (a) The purposes of the Company shall be, directly or indirectly through subsidiaries or Affiliates,

(i) to serve as the general partner of BGCS (including any Alternative Vehicle and any Parallel Fund) and perform the functions of a general partner of BGCS (including any Alternative Vehicle and any Parallel Fund) specified in the BGCS Agreements,

(ii) to serve as a capital partner and/or limited partner of BGCS (including any Alternative Vehicle and any Parallel Fund) and perform the functions of a capital partner and/or limited partner of BGCS (including any Alternative Vehicle and any Parallel Fund) specified in the BGCS Agreements,

(iii) to serve as a general partner or limited partner of other partnerships and perform the functions of a general partner or limited partner specified in the respective partnership agreements, as amended, supplemented or otherwise modified from time to time, of any such partnership,

(iv) to serve as a member of limited liability companies and perform the functions of a member specified in the respective limited liability company agreements, as amended, supplemented or otherwise modified from time to time, of any such limited liability company,

(v) to invest in Capital Commitment Investments and/or GP-Related Investments and acquire and invest in Securities or other property (directly or indirectly through BGCS (including any Alternative Vehicle and any Parallel Fund), including, without limitation, in connection with any action referred to in any of clauses (i) through (iv) above,

(vi) to carry on such other businesses, perform such other services and make such other investments as are deemed desirable by the Managing Member and as are permitted under the LLC Act, the BGCS Agreements, the respective partnership agreement of any partnership referred to in clause (iii) above and the respective limited liability company agreement of any limited liability company referred to in clause (iv) above, in the case of each of the foregoing, as amended, supplemented or otherwise modified from time to time,

(vii) any other lawful purpose, and

(viii) to do all things necessary, desirable, convenient or incidental thereto.

(b) In furtherance of its purposes, the Company shall have all powers necessary, suitable or convenient for the accomplishment of its purposes, alone or with others, as principal or agent, including the following:

(i) to be and become a general or limited partner of partnerships, a member of limited liability companies, a holder of common and preferred stock of corporations and/or an investor in the foregoing entities or other entities, in connection with the making of Investments or the acquisition, holding or disposition of Securities or other property or as otherwise deemed appropriate by the Managing Member in the conduct of the Company's business, and to take any action in connection therewith;

(ii) to acquire and invest in general or limited partner interests, in limited liability company interests, in common and preferred stock of corporations and/or in other interests in or obligations of the foregoing entities or other entities and in Investments and Securities or other property or direct or indirect interests therein, whether such Investments and Securities or other property are readily marketable or not, and to receive, hold, sell, dispose of or otherwise transfer any such partner interests, limited liability company interests, stock, interests, obligations, Investments or Securities or other property and any dividends and distributions thereon and to purchase and sell, on margin, and be long or short, futures contracts and to purchase and sell, and be long or short, options on futures contracts;

(iii) to buy, sell and otherwise acquire investments, whether such investments are readily marketable or not;

(iv) to invest and reinvest the cash assets of the Company in money-market or other short-term investments;

(v) to hold, receive, mortgage, pledge, lease, transfer, exchange or otherwise dispose of, grant options with respect to, and otherwise deal in and exercise all rights, powers, privileges and other incidents of ownership or possession with respect to, all property held or owned by the Company;

(vi) to borrow or raise money from time to time and to issue promissory notes, drafts, bills of exchange, warrants, bonds, debentures and other negotiable and non-negotiable instruments and evidences of indebtedness, to secure payment of the principal of any such indebtedness and the interest thereon by mortgage, pledge, conveyance or assignment in trust of, or the granting of a security interest in, the whole or any part of the property of the Company, whether at the time owned or thereafter acquired, to guarantee the obligations of others and to buy, sell, pledge or otherwise dispose of any such instrument or evidence of indebtedness;

(vii) to lend any of its property or funds, either with or without security, at any legal rate of interest or without interest;

(viii) to have and maintain one or more offices within or without the State of Delaware, and in connection therewith, to rent or acquire office space, engage personnel and compensate them and do such other acts and things as may be advisable or necessary in connection with the maintenance of such office or offices;

(ix) to open, maintain and close accounts, including margin accounts, with brokers;

(x) to open, maintain and close bank accounts and draw checks and other orders for the payment of moneys;

(xi) to engage accountants, auditors, custodians, investment advisers, attorneys and any and all other agents and assistants, both professional and nonprofessional, and to compensate any of them as may be necessary or advisable;

(xii) to form or cause to be formed and to own the stock of one or more corporations, whether foreign or domestic, to form or cause to be formed and to participate in partnerships and joint ventures, whether foreign or domestic and to form or cause to be formed and be a member or manager or both of one or more limited liability companies;

(xiii) to enter into, make and perform all contracts, agreements and other undertakings as may be necessary, convenient, advisable or incident to carrying out its purposes;

(xiv) to sue and be sued, to prosecute, settle or compromise all claims against third parties, to compromise, settle or accept judgment to claims against the Company, and to execute all documents and make all representations, admissions and waivers in connection therewith;

(xv) to distribute, subject to the terms of this Agreement, at any time and from time to time to the Members cash or investments or other property of the Company, or any combination thereof; and

(xvi) to take such other actions necessary, desirable, convenient or incidental thereto and to engage in such other businesses as may be permitted under Delaware law.

2.5. Place of Business. The Company shall maintain a registered office at The Corporation Trust Company, 1209 Orange Street, New Castle County, Wilmington, Delaware 19801. The Company shall maintain an office and principal place of business at such place or places as the Managing Member specifies from time to time and as set forth in the books and records of the Company. The name and address of the Company's registered agent is The Corporation Trust Company, 1209 Orange Street, New Castle County, Wilmington, Delaware 19801. The Managing Member may from time to time change the registered agent or office by an amendment to the certificate of formation of the Company.

ARTICLE III

MANAGEMENT

3.1. Managing Member. (a) Holdings shall be an original managing member (the "Managing Member"). The Managing Member shall cease to be the Managing Member only if (i) it Withdraws from the Company for any reason, (ii) it consents in its sole discretion to resign as the Managing Member, or (iii) a Final Event with respect to it occurs. The Managing Member may not be removed without its consent. There may be one or more Managing Members. In the event that one or more other Managing Members is admitted to the Company as such, all references herein to the "Managing Member" in the singular form shall be deemed to also refer to such other Managing Members as may be appropriate. The relative rights and responsibilities of such Managing Members will be as agreed upon from time to time between them.

(b) Upon the Withdrawal from the Company or voluntary resignation of the last remaining Managing Member, all of the powers formerly vested therein pursuant to this Agreement and the LLC Act shall be exercised by a Majority in Interest of the Members.

3.2. Member Voting, etc.

(a) Except as otherwise expressly provided herein and except as may be expressly required by the LLC Act, Members (including Special Members) as such shall have no right to, and shall not, take part in the management or control of the Company's business or act for or bind the Company, and shall have only the rights and powers granted to Members of the applicable class herein.

(b) To the extent a Member is entitled to vote with respect to any matter relating to the Company, such Member shall not be obligated to abstain from voting on any matter (or vote in any particular manner) because of any interest (or conflict of interest) of such Member (or any Affiliate thereof) in such matter.

(c) Meetings of the Members may be called only by the Managing Member.

3.3. Management.

(a) The management, control and operation of the Company and the formulation and execution of business and investment policy shall be vested in the Managing Member. The Managing Member shall, in its discretion, exercise all powers necessary and convenient for the purposes of the Company, including those enumerated in Section 2.4, on behalf and in the name of the Company. All decisions and determinations (howsoever described herein) to be made by the Managing Member pursuant to this Agreement shall be made in its sole discretion, subject only to the express terms and conditions of this Agreement.

(b) Notwithstanding any provision in this Agreement to the contrary, the Company is hereby authorized, without the need for any further act, vote or consent of any person (directly or indirectly through one or more other entities, in the name and on behalf of the Company, on its own behalf or in its capacity as general partner of BGCS, or in the Company's capacity as a general or limited partner, member or other equity owner of any Company Affiliate (as hereinafter defined), (i) to execute and deliver, and to perform the Company's obligations under the BGCS Agreements, including, without limitation, serving as a general partner of BGCS, (ii) to execute and deliver, and to perform the Company's obligations under, the governing agreement, as amended, supplemented, restated or otherwise modified (each a "Company Affiliate Governing Agreement"), of any other partnership, limited liability company or other entity (each a "Company Affiliate") of which the Company is to become a general or limited partner, member or other equity owner, including without limitation, serving as a general or limited partner, member or other equity owner of each Company Affiliate, and (iii) to take any action, in the applicable capacity, contemplated by or arising out of this Agreement, the BGCS Agreements or any Company Affiliate Governing Agreement (and any amendment, supplement, restatement and/or other modification of any of the foregoing).

(c) The Managing Member and any other person designated by the Managing Member, each acting individually, is hereby authorized and empowered, as an authorized person of the Company or the Managing Member within the meaning of the LLC Act (the Managing Member hereby authorizing and ratifying any of the following actions):

(i) to execute and deliver and/or file (including any such action, directly or indirectly through one or more other entities, in the name and on behalf of the Company, on its own behalf or in its capacity as general partner of BGCS, or in the Company's capacity as a general or limited partner, member or other equity owner of any Company Affiliate, any of the following:

- (A) any agreement, certificate, instrument or other document of the Company, BGCS or any Company Affiliate (and any amendments, supplements, restatements and/or other modifications thereof), including, without limitation, the following: (I) the BGCS Agreements and each Company Affiliate Governing Agreement, (II) Subscription Agreements on behalf of BGCS, (III) side letters issued in connection with investments in BGCS, and (IV) such other agreements, certificates, instruments and other documents as may be necessary or desirable in furtherance of the purposes of the Company, BGCS or any Company Affiliate (and any amendments, supplements, restatements and/or other modifications of any of the foregoing referred to in (I) through (IV) hereof);
- (B) the certificates of formation, certificates of limited partnership and/or other organizational documents of the Company, BGCS or any Company Affiliate (and any amendments, supplements, restatements and/or other modifications thereof); and
- (C) any other certificates, notices, applications or other documents (and any amendments, supplements, restatements and/or other modifications thereof) to be filed with any government or governmental or regulatory body, including, without limitation, any such document that may be necessary for the Company, BGCS or any Company Affiliate to qualify to do business in a jurisdiction in which the Company, BGCS or such Company Affiliate desires to do business;

(ii) to prepare or cause to be prepared, and to sign, execute and deliver and/or file (including any such action, directly or indirectly through one or more other entities, in the name and on behalf of the Company, on its own behalf or in its capacity as general partner of BGCS, or in the Company's capacity as a general or limited partner, member or other equity owner of any Company Affiliate): (A) any certificates, forms, notices, applications or other documents to be filed with any government or governmental or regulatory body on behalf of the Company, BGCS or any Company Affiliate, (B) any certificates, forms, notices, applications or other documents that may be necessary or advisable in connection with any bank account of the Company, BGCS or any Company Affiliate or any banking facilities or services that may be utilized by the Company, BGCS or any Company Affiliate, and all checks, notes, drafts and other documents of the Company, BGCS or any Company Affiliate that may be required in connection with any such bank account, banking facilities or services, (C) resolutions with respect to any of the foregoing matters (which resolutions, when executed by any person authorized as provided in this Section 3.3(c), each acting individually, shall be deemed to have been adopted by the Managing Member, the Company, BGCS or any Company Affiliate, as applicable, for all purposes).

The authority granted to any person (other than the Managing Member) in this Section 3.3(c) may be revoked at any time by the Managing Member by an instrument in writing signed by the Managing Member.

3.4. Responsibilities of Members. (a) Unless otherwise determined by the Managing Member in a particular case, each Regular Member shall devote substantially all his time and attention to the businesses of the Company and its Affiliates, and each Special Member shall not be required to devote any time or attention to the businesses of the Company or its Affiliates.

(b) All outside business or investment activities of the Members (including outside directorships or trusteeships) shall be subject to such rules and regulations as are established by the Managing Member from time to time.

(c) The Managing Member may from time to time establish such other rules and regulations applicable to Members or other employees as the Managing Member deems appropriate, including rules governing the authority of Members or other employees to bind the Company to financial commitments or other obligations.

3.5. Exculpation and Indemnification. (a) **Liability to Members.** Notwithstanding any other provision of this Agreement, whether express or implied, to the fullest extent permitted by law, no Member nor any of such Member's representatives, agents or advisors nor any partner, member, officer, employee, representative, agent or advisor of the Company or any of its Affiliates (individually, a "**Covered Person**" and collectively, the "**Covered Persons**") shall be liable to the Company or any other Member for any act or omission (in relation to the Company, this Agreement, any related document or any transaction or investment contemplated hereby or thereby) taken or omitted by a Covered Person (other than any act or omission constituting Cause), unless there is a final and non-appealable judicial determination and/or determination of an arbitrator that such Covered Person did not act in good faith and in what such Covered Person reasonably believed to be in, or not opposed to, the best interests of the Company and within the authority granted to such Covered Person by this Agreement, and, with respect to any criminal act or proceeding, had reasonable cause to believe that such Covered Person's conduct was unlawful. Each Covered Person shall be entitled to rely in good faith on the advice of legal counsel to the Company, accountants and other experts or professional advisors, and no action taken by any Covered Person in reliance on such advice shall in any event subject such person to any liability to any Member or the Company. To the extent that, at law or in equity, a Member has duties (including

fiduciary duties) and liabilities relating thereto to the Company or to another Member, to the fullest extent permitted by law, such Member acting under this Agreement shall not be liable to the Company or to any such other Member for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they expand or restrict the duties and liabilities of a Member otherwise existing at law or in equity, are agreed by the Members, to the fullest extent permitted by law, to modify to that extent such other duties and liabilities of such Member.

(b) Indemnification. To the fullest extent permitted by law, the Company shall indemnify and hold harmless (but only to the extent of the Company's assets (including, without limitation, the remaining capital commitments of the Members) each Covered Person from and against any and all claims, damages, losses, costs, expenses and liabilities (including, without limitation, amounts paid in satisfaction of judgments, in compromises and settlements, as fines and penalties and legal or other costs and reasonable expenses of investigating or defending against any claim or alleged claim), joint and several, of any nature whatsoever, known or unknown, liquidated or unliquidated (collectively, "Losses"), arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, in which the Covered Person may be involved, or threatened to be involved, as a party or otherwise, by reason of such Covered Person's management of the affairs of the Company or which relate to or arise out of or in connection with the Company, its property, its business or affairs (other than claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, arising out of any act or omission of such Covered Person constituting Cause); provided, that a Covered Person shall not be entitled to indemnification under this Section with respect to any claim, issue or matter if there is a final and non-appealable judicial determination and/or determination of an arbitrator that such Covered Person did not act in good faith and in what such Covered Person reasonably believed to be in, or not opposed to, the best interest of the Company and within the authority granted to such Covered Person by this Agreement, and, with respect to any criminal act or proceeding, had reasonable cause to believe that such Covered Person's conduct was unlawful; provided further, that if such Covered Person is a Member or a Withdrawn Member, such Covered Person shall bear its share of such Losses in accordance with such Covered Person's GP-Related Profit Sharing Percentage in the Company as of the time of the actions or omissions that gave rise to such Losses. To the fullest extent permitted by law, expenses (including legal fees) incurred by a Covered Person (including, without limitation, the Managing Member) in defending any claim, demand, action, suit or proceeding may, with the approval of the Managing Member, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of a written undertaking by or on behalf of the Covered Person to repay such amount to the extent that it shall be subsequently determined that the Covered Person is not entitled to be indemnified as authorized in this Section, and the Company and its Affiliates shall have a continuing right of offset against such Covered Person's interests/investments in the Company and such Affiliates and shall have the right to withhold amounts otherwise distributable to such Covered Person to satisfy such repayment obligation. If a Member institutes litigation against a Covered Person which gives rise to an indemnity obligation hereunder, such Member shall be responsible, up to the amount of such Member's Interests and remaining capital commitment, for such Member's pro rata share of the Company's expenses related to such indemnity obligation, as determined by the Managing Member. The Company may purchase insurance, to the extent available at reasonable cost, to cover losses, claims, damages or liabilities covered by the foregoing indemnification provisions. Members will not be personally obligated with respect to indemnification pursuant to this Section.

3.6. Representations of Members .

(a) Each Regular or Special Member by execution of this Agreement (or by otherwise becoming bound by the terms and conditions hereof as provided herein or in the LLC Act) represents and warrants to every other Member and to the Company, except as may be waived by the

Managing Member, that such Member is acquiring each of such Member's Interests for such Member's own account for investment and not with a view to resell or distribute the same or any part hereof, and that no other person has any interest in any such Interest or in the rights of such Member hereunder; *provided*, that a Member may choose to make transfers for estate and charitable planning purposes (in accordance with the terms hereof). Each Regular or Special Member represents and warrants that such Member understands that the Interests have not been registered under the Securities Act of 1933 and therefore such Interests may not be resold without registration under such Act or exemption from such registration, and that accordingly such Member must bear the economic risk of an investment in the Company for an indefinite period of time. Each Regular or Special Member represents that such Member has such knowledge and experience in financial and business matters, that such Member is capable of evaluating the merits and risks of an investment in the Company, and that such Member is able to bear the economic risk of such investment. Each Regular or Special Member represents that such Member's overall commitment to the Company and other investments which are not readily marketable is not disproportionate to the Member's net worth and the Member has no need for liquidity in the Member's investment in Interests. Each Regular or Special Member represents that to the full satisfaction of the Member, the Member has been furnished any materials that such Member has requested relating to the Company, any Investment and the offering of Interests and has been afforded the opportunity to ask questions of representatives of the Company concerning the terms and conditions of the offering of Interests and any matters pertaining to each Investment and to obtain any other additional information relating thereto. Each Regular or Special Member represents that the Member has consulted to the extent deemed appropriate by the Member with the Member's own advisers as to the financial, tax, legal and related matters concerning an investment in Interests and on that basis believes that an investment in the Interests is suitable and appropriate for the Member.

(b) Each Regular or Special Member agrees that the representations and warranties contained in paragraph (a) above shall be true and correct as of any date that such Member (1) makes a capital contribution to the Company (whether as a result of Firm Advances made to such Member or otherwise) with respect to any Investment, and such Member hereby agrees that such capital contribution shall serve as confirmation thereof and/or (2) repays any portion of the principal amount of a Firm Advance, and such Member hereby agrees that such repayment shall serve as confirmation thereof.

3.7. Tax Information. Each Regular or Special Member certifies that (A) if the Member is a United States person (as defined in the Code) (x) (i) the Member's name, social security number (or, if applicable, employer identification number) and address provided to the Company and its Affiliates pursuant to an IRS Form W-9, Payer's Request for Taxpayer Identification Number Certification ("W-9") or otherwise are correct and (ii) the Member will complete and return a W-9, and (y) (i) the Member is a United States person (as defined in the Code) and (ii) the Member will notify the Company within 60 days of a change to foreign (non-United States) status or (B) if the Member is not a United States person (as defined in the Code) (x) (i) the information on the completed IRS Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding ("W-8BEN") or other applicable form, including but not limited to IRS Form W-8IMY, Certificate of Foreign Intermediary, Foreign Partnership, or Certain U.S. Branches for United States Tax Withholding ("W-8IMY"), or otherwise is correct and (ii) the Member will complete and return the applicable IRS form, including but not limited to a W-8BEN or W-8IMY, and (y) (i) the Member is not a United States person (as defined in the Code) and (ii) the Member will notify the Company within 60 days of any change of such status. The Member agrees to properly execute and provide to the Company in a timely manner any tax documentation that may be reasonably required by the Company or the Managing Member.

ARTICLE IV
CAPITAL OF THE COMPANY

4.1. Capital Contributions by Members .

(a) Each Regular Member shall be required to make capital contributions to the Company (“GP-Related Capital Contributions”) at such times and in such amounts (the “GP-Related Required Amounts”) as are required to satisfy the Company’s obligation to make capital contributions to BGCS in respect of any GP-Related BGCS Investment and as are otherwise determined by the Managing Member from time to time or as may be set forth in such Regular Member’s Commitment Agreement or SMD Agreement, if any. Special Members shall not be required to make GP-Related Capital Contributions to the Company in excess of the GP-Related Required Amounts, except (i) as a condition of an increase in such Special Member’s GP-Related Profit Sharing Percentage or (ii) as specifically set forth in this Agreement; provided, that the Managing Member and any Special Member may agree from time to time that such Special Member shall make an additional GP-Related Capital Contribution to the Company; provided further, that each Investor Special Member shall maintain its GP-Related Capital Accounts at an aggregate level equal to the product of (i) its GP-Related Profit Sharing Percentage from time to time and (ii) the total capital of the Company related to the GP-Related BGCS Interest.

(b) Each GP-Related Capital Contribution by a Member shall be credited to the appropriate GP-Related Capital Account of such Member in accordance with Section 5.2.

(c) The Managing Member may elect on a case by case basis to (i) cause the Company to loan any Member (including any additional Member admitted to the Company pursuant to Section 6.1 but excluding any Members that are also executive officers of The Blackstone Group L.P. or any Affiliate thereof) the amount of any GP-Related Capital Contribution required to be made by such Member or (ii) permit any Member (including any additional Member admitted to the Company pursuant to Section 6.1) to make a required GP-Related Capital Contribution to the Company in installments, in each case on terms determined by the Managing Member.

(d)(i) The Members and the Withdrawn Members have entered into the Trust Agreement, pursuant to which certain amounts of Carried Interest will be paid to the Trustee(s) for deposit in the Trust Account (such amounts to be paid to the Trustee(s) for deposit in the Trust Account constituting a “Holdback”). The Managing Member shall determine, as set forth below, the percentage of Carried Interest that shall be withheld for the Managing Member and each Member Category (such withheld percentage constituting the Managing Member’s and such Member Category’s “Holdback Percentage”). The applicable Holdback Percentages initially shall be 0% for the Managing Member, 15% for Existing Members (other than the Managing Member), 21% for Retaining Withdrawn Members (other than the Managing Member) and 24% for Deceased Members (the “Initial Holdback Percentages”). Any provision of this Agreement not the contrary notwithstanding, the Holdback Percentage for the Managing Member shall not be subject to change pursuant to clause (ii), (iii) or (iv) of this Section 4.1(d).

(ii) The Holdback Percentage may not be reduced for any individual Member as compared to the other Members in his Member Category (except as provided in clause (iv) below). The Managing Member may only reduce the Holdback Percentages among the Member Categories on a proportionate basis. For example, if the Holdback Percentage for Existing Members is decreased to 12.5%, the Holdback Percentage for Retaining Withdrawn Members and Deceased Members shall be reduced to 17.5% and 20%, respectively. Any reduction in the Holdback Percentage for any Member shall apply only to distributions relating to Carried Interest made after the date of such reduction.

(iii) The Holdback Percentage may not be increased for any individual Member as compared to the other Members in his Member Category (except as provided in clause (iv) below). The Managing Member may not increase the Retaining Withdrawn Members' Holdback Percentage beyond 21% unless the Managing Member concurrently increases the Existing Members' Holdback Percentage to the Holdback Percentage of the Retaining Withdrawn Members. The Managing Member may not increase the Deceased Members' Holdback Percentage beyond 24% unless the Managing Member increases the Holdback Percentage for both Existing Members and Retaining Withdrawn Members to 24%. The Managing Member may not increase the Holdback Percentage of any Member Category beyond 24% unless such increase applies equally to all Member Categories. Any increase in the Holdback Percentage for any Member shall apply only to distributions relating to Carried Interest made after the date of such increase. The foregoing shall in no way prevent the Managing Member from proportionately increasing the Holdback Percentage of any Member Category (following a reduction of the Holdback Percentages below the Initial Holdback Percentages), if the resulting Holdback Percentages are consistent with the above. For example, if the Managing Member reduces the Holdback Percentages for Existing Members, Retaining Withdrawn Members and Deceased Members to 12.5%, 17.5% and 20%, respectively, the Managing Member shall have the right to subsequently increase the Holdback Percentages to the Initial Holdback Percentages.

(iv)(A) Notwithstanding anything contained herein to the contrary, the Company may increase or decrease the Holdback Percentage for any Member in any Member Category (in such capacity, the "Subject Member") pursuant to a majority vote of the Regular Members (a "Holdback Vote"); provided, that, notwithstanding anything to the contrary contained herein, the Holdback Percentage applicable to the Managing Member shall not be increased or decreased without its prior written consent; provided further, that a Subject Member's Holdback Percentage shall not be (I) increased prior to such time as such Subject Member (x) is notified by the Company of the decision to increase such Subject Member's Holdback Percentage and (y) has, if requested by such Subject Member, been given 30 days to gather and provide information to the Company for consideration before a second Holdback Vote (requested by the Subject Member) or (II) decreased unless such decrease occurs subsequent to an increase in a Subject Member's Holdback Percentage pursuant to a Holdback Vote under this clause (iv); provided further, that such decrease shall not exceed an amount such that such Subject Member's Holdback Percentage is less than the prevailing Holdback Percentage for the Member Category of such Subject Member; provided further, that a Member shall not vote to increase a Subject Member's Holdback Percentage unless such voting Member determines, in his good faith judgment, that the facts and circumstances indicate that it is reasonably likely that such Subject Member, or any of his successors or assigns (including his estate or heirs) who at the time of such vote holds the GP-Related Member Interest or otherwise has the right to receive distributions relating thereto, will not be capable of satisfying any GP-Related Recontribution Amounts that may become due.

- (B) A Holdback Vote shall take place at a Company meeting. Each Regular Member shall be entitled to cast one vote with respect to the Holdback Vote regardless of such Regular Member's interest in the Company. Such vote may be cast by any Regular Member in person or by proxy.

- (C) If the result of the second Holdback Vote is an increase in a Subject Member's Holdback Percentage, such Subject Member may submit the decision to an arbitrator, the identity of which is mutually agreed upon by both the Subject Member and the Company; provided, that if the Company and the Subject Member cannot agree upon a mutually satisfactory arbitrator within 10 days of the second Holdback Vote, each of the Company and the Subject Member shall request their candidate for arbitrator to select a third arbitrator satisfactory to such candidates; provided further, that if such candidates fail to agree upon a mutually satisfactory arbitrator within 30 days of such request, the then sitting President of the American Arbitration Association shall unilaterally select the arbitrator. Each Subject Member that submits the decision of the Company pursuant to the second Holdback Vote to arbitration and the Company shall estimate their reasonably projected out-of-pocket expenses relating thereto, and each such party shall, to the satisfaction of the arbitrator and prior to any determination being made by the arbitrator, pay the total of such estimated expenses (i.e., both the Subject Member's and the Company's expenses) into an escrow account to be controlled by Simpson Thacher & Bartlett LLP, as escrow agent (or such other comparable law firm as the Company and the Subject Member shall agree). The arbitrator shall direct the escrow agent to pay out of such escrow account all expenses associated with such arbitration (including costs leading thereto) and to return to the "victorious" party the entire amount of funds such party paid into such escrow account. If the amount contributed to the escrow account by the losing party is insufficient to cover the expenses of such arbitration, such "losing" party shall then provide any additional funds necessary to cover such costs to such "victorious" party. For purposes hereof, the "victorious" party shall be the Company if the Holdback Percentage ultimately determined by the arbitrator is closer to the percentage determined in the second Holdback Vote than it is to the prevailing Holdback Percentage for the Subject Member's Member Category; otherwise, the Subject Member shall be the "victorious" party. The party that is not the "victorious" party shall be the "losing" party.
- (D) In the event of a decrease in a Subject Member's Holdback Percentage (1) pursuant to a Holdback Vote under this clause (iv) or (2) pursuant to a decision of an arbitrator under paragraph (C) of this clause (iv), the Company shall release and distribute to such Subject Member any Trust Amounts (and the Trust Income thereon (except as expressly provided herein with respect to using Trust Income as Firm Collateral)) which exceed the required Holdback of such Subject Member (in accordance with such Subject Member's reduced Holdback Percentage) as though such reduced Holdback Percentage had applied since the increase of the Subject Member's Holdback Percentage pursuant to a previous Holdback Vote under this clause (iv).

(v)(A) If a Member's Holdback Percentage exceeds 15% (such percentage in excess of 15% constituting the "Excess Holdback Percentage"), such Member may satisfy the portion of his Holdback obligation in respect of his Excess Holdback Percentage (such portion constituting such Member's "Excess Holdback"), and such Member (or a Withdrawn Member with respect to amounts contributed to the Trust Account while he was a Member), to the extent his Excess Holdback obligation has previously been satisfied in cash, may obtain the release of the Trust Amounts (but not the Trust Income thereon which shall remain in the Trust Account and allocated to such Member or Withdrawn Member) satisfying such Member's or Withdrawn

Member's Excess Holdback obligation, by pledging or otherwise making available to the Company, on a first priority basis (except as provided below), all or any portion of his Firm Collateral in satisfaction of his Excess Holdback obligation. Any Member seeking to satisfy all or any portion of the Excess Holdback utilizing Firm Collateral shall sign such documents and otherwise take such other action as is necessary or appropriate (in the good faith judgment of the Managing Member) to perfect a first priority security interest in, and otherwise assure the ability of the Company to realize on (if required), such Firm Collateral; provided, that, in the case of entities listed in the Company's books and records in which Members are permitted to pledge their interests therein to finance all or a portion of their capital contributions thereto ("Pledgable Blackstone Interests"), to the extent a first priority security interest is unavailable because of an existing lien on such Firm Collateral, the Member or Withdrawn Member seeking to utilize such Firm Collateral shall grant the Company a second priority security interest therein in the manner provided above; provided further, that (x) in the case of Pledgable Blackstone Interests, to the extent that neither a first priority nor a second priority security interest is available, or (y) if the Managing Member otherwise determines in its good faith judgment that a security interest in Firm Collateral (and the corresponding documents and actions) are not necessary or appropriate, the Member or Withdrawn Member shall (in the case of either clause (x) or (y) above) irrevocably instruct in writing the relevant partnership, limited liability company or other entity listed in the Company's books and records to remit any and all net proceeds resulting from a Firm Collateral Realization on such Firm Collateral to the Trustee(s) as more fully provided in clause (B) below. The Company shall, at the request of any Member or Withdrawn Member, assist such Member or Withdrawn Member in taking such action necessary to enable such Member or Withdrawn Member to use Firm Collateral as provided hereunder.

- (B) If upon a sale or other realization of all or any portion of any Firm Collateral (a "Firm Collateral Realization"), the remaining Firm Collateral is insufficient to cover any Member's or Withdrawn Member's Excess Holdback requirement, then up to 100% of the net proceeds otherwise distributable to such Member or Withdrawn Member from such Firm Collateral Realization (including distributions subject to the repayment of financing sources as in the case of Pledgable Blackstone Interests) shall be paid into the Trust Account to fully satisfy such Excess Holdback requirement (allocated to such Member or Withdrawn Member) and shall be deemed to be Trust Amounts for purposes hereunder. Any net proceeds from such Firm Collateral Realization in excess of the amount necessary to satisfy such Excess Holdback requirement shall be distributed to such Member or Withdrawn Member.
- (C) Upon any valuation or revaluation of Firm Collateral that results in a decreased valuation of such Firm Collateral so that such Firm Collateral is insufficient to cover any Member's or Withdrawn Member's Excess Holdback requirement (including upon a Firm Collateral Realization, if net proceeds therefrom and the remaining Firm Collateral are insufficient to cover any Member's or Withdrawn Member's Excess Holdback requirement), the Company shall provide notice of the foregoing to such Member or Withdrawn Member and such Member or Withdrawn Member shall, within 30 days of receiving such notice, contribute cash (or additional Firm Collateral) to the Trust Account in an amount necessary to satisfy his Excess Holdback requirement. If any such Member or Withdrawn Member defaults upon his obligations under this clause (C), then Section 5.8 (d)(iii) shall apply thereto; provided, that clause (A) of the first sentence of Section 5.8(d)(iii) shall be deemed inapplicable to a default under this clause (C); provided further, that for purposes of applying Section 5.8(d)(iii)

to a default under this clause (C): (I) the term “GP-Related Defaulting Party” where such term appears in such Section 5.8(d)(iii) shall be construed as “defaulting party” for purposes hereof and (II) the terms “Net GP-Related Recontribution Amount” and “GP-Related Recontribution Amount” where such terms appear in such Section 5.8(d)(iii) shall be construed as the amount due pursuant to this clause (C).

(vi) Any Member or Withdrawn Member may (A) obtain the release of any Trust Amounts (but not the Trust Income thereon which shall remain in the Trust Account and allocated to such Member or Withdrawn Member) or Firm Collateral, in each case, held in the Trust Account for the benefit of such Member or Withdrawn Member or (B) require the Company to distribute all or any portion of amounts otherwise required to be placed in the Trust Account (whether cash or Firm Collateral), by obtaining a letter of credit (an “L/C”) for the benefit of the Trustee(s) in such amounts. Any Member or Withdrawn Member choosing to furnish an L/C to the Trustee(s) (in such capacity, an “L/C Member”) shall deliver to the Trustee(s) an unconditional and irrevocable L/C from a commercial bank whose (x) short-term deposits are rated at least A-1 by S&P and P-1 by Moody’s (if the L/C is for a term of 1 year or less), or (y) long-term deposits are rated at least A+ by S&P or A1 by Moody’s (if the L/C is for a term of 1 year or more) (each a “Required Rating”). If the relevant rating of the commercial bank issuing such L/C drops below the relevant Required Rating, the L/C Member shall supply to the Trustee(s), within 30 days of such occurrence, a new L/C from a commercial bank whose relevant rating is at least equal to the relevant Required Rating, in lieu of the insufficient L/C. In addition, if the L/C has a term expiring on a date earlier than the latest possible termination date of BGCS, the Trustee(s) shall be permitted to drawdown on such L/C if the L/C Member fails to provide a new L/C from a commercial bank whose relevant rating is at least equal to the relevant Required Rating, at least 30 days prior to the stated expiration date of such existing L/C. The Trustee(s) shall notify an L/C Member 10 days prior to drawing on any L/C. The Trustee(s) may (as directed by the Company in the case of clause (I) below) draw down on an L/C only if (I) such a drawdown is necessary to satisfy an L/C Member’s obligation relating to the Company’s obligations under the Clawback Provisions or (II) an L/C Member has not provided a new L/C from a commercial bank whose relevant rating is at least equal to the relevant Required Rating (or the requisite amount of cash and/or Firm Collateral (to the extent permitted hereunder)), at least 30 days prior to the stated expiration of an existing L/C in accordance with this clause (vi). The Trustee(s), as directed by the Company, shall return to any L/C Member his L/C upon (1) the termination of the Trust Account and satisfaction of the Company’s obligations, if any, in respect of the Clawback Provisions, (2) an L/C Member satisfying his entire Holdback obligation in cash and Firm Collateral (to the extent permitted hereunder), or (3) the release, by the Trustee(s), as directed by the Company, of all amounts in the Trust Account to the Members or Withdrawn Members. If an L/C Member satisfies a portion of his Holdback obligation in cash and/or Firm Collateral (to the extent permitted hereunder) or if the Trustee(s), as directed by the Company, release a portion of the amounts in the Trust Account to the Members or Withdrawn Members in the Member Category of such L/C Member, the L/C of an L/C Member may be reduced by an amount corresponding to such portion satisfied in cash and/or Firm Collateral (to the extent permitted hereunder) or such portion released by the Trustee(s), as directed by the Company; provided, that in no way shall the general release of any Trust Income cause an L/C Member to be permitted to reduce the amount of an L/C by any amount.

(vii)(A) Any in-kind distributions by the Company relating to Carried Interest shall be made in accordance herewith as though such distributions consisted of cash. The Company may direct the Trustee(s) to dispose of any in-kind distributions held in the Trust Account at any time. The net proceeds therefrom shall be treated as though initially contributed to the Trust Account.

- (B) In lieu of the foregoing, any Existing Member may pledge with respect to any in-kind distribution the Special Firm Collateral referred to in asset category 5 on the Company's books and records; provided, that the initial contribution of such Special Firm Collateral shall initially equal 130% of the required Holdback Amount for a period of 90 days, and thereafter shall equal at least 115% of the required Holdback Amount. Paragraphs 4.1(d)(viii)(C) and (D) shall apply to such Special Firm Collateral. To the extent such Special Firm Collateral exceeds the applicable minimum percentage of the required Holdback Amount specified in the first sentence of this clause (vii)(B), the related Member may obtain a release of such excess amount from the Trust Account.

(viii)(A) Any Regular Member or Withdrawn Member may satisfy all or any portion of his Holdback (excluding any Excess Holdback), and such Member or a Withdrawn Member may, to the extent his Holdback (excluding any Excess Holdback) has been previously been satisfied in cash or by the use of an L/C as provided herein, obtain a release of Trust Amounts (but not the Trust Income thereon which shall remain in the Trust Account and allocated to such Member or Withdrawn Member) that satisfy such Member's or Withdrawn Member's Holdback (excluding any Excess Holdback) by pledging to the Trustee(s) on a first priority basis all of his Special Firm Collateral in a particular Qualifying Fund, which at all times must equal or exceed the amount of the Holdback distributed to the Member or Withdrawn Member (as more fully set forth below). Any Member seeking to satisfy such Member's Holdback utilizing Special Firm Collateral shall sign such documents and otherwise take such other action as is necessary or appropriate (in the good faith judgment of the Managing Member) to perfect a first priority security interest in, and otherwise assure the ability of the Trustee(s) to realize on (if required), such Special Firm Collateral.

- (B) If upon a distribution, withdrawal, sale, liquidation or other realization of all or any portion of any Special Firm Collateral (a "Special Firm Collateral Realization"), the remaining Special Firm Collateral (which shall not include the amount of Firm Collateral that consists of a Qualifying Fund and is being used in connection with an Excess Holdback) is insufficient to cover any Member's or Withdrawn Member's Holdback (when taken together with other means of satisfying the Holdback as provided herein (i.e., cash contributed to the Trust Account or an L/C in the Trust Account)), then up to 100% of the net proceeds otherwise distributable to such Member or Withdrawn Member from such Special Firm Collateral Realization (which shall not include the amount of Firm Collateral that consists of a Qualifying Fund or other asset and is being used in connection with an Excess Holdback) shall be paid into the Trust (and allocated to such Member or Withdrawn Member) to fully satisfy such Holdback and shall be deemed thereafter to be Trust Amounts for purposes hereunder. Any net proceeds from such Special Firm Collateral Realization in excess of the amount necessary to satisfy such Holdback (excluding any Excess Holdback) shall be distributed to such Member or Withdrawn Member. To the extent a Qualifying Fund distributes Securities to a Member or Withdrawn Member in connection with a Special Firm Collateral Realization, such Member or Withdrawn Member shall be required to promptly fund such Member's or Withdrawn Member's deficiency with respect to his Holdback in cash or an L/C.

- (C) Upon any valuation or revaluation of the Special Firm Collateral and/or any adjustment in the Applicable Collateral Percentage applicable to a Qualifying Fund (as provided in the Company's books and records), if such Member's or Withdrawn Member's Special Firm Collateral is valued at less than such Member's Holdback (excluding any Excess Holdback) as provided in the Company's books and records, taking into account other permitted means of satisfying the Holdback hereunder, the Company shall provide notice of the foregoing to such Member or Withdrawn Member and, within 10 business days of receiving such notice, such Member or Withdrawn Member shall contribute cash or additional Special Firm Collateral to the Trust Account in an amount necessary to make up such deficiency. If any such Member or Withdrawn Member defaults upon his obligations under this clause (C), then Section 5.8(d)(iii) shall apply thereto; provided, that the first sentence of Section 5.8(d)(iii) shall be deemed inapplicable to such default; provided further, that for purposes of applying Section 5.8(d)(iii) to a default under this clause (C): (I) the term "GP-Related Defaulting Party" where such term appears in such Section 5.8(d)(iii) shall be construed as "defaulting party" for purposes hereof and (II) the terms "Net GP-Related Recontribution Amount" and "GP-Related Recontribution Amount" where such terms appear in such Section 5.8(d)(iii) shall be construed as the amount due pursuant to this clause (C).
- (D) Upon a Member becoming a Withdrawn Member, at any time thereafter the Managing Member may revoke the ability of such Withdrawn Member to use Special Firm Collateral as set forth in this Section 4.1(d)(viii), notwithstanding anything else in this Section 4.1(d)(viii). In that case the provisions of clause (C) above shall apply to the Withdrawn Member's obligation to satisfy the Holdback (except that 30 days' notice of such revocation shall be given), given that the Special Firm Collateral is no longer available to satisfy any portion of the Holdback (excluding any Excess Holdback).
- (E) Nothing in this Section 4.1(d)(viii) shall prevent any Member or Withdrawn Member from using any amount of such Member's interest in a Qualifying Fund as Firm Collateral; provided that at all times Section 4.1(d)(v) and this Section 4.1(d)(viii) are each satisfied.

4.2. Interest. No interest shall accrue or be payable on the balances in a Member's GP-Related Capital Accounts or Capital Commitment-Related Capital Accounts.

4.3. Withdrawals of Capital. Each Member may make partial withdrawals in respect of such Member's GP-Related Capital Accounts or Capital Commitment-Related Capital Accounts in such amounts and at such times as may be permitted by the Managing Member from time to time. Payments with respect to any such partial withdrawals will be made at such times and in cash or in kind as may be determined by the Managing Member.

ARTICLE V

PARTICIPATION IN PROFITS AND LOSSES

5.1. General Accounting Matters. (a) GP-Related Net Income (Loss) shall be determined by the Managing Member at the end of each accounting period and shall be allocated as described in Section 5.4.

(b) “GP-Related Net Income (Loss)” from any activity of the Company related to the GP-Related BGCS Interest for any accounting period means (i) the gross income realized by the Company from such activity during such accounting period less (ii) all expenses of the Company, and all other items that are deductible from gross income, for such accounting period that are allocable to such activity (determined as provided below).

“GP-Related Net Income (Loss)” from any GP-Related Investment for any accounting period in which such GP-Related Investment has not been sold or otherwise disposed of means (i) the gross amount of dividends, interest or other income received by the Company from such GP-Related Investment during such accounting period less (ii) all expenses of the Company for such accounting period that are allocable to such GP-Related Investment (determined as provided below).

“GP-Related Net Income (Loss)” from any GP-Related Investment for the accounting period in which such GP-Related Investment is sold or otherwise disposed of means (i) the sum of the gross proceeds from the sale or other disposition of such GP-Related Investment and the gross amount of dividends, interest or other income received by the Company from such GP-Related Investment during such accounting period less (ii) the sum of the cost or other basis to the Company of such GP-Related Investment and all expenses of the Company for such accounting period that are allocable to such GP-Related Investment.

GP-Related Net Income (Loss) shall be determined in accordance with the accounting method used by the Company for U.S. federal income tax purposes with the following adjustments: (i) any income of the Company that is exempt from U.S. federal income taxation and not otherwise taken into account in computing GP-Related Net Income (Loss) shall be added to such taxable income or loss; (ii) if any asset has a value on the books of the Company that differs from its adjusted tax basis for U.S. federal income tax purposes, any depreciation, amortization or gain resulting from a disposition of such asset shall be calculated with reference to such value; (iii) upon an adjustment to the value of any asset on the books of the Company pursuant to Regulation Section 1.704-1(b)(2), the amount of the adjustment shall be included as gain or loss in computing such taxable income or loss; (iv) any expenditures of the Company not deductible in computing taxable income or loss, not properly capitalizable and not otherwise taken into account in computing GP-Related Net Income (Loss) pursuant to this definition shall be treated as deductible items; (v) any income from a GP-Related Investment that is payable to Company employees in respect of “phantom interests” in such GP-Related Investment awarded by the Managing Member to employees shall be included as an expense in the calculation of GP-Related Net Income (Loss) from such GP-Related Investment, and (vi) items of income and expense (including interest income and overhead and other indirect expenses) of the Company, Holdings and other Affiliates of the Company shall be allocated among the Company, Holdings and such Affiliates, among various Company activities and GP-Related Investments and between accounting periods, in each case as determined by the Managing Member. Any adjustments to GP-Related Net Income (Loss) by the Managing Member, including adjustments for items of income accrued but not yet received, unrealized gains, items of expense accrued but not yet paid, unrealized losses, reserves (including reserves for taxes, bad debts, actual or threatened litigation, or any other expenses, contingencies or obligations) and other appropriate items shall be made in accordance with U.S. generally accepted accounting principles (“GAAP”); provided, that the Managing Member shall not be required to make any such adjustment.

(c) An accounting period shall be a Fiscal Year, except that, at the option of the Managing Member, an accounting period will terminate and a new accounting period will begin on the admission date of an additional Member or the Settlement Date of a Withdrawn Member, if any such date is not the first day of a Fiscal Year. If any event referred to in the preceding sentence occurs and the Managing Member does not elect to terminate an accounting period and begin a new accounting period, then the Managing Member may make such adjustments as it deems appropriate to the

Members' GP-Related Profit Sharing Percentages for the accounting period in which such event occurs (prior to any allocations of GP-Related Unallocated Percentages or adjustments to GP-Related Profit Sharing Percentages pursuant to Section 5.3) to reflect the Members' average GP-Related Profit Sharing Percentages during such accounting period; provided, that the GP-Related Profit Sharing Percentages of Members in GP-Related Net Income (Loss) from GP-Related Investments acquired during such accounting period will be based on GP-Related Profit Sharing Percentages in effect when each such GP-Related Investment was acquired.

(d) In establishing GP-Related Profit Sharing Percentages and allocating GP-Related Unallocated Percentages pursuant to Section 5.3, the Managing Member may consider such factors as it deems appropriate.

(e) All determinations, valuations and other matters of judgment required to be made for accounting purposes under this Agreement shall be made by the Managing Member and approved by the Company's independent accountants. Such approved determinations, valuations and other accounting matters shall be conclusive and binding on all Members, all Withdrawn Members, their successors, heirs, estates or legal representatives and any other person, and to the fullest extent permitted by law no such person shall have the right to an accounting or an appraisal of the assets of the Company or any successor thereto.

5.2. GP-Related Capital Accounts. (a) There shall be established for each Member on the books of the Company, to the extent and at such times as may be appropriate, one or more capital accounts as the Managing Member may deem to be appropriate for purposes of accounting for such Member's interests in the capital of the Company related to the GP-Related BGCS Interest and the GP-Related Net Income (Loss) of the Company (each a "GP-Related Capital Account").

(b) As of the end of each accounting period or, in the case of a contribution to the Company by one or more of the Members or a distribution by the Company to one or more of the Members, at the time of such contribution or distribution, (i) the appropriate GP-Related Capital Accounts of each Member shall be credited with the following amounts: (A) the amount of cash and the value of any property contributed by such Member to the capital of the Company related to such Member's GP-Related Member Interest during such accounting period, and (B) the GP-Related Net Income allocated to such Member for such accounting period; and (ii) the appropriate GP-Related Capital Accounts of each Member shall be debited with the following amounts: (x) the amount of cash, the principal amount of any subordinated promissory note of the Company referred to in Section 6.5 (as such amount is paid) and the value of any property distributed to such Member during such accounting period with respect to such Member's GP-Related Member Interest and (y) the GP-Related Net Loss allocated to such Member for such accounting period.

5.3. GP-Related Profit Sharing Percentages. (a) Prior to the beginning of each annual accounting period, the Managing Member shall establish the profit sharing percentage (the "GP-Related Profit Sharing Percentage") of each Member in each category of GP-Related Net Income (Loss) for such annual accounting period pursuant to Section 5.1(a) taking into account such factors as the Managing Member deems appropriate, including those referred to in Section 5.1(d); provided, that (i) the Managing Member may elect to establish GP-Related Profit Sharing Percentages in GP-Related Net Income (Loss) from any GP-Related Investment acquired by the Company during such accounting period at the time such GP-Related Investment is acquired in accordance with paragraph (d) below and (ii) GP-Related Net Income (Loss) for such accounting period from any GP-Related Investment shall be allocated in accordance with the GP-Related Profit Sharing Percentages in such GP-Related Investment established in accordance with paragraph (d) below. The Managing Member may establish different GP-Related Profit Sharing Percentages for any Member in different categories of GP-Related Net Income (Loss). In

the case of the Withdrawal of a Member, such former Member's GP-Related Profit Sharing Percentages shall be allocated by the Managing Member to one or more of the remaining Members. In the case of the admission of any Member to the Company as an additional Member, the GP-Related Profit Sharing Percentages of the other Members shall be reduced by an amount equal to the GP-Related Profit Sharing Percentage allocated to such new Member pursuant to Section 6.1(b); such reduction of each other Member's GP-Related Profit Sharing Percentage shall be pro rata based upon such Member's GP-Related Profit Sharing Percentage as in effect immediately prior to the admission of the new Member. Notwithstanding the foregoing, the Managing Member may also adjust the GP-Related Profit Sharing Percentage of any Member for any annual accounting period at the end of such annual accounting period in its sole discretion.

(b) The Managing Member may elect to allocate to the Members less than 100% of the GP-Related Profit Sharing Percentages of any category for any annual accounting period at the time specified in Section 5.3(a) for the annual fixing of GP-Related Profit Sharing Percentages (any remainder of such GP-Related Profit Sharing Percentages being called an "GP-Related Unallocated Percentage"); provided, that any GP-Related Unallocated Percentage in any category of GP-Related Net Income (Loss) for any annual accounting period that is not allocated by the Managing Member within 90 days after the end of such accounting period shall be deemed to be allocated among all Members (including the Managing Member) in the manner determined by the Managing Member in its sole discretion.

(c) Unless otherwise determined by the Managing Member in a particular case, (i) GP-Related Profit Sharing Percentages in GP-Related Net Income (Loss) from any GP-Related Investment shall be allocated in proportion to the Members' respective GP-Related Capital Contributions in respect of such GP-Related Investment and (ii) GP-Related Profit Sharing Percentages in GP-Related Net Income (Loss) from each GP-Related Investment shall be fixed at the time such GP-Related Investment is acquired and shall not thereafter change, subject to any repurchase rights established by the Managing Member pursuant to Section 5.7.

5.4. Allocations of GP-Related Net Income (Loss). (a) Except as provided in Section 5.4(d), GP-Related Net Income of the Company for each GP-Related Investment shall be allocated to the GP-Related Capital Accounts related to such GP-Related Investment of all the Members participating in such GP-Related Investment (including the Managing Member): first, in proportion to and to the extent of the amount of Non-Carried Interest (other than amounts representing a return of GP-Related Capital Contributions) or Carried Interest distributed to the Members; second, to Members that received Non-Carried Interest (other than amounts representing a return of GP-Related Capital Contributions) or Carried Interest in years prior to the years such GP-Related Net Income is being allocated to the extent such Non-Carried Interest (other than amounts representing a return of GP-Related Capital Contributions) or Carried Interest exceeded GP-Related Net Income allocated to such Members in such earlier years; and third, to the Members in the same manner that such Non-Carried Interest (other than amounts representing a return of GP-Related Capital Contributions) or Carried Interest would have been distributed if cash were available to distribute with respect thereto.

(b) GP-Related Net Loss of the Company shall be allocated as follows: (i) GP-Related Net Loss relating to realized losses suffered by BGCS and allocated to the Company with respect to its pro rata share thereof (based on capital contributions made by the Company to BGCS with respect to the GP-Related BGCS Interest) shall be allocated to the Members in accordance with each Member's Non-Carried Interest Sharing Percentage with respect to the GP-Related Investment giving rise to such loss suffered by BGCS and (ii) GP-Related Net Loss relating to realized losses suffered by BGCS and allocated to the Company with respect to the Carried Interest shall be allocated in accordance with a Member's (including Withdrawn Member's) Carried Interest Give Back Percentage (as of the date of such loss) (subject to adjustment pursuant to Section 5.8(e)).

(c) Notwithstanding Section 5.4(a) above, GP-Related Net Income relating to Carried Interest allocated after the allocation of a GP-Related Net Loss pursuant to clause (ii) of Section 5.4(b) shall be allocated in accordance with such Carried Interest Give Back Percentages until such time as the Members have been allocated GP-Related Net Income relating to Carried Interest equal to the aggregate amount of GP-Related Net Loss previously allocated in accordance with clause (ii) of Section 5.4(b). Withdrawn Members shall remain Members for purposes of allocating such GP-Related Net Loss with respect to Carried Interest.

(d) To the extent the Company has any GP-Related Net Income (Loss) for any accounting period unrelated to BGCS, such GP-Related Net Income (Loss) will be allocated in accordance with GP-Related Profit Sharing Percentages prevailing at the beginning of such accounting period.

(e) The Managing Member may authorize from time to time advances to Members (including any additional Member admitted to the Company pursuant to Section 6.1 but excluding any Members that are also executive officers of The Blackstone Group L.P. or any Affiliate thereof) against their allocable shares of GP-Related Net Income (Loss).

5.5. Liability of Members. Except as otherwise provided in the LLC Act or as expressly provided in this Agreement, no Member shall be personally obligated for any debt, obligation or liability of the Company or of any other Member solely by reason of being a Member. In no event shall any Member or Withdrawn Member (i) be obligated to make any capital contribution or payment to or on behalf of the Company or (ii) have any liability to return distributions received by such Member from the Company, in each case except as specifically provided in Sections 4.1(d) or 5.8 or otherwise in this Agreement, as such Member shall otherwise expressly agree in writing or as may be required by applicable law.

5.6. [Intentionally omitted.]

5.7. Repurchase Rights, etc. The Managing Member may from time to time establish such repurchase rights and/or other requirements with respect to the Members' GP-Related Member Interests relating to GP-Related BGCS Investments as the Managing Member may determine. The Managing Member shall have authority to (a) withhold any distribution otherwise payable to any Member until any such repurchase rights have lapsed or any such requirements have been satisfied, (b) pay any distribution to any Member that is Contingent as of the distribution date and require the refund of any portion of such distribution that is Contingent as of the Withdrawal Date of such Member, (c) amend any previously established repurchase rights or other requirements from time to time and (d) make such exceptions thereto as it may determine on a case by case basis.

5.8. Distributions. (a) The Company shall make distributions of available cash (subject to reserves and other adjustments as provided herein) or other property to Members at such times and in such amounts as are determined by the Managing Member. The Managing Member shall, if it deems it appropriate, determine the availability for distribution of, and distribute, cash or other property separately for each category of GP-Related Net Income (Loss) established pursuant to Section 5.1(a). Subject to Section 5.8(e), distributions of cash or other property with respect to Non-Carried Interest shall be made among the Members in accordance with their respective Non-Carried Interest Sharing Percentages, and, subject to Section 4.1(d), distributions of cash or other property with respect to Carried Interest shall be made among Members in accordance with their respective Carried Interest Sharing

Percentages. At any time that a sale, exchange, transfer or other disposition by BGCS of a portion of a GP-Related Investment is being considered by the Company (a “GP-Related Disposable Investment”), at the election of the Managing Member each Member’s Interest with respect to such GP-Related Investment shall be vertically divided into two separate Interests, an Interest attributable to the GP-Related Disposable Investment (a Member’s “GP-Related Class B Interest”), and an Interest attributable to such GP-Related Investment excluding the GP-Related Disposable Investment (a Member’s “GP-Related Class A Interest”). Distributions (including those resulting from a sale, transfer, exchange or other disposition by BGCS) relating to a GP-Related Disposable Investment (with respect to both Carried Interest and Non-Carried Interest) shall be made only to holders of GP-Related Class B Interests with respect to such GP-Related Investment in accordance with their GP-Related Profit Sharing Percentages relating to such GP-Related Class B Interests, and distributions (including those resulting from the sale, transfer, exchange or other disposition by BGCS) relating to a GP-Related Investment excluding such GP-Related Disposable Investment (with respect to both Carried Interest and Non-Carried Interest) shall be made only to holders of GP-Related Class A Interests with respect to such GP-Related Investment in accordance with their respective GP-Related Profit Sharing Percentages relating to such GP-Related Class A Interests. Except as provided above, distributions of cash or other property with respect to each category of GP-Related Net Income (Loss) shall be allocated among the Members in the same proportions as the allocations of GP-Related Net Income (Loss) of each such category.

(b) Subject to the Company’s having sufficient available cash in the reasonable judgment of the Managing Member, the Company shall make cash distributions to each Member with respect to each Fiscal Year of the Company in an aggregate amount at least equal to the total Federal, New York State and New York City income and other taxes that would be payable by such Member with respect to all categories of GP-Related Net Income (Loss) allocated to such Member for such Fiscal Year, the amount of which shall be calculated (i) on the assumption that each Member is an individual subject to the then prevailing maximum Federal, New York State and New York City income tax rates, (ii) taking into account the deductibility of state and local income and other taxes for Federal income tax purposes and (iii) taking into account any differential in applicable rates due to the type and character of Net Income (Loss) allocated to such Member. Notwithstanding the provisions of the foregoing sentence, the Managing Member may refrain from making any distribution if, in the reasonable judgment of the Managing Member, such distribution is prohibited by § 18-607 of the LLC Act.

(c) The Managing Member may provide that the GP-Related Member Interest of any Member or employee (including such Member’s or employee’s right to distributions and investments of the Company related thereto) may be subject to repurchase by the Company during such period as the Managing Member shall determine (a “Repurchase Period”). Any Contingent distributions from GP-Related Investments subject to repurchase rights will be withheld by the Company and will be distributed to the recipient thereof (together with interest thereon at rates determined by the Managing Member from time to time) as the recipient’s rights to such distributions become Non-Contingent (by virtue of the expiration of the applicable Repurchase Period or otherwise). The Managing Member may elect in an individual case to have the Company distribute any Contingent distribution to the applicable recipient thereof irrespective of whether the applicable Repurchase Period has lapsed. If a Member Withdraws from the Company for any reason other than his death, Total Disability or Incompetence, the undistributed share of any GP-Related Investment that remains Contingent as of the applicable Withdrawal Date shall be repurchased by the Company at a purchase price determined at such time by the Managing Member. Unless determined otherwise by the Managing Member, the repurchased portion thereof will be allocated among the remaining Members with interests in such GP-Related Investment in proportion to their respective percentage interests in such GP-Related Investment, or if no other Member has a percentage interest in such specific GP-Related Investment, to the Managing Member; provided, that the Managing Member may allocate the Withdrawn Member’s share of unrealized investment income from a repurchased GP-Related Investment attributable to the period after

the Withdrawn Member's Withdrawal Date on any basis it may determine, including to existing or new Members who did not previously have interests in such GP-Related Investment, except that, in any event, each Investor Special Member shall be allocated a share of such unrealized investment income equal to its respective GP-Related Profit Sharing Percentage of such unrealized investment income.

(d)(i) (A) If the Company is obligated under the Clawback Provisions or Giveback Provisions to contribute to BGCS a Clawback Amount or a Giveback Amount (other than a Capital Commitment Giveback Amount) (the amount of any such obligation of the Company with respect to such a Giveback Amount being herein called a "GP-Related Giveback Amount"), the Company shall call for such amounts as are necessary to satisfy such obligations of the Company as determined by the Managing Member, in which case each Member and Withdrawn Member shall contribute to the Company, in cash, when and as called by the Company, such an amount of prior distributions by the Company (and the Other Fund GPs) with respect to Carried Interest (and/or Non-Carried Interest in the case of a GP-Related Giveback Amount) (the "GP-Related Recontribution Amount") which equals (I) the product of (a) a Member's or Withdrawn Member's Carried Interest Give Back Percentage and (b) the aggregate Clawback Amount payable by the Company in the case of Clawback Amounts and (II) with respect to a GP-Related Giveback Amount, such Member's pro rata share of prior distributions of Carried Interest and/or Non-Carried Interest in connection with (a) the GP-Related BGCS Investment giving rise to the GP-Related Giveback Amount, (b) if the amounts contributed pursuant to clause (II)(a) above are insufficient to satisfy such GP-Related Giveback Amount, GP-Related BGCS Investments other than the one giving rise to such obligation, but only those amounts received by the Members with an interest in the GP-Related BGCS Investment referred to in clause (II)(a) above and (c) if the GP-Related Giveback Amount is unrelated to a specific GP-Related BGCS Investment, all GP-Related BGCS Investments. Each Member and Withdrawn Member shall promptly contribute to the Company, along with satisfying his comparable obligations to the Other Fund GPs, if any, upon such call such Member's or Withdrawn Member's GP-Related Recontribution Amount, less the amount paid out of the Trust Account on behalf of such Member or Withdrawn Member by the Trustee(s) pursuant to written instructions from the Company, or if applicable, any of the Other Fund GPs with respect to Carried Interest (and/or Non-Carried Interest in the case of GP-Related Giveback Amounts) (the "Net GP-Related Recontribution Amount"), irrespective of the fact that the amounts in the Trust Account may be sufficient on an aggregate basis to satisfy the Company's and the Other Fund GPs' obligation under the Clawback Provisions and/or Giveback Provisions; provided, that to the extent a Member's or Withdrawn Member's share of the amount paid with respect to the Clawback Amount or the GP-Related Giveback Amount exceeds his GP-Related Recontribution Amount, such excess shall be repaid to such Member or Withdrawn Member as promptly as reasonably practicable, subject to clause (ii) below; provided further, that such written instructions from the Company shall specify each Member's and Withdrawn Member's GP-Related Recontribution Amount. Prior to such time, the Company may, in its discretion (but shall be under no obligation to), provide notice that in the Company's judgment, the potential obligations in respect of the Clawback Provisions or the Giveback Provisions will probably materialize (and an estimate of the aggregate amount of such obligations); provided further, that any amount from a Member's Trust Account used to pay any GP-Related Giveback Amount (or such lesser amount as may be required by the Managing Member) shall be contributed by such Member to such Member's Trust Account no later than 30 days after the Net GP-Related Recontribution Amount is paid with respect to such GP-Related Giveback Amount.

- (B) To the extent any Member or Withdrawn Member has satisfied any Holdback obligation with Firm Collateral, such Member or Withdrawn Member shall, within 10 days of the Company's call for GP-Related Recontribution Amounts, make a cash payment into the Trust Account in an amount equal to the amount of the Holdback obligation satisfied with such Firm Collateral, or such lesser amount such that the amount in the Trust Account allocable to such Member or Withdrawn Member equals

the sum of (I) such Member's or Withdrawn Member's GP-Related Reconstitution Amount and (II) any similar amounts payable to any of the Other Fund GPs. Immediately upon receipt of such cash, the Trustee(s) shall take such steps as are necessary to release such Firm Collateral of such Member or Withdrawn Member equal to the amount of such cash payment. If the amount of such cash payment is less than the amount of Firm Collateral of such Member or Withdrawn Member, the balance of such Firm Collateral if any, shall be retained to secure the payment of GP-Related Deficiency Contributions, if any, and shall be fully released upon the satisfaction of the Company's and the Other Fund GPs' obligation to pay the Clawback Amount. The failure of any Member or Withdrawn Member to make a cash payment in accordance with this clause (B) (to the extent applicable) shall constitute a default under Section 5.8(d)(iii) as if such cash payment hereunder constitutes a Net GP-Related Reconstitution Amount under Section 5.8(d)(iii).

(ii) In the event any Member or Withdrawn Member initially fails to reconstitute all or any portion of such Member or Withdrawn Member's pro rata share of any Clawback Amount pursuant to Section 5.8(d)(i)(A), the Company shall use its reasonable efforts to collect the amount which such Member or Withdrawn Member so fails to reconstitute.

(iii) In the event any Member or Withdrawn Member (a "GP-Related Defaulting Party") fails to reconstitute all or any portion of such GP-Related Defaulting Party's Net GP-Related Reconstitution Amount for any reason, the Company shall require all other Members and Withdrawn Members to contribute, on a pro rata basis (based on each of their respective Carried Interest Give Back Percentages in the case of Clawback Amounts, and GP-Related Profit Sharing Percentages in the case of GP-Related Giveback Amounts (as more fully described in clause (II) of Section 5.8(d)(i)(A) above)), such amounts as are necessary to fulfill the GP-Related Defaulting Party's obligation to pay such GP-Related Defaulting Party's Net GP-Related Reconstitution Amount (a "GP-Related Deficiency Contribution") if the Managing Member determines in its good faith judgment that the Company (or an Other Fund GP) will be unable to collect such amount in cash from such GP-Related Defaulting Party for payment of the Clawback Amount or GP-Related Giveback Amount, as the case may be, at least 20 Business Days prior to the latest date that the Company, and the Other Fund GPs, if applicable, are permitted to pay the Clawback Amount or GP-Related Giveback Amount, as the case may be; provided, that, subject to Section 5.8(e), no Member or Withdrawn Member shall as a result of such GP-Related Deficiency Contribution be required to contribute an amount in excess of 150% of the amount of the Net GP-Related Reconstitution Amount initially requested from such Member or Withdrawn Member in respect of such default. Thereafter, the Managing Member shall determine in its good faith judgment that the Company should either (1) not attempt to collect such amount in light of the costs associated therewith, the likelihood of recovery and any other factors considered relevant in the good faith judgment of the Managing Member or (2) pursue any and all remedies (at law or equity) available to the Company against the GP-Related Defaulting Party, the cost of which shall be a Company expense to the extent not ultimately reimbursed by the GP-Related Defaulting Party. It is agreed that the Company shall have the right (effective upon such GP-Related Defaulting Party becoming a GP-Related Defaulting Party) to set-off as appropriate and apply against such GP-Related Defaulting Party's Net GP-Related Reconstitution Amount any amounts otherwise payable to the GP-Related Defaulting Party by the Company or any Affiliate thereof (including amounts unrelated to Carried Interest, such as returns of capital and profit

thereon). Each Member and Withdrawn Member hereby grants to the Company a security interest, effective upon such Member or Withdrawn Member becoming a GP-Related Defaulting Party, in all accounts receivable and other rights to receive payment from any Affiliate of the Company and agrees that, upon the effectiveness of such security interest, the Company may sell, collect or otherwise realize upon such collateral. In furtherance of the foregoing, each Member and Withdrawn Member hereby appoints the Company as its true and lawful attorney-in-fact with full irrevocable power and authority, in the name of such Member or Withdrawn Member or in the name of the Company, to take any actions which may be necessary to accomplish the intent of the immediately preceding sentence. The Company shall be entitled to collect interest on the Net GP-Related Recontribution Amount of a GP-Related Defaulting Party from the date such GP-Related Recontribution Amount was required to be contributed to the Company at a rate equal to the Default Interest Rate.

(iv) Any Member's or Withdrawn Member's failure to make a GP-Related Deficiency Contribution shall cause such Member or Withdrawn Member to be a GP-Related Defaulting Party with respect to such amount. The Company shall first seek any remaining Trust Amounts (and Trust Income thereon) allocated to such Member or Withdrawn Member to satisfy such Member's or Withdrawn Member's obligation to make a GP-Related Deficiency Contribution before seeking cash contributions from such Member or Withdrawn Member in satisfaction of such Member's or Withdrawn Member's obligation to make a GP-Related Deficiency Contribution.

(v) A Member's or Withdrawn Member's obligation to make contributions to the Company under this Section 5.8(d) shall survive the termination of the Company.

(vi) Any provision of this Agreement to the contrary notwithstanding, the obligations of the Company and the Members set forth in this Section 5.8(d) shall be subject to and governed by the Clawback Provisions and the Giveback Provisions, and, in the event of any conflict between this Section 5.8(d) and the Clawback Provisions or Giveback Provisions, the Clawback Provisions or the Giveback Provisions, as applicable, shall control.

(e) The Members acknowledge that the Managing Member will (and is hereby authorized to) take such steps as it deems appropriate, in its good faith, to further the objective of providing for the fair and equitable treatment of all Members, including by allocating Writedowns and Losses (as defined in the BGCS Agreements) on GP-Related BGCS Investments that have been the subject of a Writedown and/or Losses (each, a "Loss Investment") to those Members who participated in such Loss Investments based on their Carried Interest Sharing Percentage therein to the extent that such Members receive or have received Carried Interest distributions from other GP-Related BGCS Investments. Consequently and notwithstanding anything herein to the contrary, adjustments to Carried Interest distributions shall be made as set forth in this Section 5.8(e).

(i) At the time the Company is making Carried Interest distributions in connection with a GP-Related BGCS Investment (the "Subject Investment") that have been reduced under the BGCS Agreements as a result of one or more Loss Investments, the Managing Member shall calculate amounts distributable to or due from each such Member as follows:

- (A) determine each Member's share of each such Loss Investment based on his Carried Interest Sharing Percentage in each such Loss Investment (which may be zero) to the extent such Loss Investment has reduced the Carried

Interest distributions otherwise available for distribution to all Members (indirectly through the Company from BGCS) from the Subject Investment (such reduction, the “ Loss Amount ”);

- (B) determine the amount of Carried Interest distributions otherwise distributable to such Member with respect to the Subject Investment (indirectly through the Company from BGCS) before any reduction in respect of the amount determined in clause (A) above (the “ Unadjusted Carried Interest Distributions ”); and
- (C) subtract (I) the Loss Amounts relating to all Loss Investments from (II) the Unadjusted Carried Interest Distributions for such Member, to determine the amount of Carried Interest distributions to actually be paid to such Member (“ Net Carried Interest Distribution ”).

To the extent that the Net Carried Interest Distribution for a Member as calculated in this clause (i) is a negative number, the Managing Member shall (I) notify such Member, at or prior to the time such Carried Interest distributions are actually made to the Members, of his obligation to recontribute to the Company prior Carried Interest distributions (a “ Net Carried Interest Distribution Recontribution Amount ”), up to the amount of such negative Net Carried Interest Distribution, and (II) to the extent amounts recontributed pursuant to clause (I) are insufficient to satisfy such negative Net Carried Interest Distribution Amount, reduce future Carried Interest distributions otherwise due such Member, up to the amount of such remaining negative Net Carried Interest Distribution. If a Member’s (x) Net Carried Interest Distribution Recontribution Amount exceeds (y) the aggregate amount of prior Carried Interest distributions less the amount of tax thereon, calculated based on the Assumed Tax Rate (as defined in the BGCS Agreements) in effect in the Fiscal Years of such distributions (the “ Excess Tax-Related Amount ”), then such Member may, in lieu of paying such Member’s Excess Tax-Related Amount, defer such amounts as set forth below. Such deferred amount shall accrue interest at the Prime Rate. Such deferred amounts shall be reduced and repaid by the amount of Carried Interest otherwise distributable to such Member in connection with future Carried Interest distributions until such balance is reduced to zero. Any deferred amounts shall be payable in full upon the earlier of (i) such time as the Clawback is determined (as provided herein) and (ii) such time as the Member becomes a Withdrawn Member.

To the extent there is an amount of negative Net Carried Interest Distribution with respect to a Member remaining after the application of this clause (i), notwithstanding clause (II) of the preceding paragraph, such remaining amount of negative Net Carried Interest Distribution shall be allocated to the other Members pro rata based on each of their Carried Interest Sharing Percentages in the Subject Investment.

A Member who fails to pay a Net Carried Interest Distribution Recontribution Amount promptly upon notice from the Managing Member (as provided above) shall be deemed a GP-Related Defaulting Party for all purposes hereof.

A Member may satisfy in part any Net Carried Interest Distribution Recontribution Amount from cash that is then subject to a Holdback, to the extent that the amounts that remain subject to a Holdback satisfy the Holdback requirements hereof as they relate to the reduced amount of aggregate Carried Interest distributions received by such Member (taking into account any Net Carried Interest Distribution Recontribution Amount contributed to the Company by such Member).

Any Net Carried Interest Distribution Recontribution Amount contributed by a Member, including amounts of cash subject to a Holdback as provided above, shall increase the amount available for distribution to the other Members as Carried Interest distributions with respect to the Subject Investment; provided, that any such amounts then subject to a Holdback may be so distributed to the other Members to the extent a Member receiving such distribution has satisfied the Holdback requirements with respect to such distribution (taken together with the other Carried Interest distributions received by such Member to date).

(ii) In the case of Clawback Amounts which are required to be contributed to the Company as otherwise provided herein, the obligation of the Members with respect to any Clawback Amount shall be adjusted by the Managing Member as follows:

- (A) determine each Member's share of any Losses in any GP-Related BGCS Investments which gave rise to the Clawback Amount (i.e., the Losses that followed the last GP-Related BGCS Investment with respect to which Carried Interest distributions were made), based on such Member's Carried Interest Sharing Percentage in such GP-Related BGCS Investments;
- (B) determine each Member's obligation with respect to the Clawback Amount based on such Member's Carried Interest Give Back Percentage as otherwise provided herein; and
- (C) subtract the amount determined in clause (B) above from the amount determined in clause (A) above with respect to each Member to determine the amount of adjustment to each Member's share of the Clawback Amount (a Member's "Clawback Adjustment Amount").

A Member's share of the Clawback Amount shall for all purposes hereof be decreased by such Member's Clawback Adjustment Amount, to the extent it is a negative number (except to the extent expressly provided below). A Member's share of the Clawback Amount shall for all purposes hereof be increased by such Member's Clawback Adjustment Amount (to the extent it is a positive number); provided, that in no way shall a Member's aggregate obligation to satisfy a Clawback Amount as a result of this clause (ii) exceed the aggregate Carried Interest distributions received by such Member. To the extent a positive Clawback Adjustment Amount remains after the application of this clause (ii) with respect to a Member, such remaining Clawback Adjustment Amount shall be allocated to the Members (including any Member whose Clawback Amount was increased pursuant to this clause (ii)) pro rata based on their Carried Interest Give Back Percentages (determined without regard to this clause (ii)).

Any distribution or contribution adjustments pursuant to this Section 5.8(e) by the Managing Member shall be based on its good faith judgment, and no Member shall have any claim against the Company, the Managing Member or any other Members as a result of any adjustment made as set forth above. This Section 5.8(e) applies to all Members, including Withdrawn Members.

It is agreed and acknowledged that this Section 5.8(e) is an agreement among the Members and in no way modifies the obligations of each Member regarding the Clawback as provided in the BGCS Agreements.

5.9. Business Expenses. The Company shall reimburse the Members for reasonable travel, entertainment and miscellaneous expenses incurred by them in the conduct of the Company's business in accordance with rules and regulations established by the Managing Member from time to time.

5.10. Tax Capital Accounts; Tax Allocations.

(a) For U.S. federal income tax purposes, there shall be established for each Member a single capital account combining such Member's Capital Commitment Capital Account and GP-Related Capital Account, with such adjustments as the Managing Member determines is appropriate so that such single capital account is maintained in compliance with the principles and requirements of Section 704(b) of the Code and the Regulations thereunder.

(b) For federal, state and local income tax purposes only, Company income, gain, loss, deduction or expense (or any item thereof) for each fiscal year shall be allocated to and among the Members in a manner corresponding to the manner in which corresponding items are allocated among the Members pursuant to clause (a) above, provided the Managing Member may in its sole discretion make such allocations for tax purposes as it determines is appropriate so that allocations have substantial economic effect or are in accordance with the interests of the Members, within the meaning of the Code and the Regulations thereunder.

ARTICLE VI

ADDITIONAL MEMBERS; WITHDRAWAL OF MEMBERS; SATISFACTION AND DISCHARGE OF COMPANY INTERESTS; TERMINATION

6.1. Additional Members. (a) Effective on the first day of any month (or on such other date as shall be determined by the Managing Member in its sole discretion), the Managing Member shall have the right to admit one or more additional persons into the Company as Regular Members or Special Members. Each such person shall make the representations with respect to itself set forth in Section 3.6. The Managing Member shall determine and negotiate with the additional Member all terms of such additional Member's participation in the Company, including the additional Member's initial GP-Related Capital Contribution, Capital Commitment-Related Capital Contribution, GP-Related Profit Sharing Percentage and Capital Commitment Profit Sharing Percentage. Each additional Member shall have such voting rights as may be determined by the Managing Member from time to time unless, upon the admission to the Company of any Special Member, the Managing Member shall designate that such Special Member shall not have such voting rights (any such Special Member being called a "Nonvoting Special Member"). Any additional Member shall, as a condition to becoming a Member, agree to become a party to, and be bound by the terms and conditions of, the Trust Agreement.

(b) The GP-Related Profit Sharing Percentages to be allocated to an additional Member as of the date such Member is admitted to the Company, together with the pro rata reduction in all other Members' GP-Related Profit Sharing Percentages as of such date, shall be established by the Managing Member pursuant to Section 5.3. The Capital Commitment Profit Sharing Percentages to be allocated to an additional Partner as of the date such Partner is admitted to the Partnership, together with the pro rata reduction in all other Partners' Capital Commitment Profit Sharing Percentages as of such date, shall be established by the General Partner.

(c) An additional Member shall be required to contribute to the Company his pro rata share of the Company's total capital, excluding capital in respect of GP-Related Investments and Capital Commitment Investments in which such Member does not acquire any interests, at such times and in such amounts as shall be determined by the Managing Member in accordance with Sections 4.1 and 7.1.

(d) The admission of an additional Member will be evidenced by (i) the execution of a counterpart copy of this Agreement by such additional Member or (ii) the execution of an amendment to this Agreement by all the Members (including the additional Member), as determined by the Managing Member. In addition, each additional Member shall sign a counterpart copy of the Trust Agreement or any other writing evidencing the intent of such person to become a party to the Trust Agreement that is accepted by the Managing Member on behalf of the Company.

6.2. Withdrawal of Members. (a) Any Member may Withdraw voluntarily from the Company on the last day of any calendar month (or on such other date as shall be determined by the Managing Member in its sole discretion), on not less than 15 days' prior written notice by such Member to the Managing Member (or on such shorter notice period as may be mutually agreed upon between such Member and the Managing Member); provided, that a Member may not voluntarily Withdraw without the consent of the Managing Member if such Withdrawal would (i) cause the Company to be in default under any of its contractual obligations or (ii) in the reasonable judgment of the Managing Member, have a material adverse effect on the Company or its business; provided further, that a Member may Withdraw from the Company with respect to such Member's GP-Related Member Interest without Withdrawing from the Company with respect to such Member's Capital Commitment Member Interest, and a Member may Withdraw from the Company with respect to such Member's Capital Commitment Member Interest without Withdrawing from the Company with respect to such Member's GP-Related Member Interest.

(b) Upon the Withdrawal of any Member, including by the occurrence of any withdrawal event under the LLC Act with respect to any Member, such Member shall thereupon cease to be a Member, except as expressly provided herein.

(c) Upon the Total Disability of a Regular Member, such Member shall thereupon cease to be a Regular Member with respect to such person's GP-Related Member Interest; provided, that the Managing Member may elect to admit such Withdrawn Member to the Company as a Nonvoting Special Member with respect to such person's GP-Related Member Interest, with such GP-Related Member Interest as the Managing Member may determine. The determination of whether any Member has suffered a Total Disability shall be made by the Managing Member in its sole discretion after consultation with a qualified medical doctor. In the absence of agreement between the Managing Member and such Member, each party shall nominate a qualified medical doctor and the two doctors shall select a third doctor, who shall make the determination as to Total Disability.

(d) If the Managing Member determines that it shall be in the best interests of the Company for any Member (including any Member who has given notice of voluntary Withdrawal pursuant to paragraph (a) above) to Withdraw from the Company (whether or not Cause exists) with respect to such person's GP-Related Member Interest and/or with respect to such person's Capital Commitment Member Interest, such Member, upon written notice by the Managing Member to such Member, shall be required to Withdraw with respect to such person's GP-Related Member Interest and/or with respect to such person's Capital Commitment Member Interest, as of a date specified in such notice, which date shall be on or after the date of such notice. If the Managing Member requires any Member to Withdraw for Cause with respect to such person's GP-Related Member Interest and/or with respect to such person's Capital Commitment Member Interest, such notice shall state that it has been given for Cause and shall describe the particulars thereof in reasonable detail.

(e) The withdrawal from the Company of any Member shall not, in and of itself, affect the obligations of the other Members to continue the Company during the remainder of its term.

6.3. GP-Related Member Interests Not Transferable. No Member may sell, assign, pledge or otherwise transfer or encumber all or any portion of such Member's GP-Related Member Interest other than as permitted by written agreement between such Member and the Company; provided, that this Section 6.3 shall not impair transfers by operation of law, transfers by will or by other testamentary instrument occurring by virtue of the death or dissolution of a Member, or transfers required by trust agreements; provided further, that a Regular Member may transfer, for estate planning purposes, up to 25% of his GP-Related Profit Sharing Percentage to any estate planning trust, limited partnership, or limited liability company with respect to which a Regular Member controls investments related to any interest in the Company held therein (an "Estate Planning Vehicle"). Each Estate Planning Vehicle will be a Nonvoting Special Member. Such Regular Member and the Nonvoting Special Member shall be jointly and severally liable for all obligations of both such Regular Member and such Nonvoting Special Member with respect to the Company (including the obligation to make additional GP-Related Capital Contributions), as the case may be. The Managing Member may at its sole option exercisable at any time require any Estate Planning Vehicle to withdraw from the Company on the terms of this Article VI. Except as provided in the second proviso to the first sentence of this Section 6.3, no assignee, legatee, distributee, heir or transferee (by conveyance, operation of law or otherwise) of the whole or any portion of any Member's GP-Related Member Interest shall have any right to be a Member without the prior written consent of the Managing Member (which consent may be withheld without giving any reason therefor). Notwithstanding the granting of a security interest in the entire Interest of any Member, such Member shall continue to be a Member of the Company.

6.4. Consequences upon Withdrawal of a Member. (a) The Withdrawal of a Regular Member shall not dissolve the Company if at the time of such Withdrawal there are one or more remaining Regular Members and any one or more of such remaining Regular Members continue the business of the Company (any and all such remaining Regular Members being hereby authorized to continue the business of the Company without dissolution and hereby agreeing to do so). Notwithstanding Section 6.4(b), if upon the Withdrawal of a Regular Member there shall be no remaining Regular Member, the Company shall be dissolved and shall be wound up unless, within 90 days after the occurrence of such Withdrawal, all remaining Special Members agree in writing to continue the business of the Company and to the appointment, effective as of the date of such Withdrawal, of one or more Regular Members.

(b) The Company shall not be dissolved, in and of itself, by the Withdrawal of any Member, but shall continue with the surviving or remaining Members as members thereof in accordance with and subject to the terms and provisions of this Agreement.

6.5. Satisfaction and Discharge of a Withdrawn Member's GP-Related Interest. (a) The terms of this Section 6.5 shall apply to the GP-Related Member Interest of a Withdrawn Member, but, except as otherwise expressly provided in this Section 6.5, shall not apply to the Capital Commitment Member Interest of a Withdrawn Member. The term "Settlement Date" means the date as of which a Withdrawn Member's GP-Related Member Interest is settled as determined under paragraph (b) below. Notwithstanding the foregoing, any Regular Member who Withdraws from the Company, and all or any portion of whose GP-Related Member Interest is retained as a Special Member, shall be considered a Withdrawn Member for all purposes hereof.

(b) Except where a later date for the settlement of a Withdrawn Member's interest in the Company may be agreed to by the Managing Member and a Withdrawn Member, a Withdrawn Member's Settlement Date shall be his Withdrawal Date; provided, that if a Withdrawn Member's Withdrawal is not the last day of a month, then the Managing Member may elect for such Withdrawn Member's Settlement Date to be the last day of the month in which his Withdrawal Date occurs. During the interval, if any, between a Withdrawn Member's Withdrawal Date and Settlement Date, such Withdrawn Member shall have the same rights and obligations with respect to capital contributions, interest on capital, allocations of Net Income (Loss) and distributions as would have applied had such Withdrawn Member remained a Member of the Company during such period.

(c) In the event of the Withdrawal of a Member, the Managing Member shall promptly after such Withdrawn Member's Settlement Date (i) determine and allocate to the Withdrawn Member's GP-Related Capital Accounts such Withdrawn Member's allocable share of the GP-Related Net Income (Loss) of the Company for the period ending on such Settlement Date in accordance with Article V and (ii) credit the Withdrawn Member's GP-Related Capital Accounts with interest in accordance with Section 5.2. In making the foregoing calculations, the Managing Member shall be entitled to establish such reserves (including reserves for taxes, bad debts, unrealized losses, actual or threatened litigation or any other expenses, contingencies or obligations) as it deems appropriate. Unless otherwise determined by the Managing Member in a particular case, a Withdrawn Member shall not be entitled to receive any GP-Related Unallocated Percentage in respect of the accounting period during which such Member Withdraws from the Company (whether or not previously awarded or allocated) or any GP-Related Unallocated Percentage in respect of prior accounting periods that have not been paid or allocated (whether or not previously awarded) as of such Withdrawn Member's Withdrawal Date.

(d) From and after the Settlement Date of the Withdrawn Member, the Withdrawn Member's GP-Related Profit Sharing Percentages shall, unless otherwise allocated by the Managing Member pursuant to Section 5.3(a), be deemed to be GP-Related Unallocated Percentages (except for GP-Related Profit Sharing Percentages with respect to GP-Related Investments as provided in paragraph (f) below).

(e)(i) Upon the Withdrawal from the Company of a Member with respect to such Member's GP-Related Member Interest, such Withdrawn Member thereafter shall not, except as expressly provided in this Section 6.5, have any rights of a Member (including voting rights) with respect to such Member's GP-Related Member Interest, and, except as expressly provided in this Section 6.5, such Withdrawn Member shall not have any interest in the Company's GP-Related Net Income (Loss), or in distributions, GP-Related Investments or other assets related to such Member's GP-Related Member Interest. If a Member Withdraws from the Company with respect to such Member's GP-Related Member Interest for any reason other than for Cause pursuant to Section 6.2, then the Withdrawn Member shall be entitled to receive, at the time or times specified in Section 6.5(i) below, in satisfaction and discharge in full of the Withdrawn Member's GP-Related Member Interest, (x) payment equal to the aggregate credit balance, if any, as of the Settlement Date of the Withdrawn Member's GP-Related Capital Accounts, (excluding any GP-Related Capital Account or portion thereof attributable to any GP-Related Investment) and (y) the Withdrawn Member's percentage interest attributable to each GP-Related Investment in which the Withdrawn Member has an interest as of the Settlement Date as provided in paragraph (f) below (which shall be settled in accordance with paragraph (f) below), subject to all the terms and conditions of paragraphs (a)-(r) of this Section 6.5. If the amount determined pursuant to clause (x) above is an aggregate negative balance, the Withdrawn Member shall pay the amount thereof to the Company upon demand by the Managing Member on or after the date of the statement referred to in paragraph (i) below; provided, that if the Withdrawn Member was solely a Special Member on his Withdrawal Date, such payment shall be required only to the extent of any amounts payable to such Withdrawn Member pursuant to this Section 6.5. Any aggregate negative balance in the GP-Related Capital Accounts of a Withdrawn Member who was solely a Special Member, upon the settlement of such Withdrawn Member's GP-Related Member Interest pursuant to this Section 6.5, shall be allocated among the other Members' GP-Related Capital Accounts in accordance with their respective GP-Related Profit Sharing Percentages in the categories of GP-Related Net Income (Loss) giving rise to such negative balance as determined by the Managing Member as of such Withdrawn Member's Settlement Date. In the settlement of any Withdrawn Member's GP-Related

Member Interest in the Company, no value shall be ascribed to goodwill, the Company name or the anticipation of any value the Company or any successor thereto might have in the event the Company or any interest therein were to be sold in whole or in part.

(ii) Notwithstanding clause (i) of this Section 6.5(e), in the case of a Member whose Withdrawal with respect to such Member's GP-Related Member Interest resulted from such Member's death or Incompetence, such Member's estate or legal representative, as the case may be, may elect, at the time described below, to receive a Nonvoting Special Member GP-Related Member Interest and retain such Member's GP-Related Profit Sharing Percentage in all (but not less than all) illiquid investments of the Company in lieu of a cash payment (or Note) in settlement of that portion the Withdrawn Member's GP-Related Member Interest. The election referred to above shall be made within 60 days after the Withdrawn Member's Settlement Date, based on a statement of the settlement of such Withdrawn Member's GP-Related Member Interest in the Company pursuant to this Section 6.5.

(f) For purposes of clause (y) of paragraph (e)(i) above, a Withdrawn Member's "percentage interest" means his GP-Related Profit Sharing Percentage as of the Settlement Date in the relevant GP-Related Investment. The Withdrawn Member shall retain his percentage interest in such GP-Related Investment and shall retain his GP-Related Capital Account or portion thereof attributable to such GP-Related Investment, in which case such Withdrawn Member (a "Retaining Withdrawn Member") shall become and remain a Special Member for such purpose (and, if the Managing Member so designates, such Special Member shall be a Nonvoting Special Member). The GP-Related Member Interest of a Retaining Withdrawn Member pursuant to this paragraph (f) shall be subject to the terms and conditions applicable to GP-Related Member Interests of any kind hereunder and such other terms and conditions as are established by the Managing Member. At the option of the Managing Member in its sole discretion, the Managing Member and the Retaining Withdrawn Member may agree to have the Company acquire such GP-Related Member Interest without the approval of the other Members; provided, that the Managing Member shall reflect in the books and records of the Company the terms of any acquisition pursuant to this sentence.

(g) The Managing Member may elect, in lieu of payment in cash of any amount payable to a Withdrawn Member pursuant to paragraph (e) above, to (i) have the Company issue to the Withdrawn Member a subordinated promissory note and/or to (ii) distribute in kind to the Withdrawn Member such Withdrawn Member's pro rata share (as determined by the Managing Member) of any securities or other investments of the Company. If any securities or other investments are distributed in kind to a Withdrawn Member under this paragraph (g), the amount described in clause (x) of paragraph (e)(i) shall be reduced by the value of such distribution as valued on the latest balance sheet of the Company in accordance with generally accepted accounting principles or, if not appearing on such balance sheet, as reasonably determined by the Managing Member.

(h) [Intentionally omitted.]

(i) Within 120 days after each Settlement Date, the Managing Member shall submit to the Withdrawn Member a statement of the settlement of such Withdrawn Member's GP-Related Member Interest in the Company pursuant to this Section 6.5 together with any cash payment, subordinated promissory note and in kind distributions to be made to such Member as shall be determined by the Managing Member. The Managing Member shall submit to the Withdrawn Member supplemental statements with respect to additional amounts payable to or by the Withdrawn Member in respect of the settlement of his GP-Related Member Interest in the Company (e.g., payments in respect of GP-Related Investments pursuant to paragraph (f) above or adjustments to reserves pursuant to paragraph (j) below) promptly after such amounts are determined by the Managing Member. To the

fullest extent permitted by law, such statements and the valuations on which they are based shall be accepted by the Withdrawn Member without examination of the accounting books and records of the Company or other inquiry. Any amounts payable by the Company to a Withdrawn Member pursuant to this Section 6.5 shall be subordinate in right of payment and subject to the prior payment or provision for payment in full of claims of all present or future creditors of the Company or any successor thereto arising out of matters occurring prior to the applicable date of payment or distribution; provided, that such Withdrawn Member shall otherwise rank *pari passu* in right of payment (x) with all persons who become Withdrawn Members and whose Withdrawal Date is within one year before the Withdrawal Date of the Withdrawn Member in question and (y) with all persons who become Withdrawn Members and whose Withdrawal Date is within one year after the Withdrawal Date of the Withdrawn Member in question.

(j) If the aggregate reserves established by the Managing Member as of the Settlement Date in making the foregoing calculations should prove, in the determination of the Managing Member, to be excessive or inadequate, the Managing Member may elect, but shall not be obligated, to pay the Withdrawn Member or his estate such excess, or to charge the Withdrawn Member or his estate such deficiency, as the case may be.

(k) Any amounts owed by the Withdrawn Member to the Company at any time on or after the Settlement Date (e.g., outstanding Company loans or advances to such Withdrawn Member) shall be offset against any amounts payable or distributable by the Company to the Withdrawn Member at any time on or after the Settlement Date or shall be paid by the Withdrawn Member to the Company, in each case as determined by the Managing Member. All cash amounts payable by a Withdrawn Member to the Company under this Section 6.5 shall bear interest from the due date to the date of payment at a floating rate equal to the lesser of (x) the rate of interest publicly announced from time to time by JPMorgan Chase Bank, N.A. as its prime rate or (y) the maximum rate of interest permitted by applicable law. The “due date” of amounts payable by a Withdrawn Member pursuant to Section 6.5(i) above shall be 120 days after a Withdrawn Member’s Settlement Date. The “due date” of amounts payable to or by a Withdrawn Member in respect of GP-Related Investments for which the Withdrawn Member has retained a percentage interest in accordance with paragraph (f) above shall be 120 days after realization with respect to such GP-Related Investment. The “due date” of any other amounts payable by a Withdrawn Member shall be 60 days after the date such amounts are determined to be payable.

(l) At the time of the settlement of any Withdrawn Member’s GP-Related Member Interest in the Company pursuant to this Section 6.5, the Managing Member may, to the fullest extent permitted by applicable law, impose any restrictions it deems appropriate on the assignment, pledge, encumbrance or other transfer by such Withdrawn Member of any interest in any GP-Related Investment retained by such Withdrawn Member, any securities or other investments distributed in kind to such Withdrawn Member or such Withdrawn Member’s right to any payment from the Company.

(m) If a Member is required to Withdraw from the Company with respect to such Member’s GP-Related Member Interest for Cause pursuant to Section 6.2(d), then his GP-Related Member Interest shall be settled in accordance with paragraphs (a)-(r) of this Section 6.5; provided, that the Managing Member may elect (but shall not be required) to apply any or all the following terms and conditions to such settlement:

(i) In settling the Withdrawn Member’s interest in any GP-Related Investment in which he has an interest as of his Settlement Date, the Managing Member may elect to (A) determine the GP-Related Unrealized Net Income (Loss) attributable to each such GP-Related Investment as of the Settlement Date and allocate to the appropriate GP-Related

Capital Account of the Withdrawn Member his allocable share of such GP-Related Unrealized Net Income (Loss) for purposes of calculating the aggregate balance of such Withdrawn Member's GP-Related Capital Account pursuant to clause (x) of paragraph (e)(i) above, (B) credit or debit, as applicable, the Withdrawn Member with the balance of his GP-Related Capital Account or portion thereof attributable to each such GP-Related Investment as of his Settlement Date without giving effect to the GP-Related Unrealized Net Income (Loss) from such GP-Related Investment as of his Settlement Date, which shall be forfeited by the Withdrawn Member or (C) apply the provisions of paragraph (f) above, provided, that the maximum amount of GP-Related Net Income (Loss) allocable to such Withdrawn Member with respect to any GP-Related Investment shall equal such Member's percentage interest of the GP-Related Unrealized Net Income, if any, attributable to such GP-Related Investment as of the Settlement Date (the balance of such GP-Related Net Income (Loss), if any, shall be allocated as determined by the Managing Member). The Withdrawn Member shall not have any continuing interest in any GP-Related Investment to the extent an election is made pursuant to (A) or (B) above.

(ii) Any amounts payable by the Company to the Withdrawn Member pursuant to this Section 6.5 shall be subordinate in right of payment and subject to the prior payment in full of claims of all present or future creditors of the Company or any successor thereto arising out of matters occurring prior to or on or after the applicable date of payment or distribution.

(n) The payments to a Withdrawn Member pursuant to this Section 6.5 may be conditioned on the compliance by such Withdrawn Member with any lawful and reasonable (under the circumstances) restrictions against engaging or investing in a business competitive with that of the Company or any of its subsidiaries and Affiliates for a period not exceeding two years determined by the Managing Member. Upon written notice to the Managing Member, any Withdrawn Member who is subject to noncompetition restrictions established by the Managing Member pursuant to this paragraph (n) may elect to forfeit the principal amount payable in the final installment of his subordinated promissory note, together with interest to be accrued on such installment after the date of forfeiture, in lieu of being bound by such restrictions.

(o) In addition to the foregoing, the Managing Member shall have the right to pay a Withdrawn Member (other than the Managing Member) a discretionary additional payment in an amount and based upon such circumstances and conditions as it determines to be relevant.

(p) The provisions of this Section 6.5 shall apply to any Investor Special Member relating to a Regular Member or Special Member and to any transferee of any GP-Related Member Interest of such Member pursuant to Section 6.3 if such Member Withdraws from the Company.

(q)(i) The Company will assist a Withdrawn Member or his estate or guardian, as the case may be, in the settlement of the Withdrawn Member's GP-Related Member Interest in the Company. Third party costs incurred by the Company in providing this assistance will be borne by the Withdrawn Member or his estate.

(ii) The Company may reasonably determine in good faith to retain outside professionals to provide the assistance to Withdrawn Members or their estates or guardians, as referred to above. In such instances, the Company will obtain the prior approval of a Withdrawn Member or his estate or guardian, as the case may be, prior to engaging such professionals. If the Withdrawn Member (or his estate or guardian) declines to incur such costs, the Company will provide such reasonable assistance as and when it can so as not to interfere with the Company's day-to-day operating, financial, tax and other related responsibilities to the Company and the Members.

(r) Each Member (other than the Managing Member) hereby irrevocably appoints the Managing Member as such Member's true and lawful agent, representative and attorney-in-fact, each acting alone, in such Member's name, place and stead, to make, execute, sign and file, on behalf of such Member, any and all agreements, instruments, documents and certificates which the Managing Member deems necessary or advisable in connection with any transaction or matter contemplated by or provided for in this Section 6.5, including, without limitation, the performance of any obligation of such Member or the Company or the exercise of any right of such Member or the Company. Such power of attorney is coupled with an interest and shall survive and continue in full force and effect notwithstanding the Withdrawal from the Company of any Member for any reason and shall not be affected by the death, disability or incapacity of such Member.

6.6. Dissolution of the Company. The Managing Member may dissolve the Company prior to the expiration of its term at any time on not less than 60 days' notice of the dissolution date given to the other Members.

6.7. Certain Tax Matters. (a) All items of income, gain, loss, deduction and credit of the Company shall be allocated among the Members for Federal, state and local income tax purposes in the same manner as such items of income, gain, loss, deduction and credit shall be allocated among the Members pursuant to this Agreement, except as may otherwise be provided herein or by the Code or other applicable law. To the extent Treasury Regulations promulgated pursuant to Subchapter K of the Code (including under Sections 704(b) and (c) of the Code) or other applicable law require allocations for tax purposes that differ from the foregoing allocations, the Managing Member may determine the manner in which such tax allocations shall be made so as to comply more fully with such Treasury Regulations or other applicable law and, at the same time, preserve the economic relationships among the Members as set forth in this Agreement. In the event there is a net decrease in partnership minimum gain or partner nonrecourse debt minimum gain (determined in accordance with the principles of Regulations Sections 1.704-2(d) and 1.704-2(i)) during any taxable year of the Company, each Member shall be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to its respective share of such net decrease during such year, determined pursuant to Regulations Sections 1.704-2(g) and 1.704-2(i)(5). The items to be so allocated shall be determined in accordance with Regulations Section 1.704-2(f). In addition, this Agreement shall be considered to contain a "qualified income offset" as provided in Regulations Section 1.704-1(b)(2)(ii)(d).

(b) The Managing Member shall cause to be prepared all Federal, state and local tax returns of the Company for each year for which such returns are required to be filed and, after approval of such returns by the Managing Member, shall cause such returns to be timely filed. The Managing Member shall determine the appropriate treatment of each item of income, gain, loss, deduction and credit of the Company and the accounting methods and conventions under the tax laws of the United States, the several states and other relevant jurisdictions as to the treatment of any such item or any other method or procedure related to the preparation of such tax returns. The Managing Member may cause the Company to make or refrain from making any and all elections permitted by such tax laws. Each Member agrees that he shall not, unless he provides prior notice of such action to the Company, (i) treat, on his individual income tax returns, any item of income, gain, loss, deduction or credit relating to his interest in the Company in a manner inconsistent with the treatment of such item by the Company as reflected on the Form K-1 or other information statement furnished by the Company to such Member for use in preparing his income tax returns or (ii) file any claim for refund relating to any such item based on, or which would result in, such inconsistent treatment. In respect of an income tax audit of any tax return of the Company, the filing of any amended return or claim for refund in connection with any

item of income, gain, loss, deduction or credit reflected on any tax return of the Company, or any administrative or judicial proceedings arising out of or in connection with any such audit, amended return, claim for refund or denial of such claim, (A) the Tax Matters Member (as defined below) shall be authorized to act for, and his decision shall be final and binding upon, the Company and all Members except to the extent a Member shall properly elect to be excluded from such proceeding pursuant to the Code, (B) all expenses incurred by the Tax Matters Member in connection therewith (including, without limitation, attorneys', accountants' and other experts' fees and disbursements) shall be expenses of the Company and (C) no Member shall have the right to (1) participate in the audit of any Company tax return, (2) file any amended return or claim for refund in connection with any item of income, gain, loss, deduction or credit reflected on any tax return of the Company (unless he provides prior notice of such action to the Company as provided above), (3) participate in any administrative or judicial proceedings conducted by the Company or the Tax Matters Member arising out of or in connection with any such audit, amended return, claim for refund or denial of such claim, or (4) appeal, challenge or otherwise protest any adverse findings in any such audit conducted by the Company or the Tax Matters Member or with respect to any such amended return or claim for refund filed by the Company or the Tax Matters Member or in any such administrative or judicial proceedings conducted by the Company or the Tax Matters Member. The Company and each Member hereby designate any Member selected by the Managing Member as the "tax matters partner" for purposes of Section 6231(a)(7) of the Code (the "Tax Matters Member"). To the fullest extent permitted by applicable law, each Member agrees to indemnify and hold harmless the Company and all other Members from and against any and all liabilities, obligations, damages, deficiencies and expenses resulting from any breach or violation by such Member of the provisions of this Section 6.7 and from all actions, suits, proceedings, demands, assessments, judgments, costs and expenses, including reasonable attorneys' fees and disbursements, incident to any such breach or violation.

(c) Each individual Member shall provide to the Company copies of each Federal, state and local income tax return of such Member (including any amendment thereof) within 30 days after filing such return.

6.8. Special Basis Adjustments. In connection with any assignment or transfer of a Company interest permitted by the terms of this Agreement, the Managing Member may cause the Company, on behalf of the Members and at the time and in the manner provided in Code Regulations Section 1.754-1(b), to make an election to adjust the basis of the Company's property in the manner provided in Sections 734(b) and 743(b) of the Code.

ARTICLE VII

CAPITAL COMMITMENT INTERESTS; CAPITAL CONTRIBUTIONS; ALLOCATIONS; DISTRIBUTIONS

7.1. Capital Commitment Interests, etc.

(a) This Article VII and Article VIII hereof set forth certain terms and conditions with respect to the Capital Commitment Member Interests and the Capital Commitment BGCS Interest and matters related to the Capital Commitment Member Interests and the Capital Commitment BGCS Interest. Except as otherwise expressly provided in this Article VII or in Article VIII, the terms and provisions of this Article VII and Article VIII shall not apply to the GP-Related Member Interests or the GP-Related BGCS Interest.

(b) Each Member, severally, agrees to make contributions of capital to the Company (“Capital Commitment-Related Capital Contributions”) as required to fund the Company’s capital contributions to BGCS in respect of the Capital Commitment BGCS Interest, if any, and the related Capital Commitment BGCS Commitment, if any. No Member shall be obligated to make Capital Commitment-Related Capital Contributions to the Company in an amount in excess of such Member’s Capital Commitment-Related Commitment. The Commitment Agreements and SMD Agreements of the Members may include provisions with respect to the foregoing matters. It is understood that a Member will not necessarily participate in each Capital Commitment Investment (which may include additional amounts invested in an existing Capital Commitment Investment) nor will a Member necessarily have the same Capital Commitment Profit Sharing Percentage with respect to each Capital Commitment Investment in which such Member participates; provided, that this in no way limits the terms of any Commitment Agreement or SMD Agreement. In addition, nothing contained herein shall be construed to give any Member the right to obtain financing with respect to the purchase of any Capital Commitment Interest, and nothing contained herein shall limit or dictate the terms upon which the Company and its Affiliates may provide such financing. The acquisition of a Capital Commitment Interest by a Member shall be evidenced by receipt by the Company of funds equal to such Member’s Capital Commitment- Related Commitment then due with respect to such Capital Commitment Interest and such appropriate documentation as the Managing Member may submit to the Members from time to time.

(c) The Company or one of its Affiliates (in such capacity, the “Advancing Party”) may in its sole discretion advance to any Member (including any additional Member admitted to the Company pursuant to Section 6.1 but excluding any Members that are also executive officers of The Blackstone Group L.P. or any Affiliate thereof) all or any portion of the Capital Commitment Capital Contributions due to the Company from such Member with respect to any Capital Commitment Investment (“Firm Advances”). Each such Member shall pay interest on each Firm Advance from the date of each such Firm Advance until the repayment thereof by such Member. Each Firm Advance shall be repayable in full, including accrued interest to the date of such repayment, upon prior written notice by the Advancing Party. The making and repayment of each Firm Advance shall be recorded in the books and records of the Company, and such recording shall be conclusive evidence of each such Firm Advance, binding on the Member and the Advancing Party absent manifest error. Except as provided below, the interest rate applicable to a Firm Advance shall equal the cost of funds of the Advancing Party at the time of the making of such Firm Advance. The Advancing Party shall inform any Member of such rate upon such Member’s request; provided, that amounts that are otherwise payable to such Member pursuant to Section 7.4(a) shall be used to repay such Firm Advance (including interest thereon). The Advancing Party may, in its sole discretion, change the terms of Firm Advances (including the terms contained herein) and/or discontinue the making of Firm Advances; provided, that (i) the Advancing Party shall notify the relevant Members of any material changes to such terms and (ii) the interest rate applicable to such Firm Advances and overdue amounts thereon shall not exceed the maximum interest rate allowable by applicable law.

7.2. Capital Commitment Capital Accounts.

(a) There shall be established for each Member on the books of the Company as of the date of formation of the Company, or such later date on which such Member is admitted to the Company, and on each such other date as such Member first acquires a Capital Commitment Interest in a particular Capital Commitment Investment, a Capital Commitment Capital Account for each Capital Commitment Investment in which such Member acquires a Capital Commitment Interest on such date. Each Capital Commitment Capital Contribution of a Member shall be credited to the appropriate Capital Commitment Capital Account of such Member on the date such Capital Commitment Capital Contribution is paid to the Company. Capital Commitment Capital Accounts shall be adjusted to reflect any transfer of a Member’s interest in the Company related to his Capital Commitment Member Interest as provided in this Agreement.

(b) A Member shall not have any obligation to the Company or to any other Member to restore any negative balance in the Capital Commitment Capital Account of such Member. Until distribution of any such Member's interest in the Company with respect to a Capital Commitment Interest as a result of the disposition by the Company of the related Capital Commitment Investment and in whole upon the dissolution of the Company, neither such member's Capital Commitment Capital Accounts nor any part thereof shall be subject to withdrawal or redemption except with the consent of the Managing Member.

7.3. Allocations.

(a) Capital Commitment Net Income (Loss) of the Company for each Capital Commitment Investment shall be allocated to the related Capital Commitment Capital Accounts of all the Members (including the Managing Member) participating in such Capital Commitment Investment in proportion to their respective Capital Commitment Profit Sharing Percentages for such Capital Commitment Investment. Capital Commitment Net Income (Loss) on any Unallocated Capital Commitment Interest shall be allocated to each Member in the proportion which such Member's aggregate Capital Commitment Capital Accounts bear to the aggregate Capital Commitment Capital Accounts of all Members; provided, that if any Member makes the election provided for in Section 7.6, Capital Commitment Net Income (Loss) of the Company for each Capital Commitment Investment shall be allocated to the related Capital Commitment Capital Accounts of all the Members participating in such Capital Commitment Investment who do not make such election in proportion to their respective Capital Commitment Profit Sharing Percentages for such Capital Commitment Investment.

(b) Any special costs relating to distributions pursuant to Section 7.6 or 7.7 shall be specially allocated to the electing Member.

7.4. Distributions.

(a) Each Member's allocable portion of Capital Commitment Net Income received from his Capital Commitment Investments, distributions to such Member that constitute returns of capital, and other Capital Commitment Net Income of the Company (including, without limitation, Capital Commitment Net Income attributable to Unallocated Capital Commitment Interests) during a fiscal year of the Company will be credited to payment of the Investor Notes to the extent required below as of the last day of such fiscal year (or on such earlier date as related distributions are made in the sole discretion of the Managing Member) with any cash amount distributable to such Member pursuant to clauses (ii) and (vii) below to be distributed within 45 days after the end of each fiscal year of the Company (or in each case on such earlier date as selected by the Managing Member in its sole discretion) as follows (subject to Section 7.4(c) below):

(i) First, to the payment of interest then due on all Investor Notes (relating to Capital Commitment Investments or otherwise) of such Member (to the extent Capital Commitment Net Income and distributions or payments from Other Sources do not equal or exceed all interest payments due, the selection of those of such Member's Investor Notes upon which interest is to be paid and the division of payments among such Investor Notes to be determined by the Lender or Guarantor);

(ii) Second, to distribution to the Member of an amount equal to the Federal, state and local income taxes on income of the Company allocated to such Member for such year in respect of such Member's Capital Commitment Member Interest (the aggregate amount of any such distribution shall be determined by the Managing Member, subject to the limitation that the minimum aggregate amount of such distribution be the tax that would be payable if the taxable

income of the Company related to all Members' Capital Commitment Member Interests were all allocated to an individual subject to the then-prevailing maximum Federal, New York State and New York City tax rates (taking into account the extent to which such taxable income allocated by the Company was composed of long-term capital gains and the deductibility of state and local income taxes for Federal income tax purposes)); provided, that additional amounts shall be paid to the Member pursuant to this clause (ii) to the extent that such amount reduces the amount otherwise distributable to the Member pursuant to a comparable provision in any other BCE Agreement and there are not sufficient amounts to fully satisfy such provision from the relevant partnership or other entity; provided further, that amounts paid pursuant to the provisions in such other BCE Agreements comparable to the immediately preceding proviso shall reduce those amounts otherwise distributable to the Member pursuant to provisions in such other BCE Agreements that are comparable to this clause (ii);

(iii) Third, to the payment in full of the principal amount of the Investor Note financing (A) any Capital Commitment Investment disposed of during or prior to such fiscal year or (B) any BCE Investments (other than Capital Commitment Investments) disposed of during or prior to such fiscal year, to the extent not repaid from Other Sources;

(iv) Fourth, to the return to such Member of (A) all Capital Commitment Capital Contributions made in respect of the Capital Commitment Interest to which any Capital Commitment Investment disposed of during or prior to such fiscal year relates or (B) all capital contributions made to any Blackstone Collateral Entity (other than the Company) in respect of interests therein relating to BCE Investments (other than Capital Commitment Investments) disposed of during or prior to such fiscal year (including all principal paid on the related Investor Notes), to the extent not repaid from amounts of Other Sources (other than amounts of Capital Commitment Member Carried Interest);

(v) Fifth, to the payment of principal (including any previously deferred amounts) then owing under all other Investor Notes of such Member (including those unrelated to the Company), the selection of those of such Member's Investor Notes to be repaid and the division of payments among such Investor Notes to be determined by the Lender or Guarantor;

(vi) Sixth, up to 50% of any Capital Commitment Net Income remaining after application pursuant to clauses (i) through (v) above shall be applied pro rata to prepayment of principal of all remaining Investor Notes of such Member (including those unrelated to the Company), the selection of those of such Member's Investor Notes to be repaid, the division of payments among such Investor Notes and the percentage of remaining Capital Commitment Net Income to be applied thereto to be determined by the Lender or Guarantor; and

(vii) Seventh, to such Member to the extent of any amount of Capital Commitment Net Income remaining after making the distributions in clauses (i) through (vi) above, and such amount is not otherwise required to be applied to Investor Notes pursuant to the terms thereof.

To the extent there is a partial disposition of a Capital Commitment Investment or any other BCE Investment, as applicable, the payments in clauses (iii) and (iv) above shall be based on that portion of the Capital Commitment Investment or other BCE Investment, as applicable, disposed of, and the principal amount and related interest payments of such Investor Note shall be adjusted to reflect such partial payment so that there are equal payments over the remaining term of the related Investor Note. For a Member who is no longer an employee or officer of Holdings or its Affiliates, distributions shall be made pursuant to clauses (i) through (iii) above, and then, unless the Company or

its Affiliate has exercised its rights pursuant to Section 8.1 hereof, any remaining income or other distribution in respect of such Member's Capital Commitment Member Interest shall be applied to the prepayment of the outstanding Investor Notes of such Member, until all such Member's Investor Notes have been repaid in full, with any such income or other distribution remaining thereafter distributed to such Member.

Distributions of Capital Commitment Net Income may be made at any other time at the discretion of the Managing Member. At the Managing Member's discretion, any amounts distributed to a Member in respect of such Member's Capital Commitment Member Interest will be net of any interest and principal payable on his Investor Notes for the full period in respect of which the distribution is made.

(b) [Intentionally omitted.]

(c) To the extent that the foregoing Company distributions and distributions and payments from Other Sources are insufficient to satisfy any principal and/or interest due on Investor Notes, and to the extent that the Managing Member in its sole discretion elect to apply this paragraph (e) to any individual payments due, such unpaid interest will be added to the remaining principal amount of such Investor Notes and shall be payable on the next scheduled principal payment date (along with any deferred principal and any principal and interest due on such date); provided, that such deferral shall not apply to a Member that is no longer an employee or officer of Holdings or an Affiliate thereof. All unpaid interest on such Investor Notes shall accrue interest at the interest rate then in effect for such Investor Notes.

(d) [Intentionally omitted.]

(e) The Capital Commitment Capital Account of each Member shall be reduced by the amount of any distribution to such Member pursuant to paragraph (a) of this Section 7.4.

(f) At any time that a sale, exchange, transfer or other disposition of a portion of a Capital Commitment Investment is being considered by the Company or BGCS (a "Capital Commitment Disposable Investment"), at the election of the Managing Member each Member's Capital Commitment Interest with respect to such Capital Commitment Investment shall be vertically divided into two separate Capital Commitment Interests, a Capital Commitment Interest attributable to the Capital Commitment Disposable Investment (a Member's "Capital Commitment Class B Interest"), and a Capital Commitment Interest attributable to such Capital Commitment Investment excluding the Capital Commitment Disposable Investment (a Member's "Capital Commitment Class A Interest"). Distributions (including those resulting from a direct or indirect sale, transfer, exchange or other disposition by the Company) relating to a Capital Commitment Disposable Investment shall be made only to holders of Capital Commitment Class B Interests with respect to such Capital Commitment Investment in accordance with their respective Capital Commitment Profit Sharing Percentages relating to such Capital Commitment Class B Interests, and distributions (including those resulting from the direct or indirect sale, transfer, exchange or other disposition by the Company) relating to a Capital Commitment Investment excluding such Capital Commitment Disposable Investment shall be made only to holders of Capital Commitment Class A Interests with respect to such Capital Commitment Investment in accordance with their respective Capital Commitment Profit Sharing Percentages relating to such Capital Commitment Class A Interests.

(g)(i) If the Company is obligated under the Giveback Provisions to contribute a Giveback Amount to BGCS in respect of any Capital Commitment BGCS Interest that may be held by the Company (the amount of any such obligation of the Company with respect to such a Giveback

Amount being herein called a “ Capital Commitment Giveback Amount ”), the Company shall call for such amounts as are necessary to satisfy such obligation of the Company as determined by the Managing Member, in which case each Member shall contribute to the Company, in cash, when and as called by the Company, such an amount of prior distributions by the Company with respect to the Capital Commitment BGCS Interest (the “ Capital Commitment Recontribution Amount ”) which equals such Member’s pro rata share of prior distributions in connection with (a) the Capital Commitment BGCS Investment giving rise to the Capital Commitment Giveback Amount, (b) if the amounts contributed pursuant to clause (a) above are insufficient to satisfy such Capital Commitment Giveback Amount, Capital Commitment BGCS Investments other than the one giving rise to such obligation, but only those amounts received by the Members with an interest in the Capital Commitment BGCS Investment referred to in clause (a) above, and (c) if the Capital Commitment Giveback Amount is unrelated to a specific Capital Commitment BGCS Investment, all Capital Commitment BGCS Investments. Each Member shall promptly contribute to the Company upon notice thereof such Member’s Capital Commitment Recontribution Amount. Prior to such time, the Company may, at the Managing Member’s discretion (but shall be under no obligation to), provide notice that in the Managing Member’s judgment, the potential obligations in respect of the Capital Commitment Giveback Amount will probably materialize (and an estimate of the aggregate amount of such obligations).

(ii) In the event any Member (a “ Capital Commitment Defaulting Party ”) fails to recontribute all or any portion of such Capital Commitment Defaulting Party’s Capital Commitment Recontribution Amount for any reason, the Company shall require all other Members and Withdrawn Members to contribute, on a pro rata basis (based on each of their respective Capital Commitment Profit Sharing Percentages), such amounts as are necessary to fulfill the Capital Commitment Defaulting Party’s obligation to pay such Capital Commitment Defaulting Party’s Capital Commitment Recontribution Amount (a “ Capital Commitment Deficiency Contribution ”) if the Managing Member determines in its good faith judgment that the Company will be unable to collect such amount in cash from such Capital Commitment Defaulting Party for payment of the Capital Commitment Giveback Amount at least 20 Business Days prior to the latest date that the Company is permitted to pay the Capital Commitment Giveback Amount; provided, that no Member shall as a result of such Capital Commitment Deficiency Contribution be required to contribute an amount in excess of 150% of the amount of the Capital Commitment Recontribution Amount initially requested from such Member in respect of such default. Thereafter, the Managing Member shall determine in its good faith judgment that the Company should either (1) not attempt to collect such amount in light of the costs associated therewith, the likelihood of recovery and any other factors considered relevant in the good faith judgment of the Managing Member or (2) pursue any and all remedies (at law or equity) available to the Company against the Capital Commitment Defaulting Party, the cost of which shall be a Company expense to the extent not ultimately reimbursed by the Capital Commitment Defaulting Party. It is agreed that the Company shall have the right (effective upon such Capital Commitment Defaulting Party becoming a Capital Commitment Defaulting Party) to set-off as appropriate and apply against such Capital Commitment Defaulting Party’s Capital Commitment Recontribution Amount any amounts otherwise payable to the Capital Commitment Defaulting Party by the Company or any Affiliate thereof. Each Member hereby grants to the Company a security interest, effective upon such Member becoming a Capital Commitment Defaulting Party, in all accounts receivable and other rights to receive payment from the Company or any Affiliate of the Company and agrees that, upon the effectiveness of such security interest, the Company may sell, collect or otherwise realize upon such collateral. In furtherance of the foregoing, each Member hereby appoints the Company as its true and lawful attorney-in-fact with full irrevocable power and authority, in the name of such Member or in the name of the Company, to take any actions which may be necessary to accomplish the intent of

the immediately preceding sentence. The Company shall be entitled to collect interest on the Capital Commitment Recontribution Amount of a Capital Commitment Defaulting Party from the date such Capital Commitment Recontribution Amount was required to be contributed to the Company at a rate equal to the Default Interest Rate.

(iii) Any Member's failure to make a Capital Commitment Deficiency Contribution shall cause such Member to be a Capital Commitment Defaulting Party with respect to such amount.

(iv) A Member's obligation to make contributions to the Company under this Section 7.4(g) shall survive the termination of the Company.

7.5. Valuations. Capital Commitment Investments shall be valued annually as of the end of each year (and at such other times as deemed appropriate by the Managing Member) in accordance with the principles utilized by the Company (or any Affiliate of the Company that is a general partner of BGCS) in valuing investments of BGCS or, in the case of investments not held by BGCS, in the good faith judgment of the Managing Member, subject in each case to the second proviso of the immediately succeeding sentence. The value of any Capital Commitment Interest as of any date (the "Capital Commitment Value") shall be based on the value of the underlying Capital Commitment Investment as set forth above; provided, that the Capital Commitment Value may be determined as of an earlier date if determined appropriate by the Managing Member in good faith; provided further, that such value may be adjusted by the Managing Member to take into account factors relating solely to the value of a Capital Commitment Interest (as compared to the value of the underlying Capital Commitment Investment), such as restrictions on transferability, the lack of a market for such Capital Commitment Interest and lack of control of the underlying Capital Commitment Investment. To the full extent permitted by applicable law such valuations shall be final and binding on all Members; provided further, that the immediately preceding proviso shall not apply to any Capital Commitment Interests held by a person who is or was at any time a direct Member of the Company.

7.6. Disposition Election.

(a) At any time prior to the date of the Company's execution of a definitive agreement to dispose of a Capital Commitment Investment, the Managing Member may in its sole discretion permit a Member to retain all or any portion of its pro rata share of such Capital Commitment Investment (as measured by such Member's Capital Commitment Profit Sharing Percentage in such Capital Commitment Investment). If the Managing Member so permits, such Member shall instruct the Managing Member in writing prior to such date (i) not to dispose of all or any portion of such Member's pro rata share of such Capital Commitment Investment (the "Retained Portion") and (ii) either to (A) distribute such Retained Portion to such Member on the closing date of such disposition or (B) retain such Retained Portion in the Company on behalf of such Member until such time as such Member shall instruct the Managing Member upon 5 days notice to distribute such Retained Portion to such Member. Such Member's Capital Commitment Capital Account shall not be adjusted in any way to reflect the retention in the Company of such Retained Portion or the Company's disposition of other Members' pro rata shares of such Capital Commitment Investment; provided, that such Member's Capital Commitment Capital Account shall be adjusted upon distribution of such Retained Portion to such Member or upon distribution of proceeds with respect to a subsequent disposition thereof by the Company.

(b) No distribution of such Retained Portion shall occur unless any Investor Notes relating thereto shall have been paid in full prior to or simultaneously with such distribution.

7.7. Capital Commitment Special Distribution Election.

(a) From time to time during the term of this Agreement, the Managing Member may in its sole discretion, upon receipt of a written request from a Member, distribute to such Member any portion of its pro rata share of a Capital Commitment Investment (as measured by such Member's Capital Commitment Profit Sharing Percentage in such Capital Commitment Investment) (a "Capital Commitment Special Distribution"). Such Member's Capital Commitment Capital Account shall be adjusted upon distribution of such Capital Commitment Special Distribution.

(b) No Capital Commitment Special Distributions shall occur unless any Investor Notes relating thereto shall have been paid in full prior to or simultaneously with such Capital Commitment Special Distribution.

ARTICLE VIII

WITHDRAWAL, ADMISSION OF NEW MEMBERS

8.1. Member Withdrawal; Repurchase of Capital Commitment Interests.

(a) Capital Commitment Interests (or a portion thereof) that were financed by Investor Notes will be treated as not subject to repurchase for purposes hereof based upon the proportion of (a) the sum of Capital Commitment Capital Contributions not financed by an Investor Note with respect to each Capital Commitment Interest and principal payments on the related Investor Note to (b) the sum of the Capital Commitment Capital Contributions not financed by an Investor Note with respect to such Capital Commitment Interest, the original principal amount of such Investor Note and all deferred amounts of interest which from time to time comprise part of the principal amount of the Investor Note. A Member may prepay a portion of any outstanding principal on the Investor Notes; provided, that in the event that a Member prepays all or any portion of the principal amount of the Investor Notes within nine months prior to the date on which such Member is no longer an employee or officer of Holdings or an Affiliate thereof, the Company (or its designee) shall have the right, in its sole discretion, to purchase the Capital Commitment Interest that became Non-Contingent as a result of such prepayment; provided further, that the purchase price for such Capital Commitment Interest shall be determined in accordance with the determination of the purchase price of a Member's Contingent Capital Commitment Interests as set forth in paragraph (b) below. Prepayments made by a Member shall apply pro rata against all of such Member's Investor Notes; provided, that such Member may request that such prepayments be applied only to Investor Notes related to BCE Investments that are related to one or more Blackstone Collateral Entities specified by such Member. Except as expressly provided herein, Capital Commitment Interests that were not financed in any respect with Investor Notes shall be treated as Non-Contingent Capital Commitment Interests.

(b) Upon a Member ceasing to be an officer or employee of the Company or any of its Affiliates, other than as a result of such Member dying or suffering a Total Disability, such Member (the "Withdrawn Member") and the Company or any other person designated by the Managing Member shall each have the right (exercisable by the Withdrawn Member within 30 days and by the Company or its designee(s) within 45 days of such Member's ceasing to be such an officer or employee) or any time thereafter, upon 30 days notice, but not the obligation, to require the Company, subject to the LLC Act, to buy (in the case of exercise of such right by such Withdrawn Member) or the Withdrawn Member to sell (in the case of exercise of such right by the Company or its designee(s)) all (but not less than all) such Withdrawn Member's Contingent Capital Commitment Interests. The purchase price for each such Contingent Capital Commitment Interest will be an amount equal to (i) the outstanding principal amount of the related Investor Note plus accrued interest thereon to the date of purchase (such portion

of the purchase price to be made in cash) and (ii) an additional amount (the “ Adjustment Amount ”) equal to (x) all interest paid by the Member on the portion of the principal amount of the Investor Note relating to the portion of the related Capital Commitment Interest remaining Contingent plus (y) all Capital Commitment Net Losses allocated to the Withdrawn Member on the Contingent portion of such Capital Commitment Interest minus (z) all Capital Commitment Net Income allocated to the Withdrawn Member on the Contingent portion of such Capital Commitment Interest; provided, that, if the Withdrawn Member was terminated from employment or his position as an officer for Cause, the amounts referred to in clause (x) or (y) of the Adjustment Amount, in the Managing Member’s sole discretion, may be deemed to equal zero. The Adjustment Amount shall, if positive, be payable by the holders of the purchased Capital Commitment Interests to the Withdrawn Member from the next Capital Commitment Net Income received by such holders on the Contingent portion of such Withdrawn Member’s Capital Commitment Interests at the time such Capital Commitment Net Income is received. If the Adjustment Amount resulting from an exchange is negative, it shall be payable to the holders of the purchased Capital Commitment Interest by the Withdrawn Member at the time such Capital Commitment Net Income is received by the Withdrawn Member from the next Capital Commitment Net Income on the Non-Contingent portion of the Withdrawn Member’s Capital Commitment Interests or, if the Company or its designee(s) elect to purchase such Withdrawn Member’s Non-Contingent Capital Commitment Interests, in cash by the Withdrawn Member at the time of such purchase; provided, that the Company and its Affiliates may offset any amounts otherwise owing to a Withdrawn Member against any Adjustment Amount owed by such Withdrawn Member. Until so paid, such remaining Adjustment Amount will not itself bear interest. At the time of such purchase of the Withdrawn Member’s Contingent Capital Commitment Interests, his related Investor Note shall be payable in full. If neither the Withdrawn Member nor the Company nor its designee(s) exercise the right to require repurchase of such Contingent Capital Commitment Interests, then the Withdrawn Member shall retain the Contingent portion of his Capital Commitment Interests and the Investor Notes shall remain outstanding, shall become fully recourse to the Withdrawn Member in his individual capacity, shall be payable in accordance with their remaining original maturity schedules and shall be prepayable at any time by the Withdrawn Member at his option, and the Company shall apply such prepayments against outstanding Investor Notes on a pro rata basis. To the extent that another Member purchases a portion of a Capital Commitment Interest of a Withdrawn Member, the purchasing Member’s Capital Commitment Capital Account and Capital Commitment Profit Sharing Percentage for such Capital Commitment Investment shall be correspondingly increased.

(c) Upon the occurrence of a Final Event with respect to any Member, such Member shall thereupon cease to be a Member with respect to such Member’s Capital Commitment Member Interest. If such a Final Event shall occur, no Successor in Interest to any such Member shall for any purpose hereof become or be deemed to become a Member. The sole right, as against the Company and the remaining Members, acquired hereunder by, or resulting hereunder to, a Successor in Interest to any Member shall be to receive any distributions and allocations with respect to such Member’s Capital Commitment Member Interest pursuant to Article VII and this Article VIII, subject to the right of the Company to purchase the Capital Commitment Interests of such former Member pursuant to Section 8.1(b) or Section 8.1(d)) to the extent, at the time, in the manner and in the amount otherwise payable to such Member had such a Final Event not occurred, and no other right shall be acquired hereunder by, or shall result hereunder to, a Successor in Interest to such Member, whether by operation of law or otherwise. Until distribution of any such Member’s interest in the Company upon the dissolution of the Company as provided in Section 9.2, neither his Capital Commitment Capital Accounts nor any part thereof shall be subject to withdrawal or redemption without the consent of the Managing Member. The Company shall be entitled to treat any Successor in Interest to such Member as the only person entitled to receive distributions and allocations hereunder with respect to such Member’s Capital Commitment Member Interest.

(d) If a Member dies or suffers a Total Disability, all Contingent Capital Commitment Interests of such Member shall be purchased by the Company or its designee (within 30 days of the first date on which the Company knows or has reason to know of such Member's death or Total Disability) as provided in Section 8.1(b) (except that any Adjustment Amount shall be payable by or to the estate or personal representative in cash) and any Investor Notes financing such Contingent Capital Commitment Interests shall thereupon be prepaid as provided in Section 8.1(b). In addition, in the case of the death or Total Disability of a Member, if the estate or personal representative of such Member so requests in writing within 180 days of the Member's death or ceasing to be an employee or member (directly or indirectly) of the Company or any of its Affiliates by reason of Total Disability (such requests shall not exceed one per calendar year), the Company or its designee may but is not obligated to purchase for cash all (but not less than all) Non-Contingent Capital Commitment Interests of such Member as of the last day of the Company's then current fiscal year at a price equal to the Capital Commitment Value thereof. Each Member shall be required to include appropriate provisions in his will to reflect such provisions of this Agreement. In addition, the Company may, in the sole discretion of the Managing Member, upon notice to the estate or personal representative of such Member within 30 days of the first date on which the Company knows or has reason to know of such Member's death or Total Disability, determine either (i) to distribute Securities or other property to the estate or personal representative in exchange for such Non-Contingent Capital Commitment Interests as provided in Section 8.1(e) or (ii) to require sale of such Non-Contingent Capital Commitment Interests to the Company or its designee as of the last day of any fiscal year of the Company (or earlier period, as determined by the Managing Member in its sole discretion) for an amount in cash equal to the Capital Commitment Value thereof.

(e) In lieu of retaining a Withdrawn Member as a Member with respect to any Non-Contingent Capital Commitment Interests, the Managing Member may, in its sole discretion, by notice to such Withdrawn Member within 45 days of his ceasing to be an employee or officer of the Company or any of its Affiliates, or at any time thereafter, upon 30 days written notice, determine (1) to distribute to such Withdrawn Member the pro rata portion of the Securities or other property underlying such Withdrawn Member's Non-Contingent Capital Commitment Interests, subject to any restrictions on distributions associated with the Securities or other property, in satisfaction of his Non-Contingent Capital Commitment Interests in the Company or (2) to cause, as of the last day of any fiscal year of the Company (or earlier period, as determined by the Managing Member in its sole discretion), the Company or another person designated by the Managing Member (who may be itself another Member or another Affiliate of the Company) to purchase all (but not less than all) of such Withdrawn Member's Non-Contingent Capital Commitment Interests for a price equal to the Capital Commitment Value thereof. The Managing Member shall condition any distribution or purchase of voting Securities pursuant to paragraph (d) above or this paragraph (e) upon the Withdrawn Member's execution and delivery to the Company of an appropriate irrevocable proxy, in favor of the Company or its nominee, relating to such Securities.

(f) The Company may subsequently transfer any Unallocated Capital Commitment Interest or portion thereof which is purchased by it as described above to any other person approved by the Managing Member. In connection with such purchase or transfer or the purchase of a Capital Commitment Interest or portion thereof by the Company's designee(s), Holdings may loan all or a portion of the purchase price of the transferred or purchased Capital Commitment Interest to the Company, the transferee or the designee-purchaser(s), as applicable. To the extent that a Withdrawn Member's Capital Commitment Interests (or portions thereof) are repurchased by the Company and not transferred to or purchased by another person, all or any portion of such repurchased Capital Commitment Interests may, in the sole discretion of the Managing Member, (i) be allocated to each Member already participating in the Capital Commitment Investment to which the repurchased Capital Commitment Interest relates, (ii) be allocated to each Member in the Company, whether or not already

participating in such Capital Commitment Investment, and/or (iii) continue to be held by the Company itself as an unallocated Capital Commitment Investment (such Capital Commitment Interests being herein called “Unallocated Capital Commitment Interests”). To the extent that a Capital Commitment Interest is allocated to Members as provided in clause (i) and/or (ii) above, any indebtedness incurred by the Company to finance such repurchase shall also be allocated to such Members. All such Capital Commitment Interests allocated to Members shall be deemed to be Contingent and shall become Non-Contingent as and to the extent that the principal amount of such related indebtedness is repaid. The Members receiving such allocations shall be responsible for such related indebtedness only on a nonrecourse basis to the extent appropriate as provided in this Agreement, except as such Members and the Managing Member shall otherwise agree. If the indebtedness financing such repurchased interests is not so limited, the Company may require an assumption by the Members of such indebtedness on the terms thereof as a precondition to allocation of the related Capital Commitment Interests to such Members; provided, that a Member shall not, except as set forth in his Investor Note, be obligated to accept any personally recourse obligation unless his prior consent is obtained. So long as the Company itself retains the Unallocated Capital Commitment Interests pursuant to clause (iii) above, such Unallocated Capital Commitment Interests shall belong to the Company and any indebtedness financing the Unallocated Capital Commitment Interests shall be an obligation of the Company to which all income of the Company is subject except as otherwise agreed by the lender of such indebtedness. Any Capital Commitment Net Income (Loss) on an Unallocated Capital Commitment Interest shall be allocated to each Member in the proportion his aggregate Capital Commitment Capital Accounts bear to the aggregate Capital Commitment Capital Accounts of all Members; debt service on such related financing will be an expense of the Company allocable to all Members in such proportions.

(g) If a Member is required to Withdraw from the Company with respect to such Member’s Capital Commitment Member Interest for Cause, then his Capital Commitment Interest shall be settled in accordance with paragraphs (a)-(f) and (j) of this Section 8.1; provided, that if such Member was not at any time a direct Regular Member of the Company, the Managing Member may elect (but shall not be required) to apply any or all the following terms and conditions to such settlement:

(i) purchase for cash all of such Withdrawn Member’s Non-Contingent Capital Commitment Interests. The purchase price for each such Non-Contingent Capital Commitment Interest shall be the lower of (A) the original cost of such Non-Contingent Capital Commitment Interest or (B) an amount equal to the Capital Commitment Value thereof;

(ii) allow the Withdrawn Member to retain such Non-Contingent Capital Commitment Interests; provided, that the maximum amount of Capital Commitment Net Income allocable to such Withdrawn Member with respect to any Capital Commitment Investment shall equal the amount of Capital Commitment Net Income that would have been allocated to such Withdrawn Member if such Capital Commitment Investment had been sold as of the Settlement Date at the then prevailing Capital Commitment Value thereof; or

(iii) in lieu of cash, purchase such Non-Contingent Capital Commitment Interests by providing the Withdrawn Member with a promissory note in the amount determined in (i) above. Such promissory note shall have a maximum term of ten (10) years with interest at the Federal Funds Rate.

(h) The Company will assist a Withdrawn Member or his estate or guardian, as the case may be, in the settlement of the Withdrawn Member’s Capital Commitment Member Interest in the Company. Third party costs incurred by the Company in providing this assistance will be borne by the Withdrawn Member or his estate.

(i) The Company may reasonably determine in good faith to retain outside professionals to provide the assistance to Withdrawn Members or their estates or guardians, as referred to above. In such instances, the Company will obtain the prior approval of a Withdrawn Member or his estate or guardian, as the case may be, prior to engaging such professionals. If the Withdrawn Member (or his estate or guardian) declines to incur such costs, the Company will provide such reasonable assistance as and when it can so as not to interfere with the Company's day-to-day operating, financial, tax and other related responsibilities to the Company and the Members.

(j) Each Member hereby irrevocably appoints the Managing Member as such Member's true and lawful agent, representative and attorney-in-fact, each acting alone, in such Member's name, place and stead, to make, execute, sign and file, on behalf of such Member, any and all agreements, instruments, documents and certificates which such Managing Member deems necessary or advisable in connection with any transaction or matter contemplated by or provided for in this Section 8.1, including, without limitation, the performance of any obligation of such Member or the Company or the exercise of any right of such Member or the Company. Such power of attorney is coupled with an interest and shall survive and continue in full force and effect notwithstanding the Withdrawal from the Company of any Member for any reason and shall not be affected by the death, disability or incapacity of such Member.

8.2. Transfer of Member's Capital Commitment Interest. Except as otherwise agreed by the Managing Member, no Member or former Member shall have the right to sell, assign, mortgage, pledge or otherwise dispose of or transfer (" Transfer ") all or part of any such Member's Capital Commitment Member Interest in the Company; provided, that this Section 8.2 shall in no way impair Transfers (i) as permitted in Section 8.1 above, in the case of the purchase of a Withdrawn Member's or deceased or Totally Disabled Member's Capital Commitment Interests, (ii) Transfers by a Member to another Member of Non- Contingent Capital Commitment Interests, (iii) Transfers of up to 25% of a Regular Member's Capital Commitment Member Interest to an Estate Planning Vehicle and (iv) with the prior written consent of the Managing Member (which consent may be withheld without giving any reason therefor). No person acquiring an interest in the Company pursuant to this Section 8.2 shall become a Member of the Company, or acquire such Member's right to participate in the affairs of the Company, unless such person shall be admitted as a Member pursuant to Section 6.1. A Member shall not cease to be a Member of the Company upon the collateral assignment of, or the pledging or granting of a security interest in, its entire Interest in the Company in accordance with the provisions of this Agreement.

8.3. Compliance with Law. Notwithstanding any provision hereof to the contrary, no sale or Transfer of a Capital Commitment Interest in the Company may be made except in compliance with all Federal, state and other applicable laws, including Federal and state securities laws.

ARTICLE IX

DISSOLUTION

9.1. Dissolution. The Company shall be dissolved and subsequently terminated:

- (a) pursuant to Section 6.6; or
- (b) upon the expiration of the Term.

9.2. Final Distribution. Upon the dissolution of the Company, and following the payment of creditors of the Company and the making of provisions for the payment of any contingent, conditional or unmatured claims known to the Company as required under the LLC Act:

(a) The Members' respective interests in the Company shall be valued and settled in accordance with the procedures set forth in Section 6.5 which provide for allocations to the GP-Related Capital Accounts of the Members and distributions in accordance with the GP-Related Capital Account balances of the Members; and

(b) With respect to each Member's Capital Commitment Member Interest, an amount shall be paid to such Member in cash or Securities in an amount equal to such Member's respective Capital Commitment Liquidating Share for each Capital Commitment Investment; provided, that if the remaining assets relating to any Capital Commitment Investment shall not be equal to or exceed the aggregate Capital Commitment Liquidating Shares for such Capital Commitment Investment, to each Member in proportion to its Capital Commitment Liquidating Share for such Capital Commitment Investment; and the remaining assets of the Company related to the Members' Capital Commitment Member Interests shall be paid to the Members in cash or Securities in proportion to their respective Capital Commitment Profit Sharing Percentages for each Capital Commitment Investment from which such cash or Securities are derived.

The Managing Member shall be the liquidator. In the event that the Managing Member is unable to serve as liquidator, a liquidating trustee shall be chosen by the affirmative vote of a Majority in Interest of the Members voting at a meeting of Members (excluding Nonvoting Special Members).

9.3. Amounts Reserved Related to Capital Commitment Member Interests.

(a) If there are any Securities or other property or other investments or securities related to the Members' Capital Commitment Member Interests which, in the judgment of the liquidator, cannot be sold, or properly distributed in kind in the case of dissolution, without sacrificing a significant portion of the value thereof, the value of a Member's interest in each such Security or other investment or security may be excluded from the amount distributed to the Members participating in the related Capital Commitment Investment pursuant to clause (ii) of Section 9.2(b). Any interest of a Member, including his pro rata interest in any gains, losses or distributions, in Securities or other property or other investments or securities so excluded shall not be paid or distributed until such time as the liquidator shall determine.

(b) If there is any pending transaction, contingent liability or claim by or against the Company related to the Members' Capital Commitment Member Interests as to which the interest or obligation of any Member therein cannot, in the judgment of the liquidator, be then ascertained, the value thereof or probable loss therefrom may be deducted from the amount distributable to such Member pursuant to clause (ii) of Section 9.2(b). No amount shall be paid or charged to any such Member on account of any such transaction or claim until its final settlement or such earlier time as the liquidator shall determine. The Company may meanwhile retain from other sums due such Member in respect of such Member's Capital Commitment Member Interest an amount which the liquidator estimates to be sufficient to cover the share of such Member in any probable loss or liability on account of such transaction or claim.

(c) Upon determination by the liquidator that circumstances no longer require the exclusion of any Securities or other property or retention of sums as provided in paragraphs (a) and (b) of this Section 9.3, the liquidator shall, at the earliest practicable time, distribute as provided in clause (ii) of Section 9.2(b) such sums or such Securities or other property or the proceeds realized from the sale of such Securities or other property to each Member from whom such sums or Securities or other property were withheld.

ARTICLE X
MISCELLANEOUS

10.1. Submission to Jurisdiction; Waiver of Jury Trial.

(a) Any and all disputes which cannot be settled amicably, including any ancillary claims of any party, arising out of, relating to or in connection with the validity, negotiation, execution, interpretation, performance or non-performance of this Agreement (including the validity, scope and enforceability of this arbitration provision) shall be finally settled by arbitration conducted by a single arbitrator in New York in accordance with the then-existing Rules of Arbitration of the International Chamber of Commerce. If the parties to the dispute fail to agree on the selection of an arbitrator within thirty (30) days of the receipt of the request for arbitration, the International Chamber of Commerce shall make the appointment. The arbitrator shall be a lawyer and shall conduct the proceedings in the English language. Performance under this Agreement shall continue if reasonably possible during any arbitration proceedings.

(b) Notwithstanding the provisions of paragraph (a), the Managing Member may bring, or may cause the Company to bring, on behalf of the Managing Member or the Company or on behalf of one or more Members, an action or special proceeding in any court of competent jurisdiction for the purpose of compelling a party to arbitrate, seeking temporary or preliminary relief in aid of an arbitration hereunder, and/or enforcing an arbitration award and, for the purposes of this paragraph (b), each Member (i) expressly consents to the application of paragraph (c) of this Section 10.1 to any such action or proceeding, (ii) agrees that proof shall not be required that monetary damages for breach of the provisions of this Agreement would be difficult to calculate and that remedies at law would be inadequate, and (iii) irrevocably appoints the Managing Member as such Member's agent for service of process in connection with any such action or proceeding and agrees that service of process upon any such agent, who shall promptly advise such Member of any such service of process, shall be deemed in every respect effective service of process upon the Member in any such action or proceeding.

(c)(i) EACH MEMBER HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF COURTS LOCATED IN NEW YORK, NEW YORK FOR THE PURPOSE OF ANY JUDICIAL PROCEEDING BROUGHT IN ACCORDANCE WITH THE PROVISIONS OF THIS SECTION 10.1, OR ANY JUDICIAL PROCEEDING ANCILLARY TO AN ARBITRATION OR CONTEMPLATED ARBITRATION ARISING OUT OF OR RELATING TO OR CONCERNING THIS AGREEMENT. Such ancillary judicial proceedings include any suit, action or proceeding to compel arbitration, to obtain temporary or preliminary judicial relief in aid of arbitration, or to confirm an arbitration award. The parties acknowledge that the forum(s) designated by this paragraph (c) have a reasonable relation to this Agreement, and to the parties' relationship with one another.

(ii) The parties hereby waive, to the fullest extent permitted by applicable law, any objection which they now or hereafter may have to personal jurisdiction or to the laying of venue of any such ancillary suit, action or proceeding brought in any court referred to in paragraph (c)(i) of this Section 10.1 and such parties agree not to plead or claim the same.

(d) Notwithstanding any provision of this Agreement to the contrary, this Section 10.1 shall be construed to the maximum extent possible to comply with the laws of the State of Delaware, including the Delaware Uniform Arbitration Act (10 Del. C. § 5701 et seq.) (the "Delaware Arbitration").

Act”). If, nevertheless, it shall be determined by a court of competent jurisdiction that any provision or wording of this Section 10.1, including any rules of the International Chamber of Commerce, shall be invalid or unenforceable under the Delaware Arbitration Act, or other applicable law, such invalidity shall not invalidate all of this Section 10.1. In that case, this Section 10.1 shall be construed so as to limit any term or provision so as to make it valid or enforceable within the requirements of the Delaware Arbitration Act or other applicable law, and, in the event such term or provision cannot be so limited, this Section 10.1 shall be construed to omit such invalid or unenforceable provision.

10.2. Ownership and Use of the Blackstone Name. The Company acknowledges that Blackstone TM L.L.C. (“TM”), a Delaware limited liability company with a principal place of business at 345 Park Avenue, New York, New York 10154, (or its successors or assigns) is the sole and exclusive owner of the mark and name BLACKSTONE and that the ownership of, and the right to use, sell or otherwise dispose of, the firm name or any abbreviation or modification thereof which consists of or includes BLACKSTONE, shall belong exclusively to TM. The Company shall not be permitted to use the BLACKSTONE name and service mark without the prior written consent of TM. To the extent the Company is permitted to use the BLACKSTONE name and service mark, all services rendered by the Company under the BLACKSTONE mark and name will be rendered in a manner and with quality levels that are consistent with the high reputation heretofore developed for the BLACKSTONE mark by TM and its Affiliates and licensees. The Company understands that, to the extent TM hereinafter permits the Company to use the BLACKSTONE name and service mark, TM may thereafter terminate the Company’s right to use BLACKSTONE at any time in TM’s sole discretion by giving the Company written notice of termination. Promptly following any such termination, the Company will take all steps necessary to change its company name to one which does not include BLACKSTONE or any confusingly similar term and cease all use of BLACKSTONE or any term confusingly similar thereto as a service mark or otherwise.

10.3. Written Consent. Any action required or permitted to be taken by a vote of Members at a meeting may be taken without a meeting if a Majority in Interest of the Members consent thereto in writing.

10.4. Letter Agreements; Schedules. The Managing Member may, or may cause the Company to, enter into separate letter agreements with individual Members, officers or employees with respect to GP-Related Profit Sharing Percentages, Capital Commitment Profit Sharing Percentages, any other profit sharing agreements, benefits or any other matter (such letter agreements, the “Admission Letters”). For the avoidance of doubt, any provision of this Agreement to the contrary notwithstanding, in the event of a conflict between this Agreement, on the one hand, and a Member’s Admission Letter, on the other hand, the terms and provisions of the Admission Letter of such Member shall control as between the Company and such Member. The Managing Member may from time to time execute and deliver to the Members schedules which set forth the then current capital balances, GP-Related Profit Sharing Percentages and Capital Commitment Profit Sharing Percentages of the Members and any other matters deemed appropriate by the Managing Member. Such schedules shall be for information purposes only and shall not be deemed to be part of this Agreement for any purpose whatsoever; provided, that this in no way limits the effectiveness of any Commitment Agreement.

10.5. Governing Law; Separability of Provisions. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to principles of conflict of laws. In particular, the Company has been formed pursuant to the LLC Act, and the rights and liabilities of the Members shall be as provided therein, except as herein otherwise expressly provided. If any provision of this Agreement shall be held to be invalid, such provision shall be given its meaning to the maximum extent permitted by law and the remainder of this Agreement shall not be affected thereby.

10.6. Successors and Assigns. This Agreement shall be binding upon and shall, subject to the penultimate sentence of Section 6.3(a), inure to the benefit of the parties hereto, their respective heirs and personal representatives, and any successor to a trustee of a trust which is or becomes a party hereto; provided, that no person claiming by, through or under a Member (whether such Member's heir, personal representative or otherwise), as distinct from such Member itself, shall have any rights as, or in respect to, a Member (including the right to approve or vote on any matter or to notice thereof) except the right to receive only those distributions expressly payable to such person pursuant to Articles VI and VIII. Any Member or Withdrawn Member shall remain liable for the obligations under this Agreement (including any Net GP-Related Recontribution Amounts and any Capital Commitment Recontribution Amount) of any transferee of all or any portion of such Member's or Withdrawn Member's interest in the Company, unless waived by the Managing Member. The Company shall, if the Managing Member determine, in its good faith judgment, based on the standards set forth in Sections 5.8(d)(iii) and 7.4(g), to pursue such transferee, pursue payment (including any Net GP-Related Recontribution Amounts and/or Capital Commitment Recontribution Amounts) from the transferee with respect to any such obligations. Nothing in this Agreement is intended, nor shall anything herein be construed, to confer any rights, legal or equitable, on any person other than the Members and their respective legal representatives, heirs, successors and permitted assigns. Notwithstanding the foregoing, solely to the extent required by the BGCS Agreements, (x) each Limited Partner (as defined in the BGCS Agreements) of BGCS shall be a third-party beneficiary of the provisions of Sections 5.8(d)(i)(A) and 5.8(d)(ii) (and the definitions relating thereto), solely as they relate to any Clawback Amount (for purpose of this sentence, as defined in Section 9.4(a) of the BGCS Master Fund Agreement), and (y) Sections 5.8(d)(i)(A) and 5.8(d)(ii) (and the definitions relating thereto), solely as they relate to any Clawback Amount (for purpose of this sentence, as defined in Section 9.4(a) of the BGCS Master Fund Agreement), shall not be amended in a manner adverse to the Limited Partners of BGCS without the consent of 66 ²/₃ % in Interest of such Limited Partners (as such terms are used in the BGCS Agreements)

10.7. Confidentiality. By executing this Agreement, each Member expressly agrees, at all times during the term of the Company and thereafter and whether or not at the time a Member of the Company, to maintain the confidentiality of, and not to disclose to any person other than the Company, another Member or a person designated by the Company, any information relating to the business, financial structure, financial position or financial results, clients or affairs of the Company that shall not be generally known to the public or the securities industry, except as otherwise required by law or by any regulatory or self-regulatory organization having jurisdiction; provided, that any corporate Member may disclose any such information it is required by law, rule, regulation or custom to disclose. Notwithstanding anything in this Agreement to the contrary, to comply with Treasury Regulation Section 1.6011-4(b)(3)(i), each Member (and any employee, representative or other agent of such Member) may disclose to any and all persons, without limitation of any kind, the U.S. federal income tax treatment and tax structure of the Company, it being understood and agreed, for this purpose, (1) the name of, or any other identifying information regarding (a) the Members or any existing or future investor (or any Affiliate thereof) in any of the Members, or (b) any investment or transaction entered into by the Members; (2) any performance information relating to any of the Members or their investments; and (3) any performance or other information relating to previous funds or investments sponsored by any of the Members, does not constitute such tax treatment or tax structure information.

10.8. Notices. Whenever notice is required or permitted by this Agreement to be given, such notice shall be in writing (including telecopy or similar writing) and shall be given to any Member at its address or telecopy number shown in the Company's books and records or, if given to the Managing Member, at the address of the Company provided herein. Each such notice shall be effective (i) if given by telecopy, upon dispatch, and (ii) if given by hand delivery, when delivered to the address of such Member or Managing Member specified as aforesaid.

10.9. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute a single instrument.

10.10. Power of Attorney. Each Member hereby irrevocably appoints the Managing Member as such Member's true and lawful representative and attorney-in-fact, each acting alone, in such Member's name, place and stead, to make, execute, sign and file all instruments, documents and certificates which, from time to time, may be required to set forth any amendment to this Agreement or may be required by this Agreement or by the laws of the United States of America, the State of Delaware or any other state in which the Company shall determine to do business, or any political subdivision or agency thereof, to execute, implement and continue the valid and subsisting existence of the Company. Such power of attorney is coupled with an interest and shall survive and continue in full force and effect notwithstanding the subsequent Withdrawal from the Company of any Member for any reason and shall not be affected by the subsequent disability or incapacity of such Member.

10.11. Member's Will. Each Member and Withdrawn Member shall include in his or her will a provision that addresses certain matters in respect of his or her obligations relating to the Company that is satisfactory to the Managing Member and each such Member and Withdrawn Member shall confirm annually to the Company, in writing, that such provision remains in his current will. Where applicable, any estate planning trust of such Member or Withdrawn Member to which a portion of such Member's or Withdrawn Member's Interest is transferred shall include a provision substantially similar to such provision and the trustee of such trust shall confirm annually to the Company, in writing, that such provision or its substantial equivalent remains in such trust. In the event any Member or Withdrawn Member fails to comply with the provisions of this Section 10.11 after the Company has notified such Member or Withdrawn Member of his failure to so comply and such failure to so comply is not cured within 30 days of such notice, the Company may withhold any and all distributions to such Member until the time at which such party complies with the requirements of this Section 10.11.

10.12. Cumulative Remedies. Rights and remedies under this Agreement are cumulative and do not preclude use of other rights and remedies available under applicable law.

10.13. Legal Fees. Except as more specifically provided herein, in the event of a legal dispute (including litigation, arbitration or mediation) between any Member or Withdrawn Member and the Company, arising in connection with any party seeking to enforce Section 4.1 (d) or any other provision of this Agreement relating to the Holdback, the Clawback Amount, the GP-Related Giveback Amount, the Capital Commitment Giveback Amount, the Net GP-Related Recontribution Amount or the Capital Commitment Recontribution Amount, the "losing" party to such dispute shall promptly reimburse the "victorious party" for all reasonable legal fees and expenses incurred in connection with such dispute (such determination to be made by the relevant adjudicator). Any amounts due under this Section 10.13 shall be paid within 30 days of the date upon which such amounts are due to be paid and such amounts remaining unpaid after such date shall accrue interest at the Default Interest Rate.

10.14. Entire Agreement. This Agreement embodies the entire agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants or undertakings, other than those expressly set forth or referred to herein. Subject to Section 10.4, this Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the day and year first above written. In the event that it is impracticable to obtain the signature of any of the Members to this Agreement, this Agreement shall be binding among the other Members executing the same.

MANAGING MEMBER:

GSO Holdings I L.L.C.

By: Blackstone Holdings I L.P., its managing member

By: Blackstone Holdings I/II GP Inc.,
its general partner

By: /s/ Robert L. Friedman

Name: Robert L. Friedman

Title: Chief Legal Officer and Secretary

MEMBERS:

All Members now and hereafter admitted pursuant to
powers of attorney now and hereafter granted to GSO
Holdings I L.L.C.

By: GSO Holdings I L.L.C., as Attorney-in-Fact

By: Blackstone Holdings I L.P., its managing member

By: Blackstone Holdings I/II GP Inc.,
its general partner

By: /s/ Robert L. Friedman

Name: Robert L. Friedman

Title: Chief Legal Officer and Secretary

BLACKSTONE REAL ESTATE SPECIAL SITUATIONS ASSOCIATES II L.L.C.

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

DATED AS OF JUNE 30, 2009

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BLACKSTONE REAL ESTATE SPECIAL SITUATIONS ASSOCIATES II L.L.C.

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT of Blackstone Real Estate Special Situations Associates II L.L.C. (the “Company”), dated as of June 30, 2009, by and among Blackstone Holdings II L.P., a Delaware limited partnership (the “Managing Member” or “Holdings”), the other members of the Company as set forth in the books and records of the Company, and such other persons that are admitted to the Company as members after the date hereof in accordance herewith.

WITNESSETH

WHEREAS, the Company was formed under the LLC Act (defined below) pursuant to a certificate of formation filed in the office of the Secretary of State of the State of Delaware on December 23, 2008;

WHEREAS, the original limited liability company agreement of the Company was executed as of December 23, 2008 (the “Original Operating Agreement”); and

WHEREAS, the parties hereto now wish to amend and restate the Original Operating Agreement in its entirety as of the date hereof and as more fully set forth below.

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

1.1. Definitions. Unless the context otherwise requires, the following terms shall have the following meanings for purposes of this Agreement:

“Advancing Party” has the meaning set forth in Section 7.1(b).

“Affiliate” when used with reference to another person means any person (other than the Company), directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with, such other person.

“Agreement” means this Amended and Restated Limited Liability Company Agreement, as it may be further amended, supplemented or otherwise modified from time to time.

“Alternative Vehicle” means any investment vehicle or structure formed pursuant to paragraph 2.7 of the BSSF II Partnership Agreement or any other “Alternative Vehicle” (as defined in any other BSSF II Agreements).

“Applicable Collateral Percentage” has the meaning with respect to any Firm Collateral or Special Firm Collateral as set forth in the books and records of the Company with respect thereto.

“Bankruptcy” means, with respect to any person, the occurrence of any of the following events: (i) the filing of an application by such person for, or a consent to, the appointment of a trustee or custodian of his assets; (ii) the filing by such person of a voluntary petition in Bankruptcy or the seeking of relief under Title 11 of the United States Code, as now constituted

or hereafter amended, or the filing of a pleading in any court of record admitting in writing his inability to pay his debts as they become due; (iii) the failure of such person to pay his debts as such debts become due; (iv) the making by such person of a general assignment for the benefit of creditors; (v) the filing by such person of an answer admitting the material allegations of, or his consenting to, or defaulting in answering, a Bankruptcy petition filed against him in any Bankruptcy proceeding or petition seeking relief under Title 11 of the United States Code, as now constituted or as hereafter amended; or (vi) the entry of an order, judgment or decree by any court of competent jurisdiction adjudicating such person a bankrupt or insolvent or for relief in respect of such person or appointing a trustee or custodian of his assets and the continuance of such order, judgment or decree unstayed and in effect for a period of 60 consecutive days.

“BCE Agreement” means the limited partnership agreement, limited liability company agreement or other governing document of any limited partnership, limited liability company or other entity named or referred to in the definition of any of “BFREP,” “BFIP,” “BFMEZP,” “BFCOMP” or “Other Blackstone Collateral Entity,” as such limited partnership agreement, limited liability company agreement or other governing document may be amended, supplemented, restated or otherwise modified to date, and as such limited partnership agreement, limited liability company agreement or other governing document may be further amended, supplemented, restated or otherwise modified from time to time, and any other Blackstone Collateral Entity limited partnership agreement, limited liability company agreement or other governing document.

“BCE Investment” means any direct or indirect investment by any Blackstone Collateral Entity.

“BCOM” means (i) Blackstone Communications Partners I L.P., a Delaware limited partnership, and (ii) any other investment vehicle established pursuant to Article 2 of the partnership agreement for the partnership referred to in clause (i) above.

“BCP VI” is the collective reference to (i) Blackstone Capital Partners VI L.P., a Delaware limited partnership, (ii) Blackstone Capital Partners VI-Executive Fund L.P., a Delaware limited partnership, and (iii) any alternative investment vehicle relating thereto and any parallel fund.

“BFCOMP” means Blackstone Family Communications Partnership I L.P., Blackstone Family Communications Partnership I-SMD L.P. and any other entity that is an Affiliate thereof and has terms substantially similar to those of the foregoing partnerships and is formed in connection with the participation by one or more partners thereof directly or indirectly in investments in securities also purchased by BCOM or any other funds with substantially similar investment objectives to BCOM and that are sponsored or managed by an Affiliate of the Company (which includes serving as general partner of such funds).

“BFIP” means Blackstone Capital Associates II L.P., Blackstone Capital Associates III L.P., Blackstone Family Investment Partnership II L.P., Blackstone Family Investment Partnership III L.P., Blackstone Family Investment Partnership IV-A L.P., Blackstone Family Investment Partnership IV-A -SMD L.P., Blackstone Family Investment Partnership V L.P., Blackstone Family Investment Partnership V- SMD L.P., Blackstone Family Investment Partnership VI L.P., Blackstone Family Investment Partnership VI-SMD L.P., and any other entity that is an Affiliate thereof and has terms similar to those of the foregoing partnerships and is formed in connection with the participation by one or more of the partners thereof in investments in securities also purchased by BCP VI or any other fund with substantially similar investment objectives to BCP VI and that are sponsored or managed by an Affiliate of the Company (which includes serving as general partner of such funds).

“BFMEZP” means Blackstone Family Mezzanine Partnership-SMD L.P., Blackstone Family Mezzanine Partnership II-SMD L.P., Blackstone Mezzanine Holdings L.P., Blackstone Mezzanine Holdings II L.P., any entity formed to invest side-by-side with any GSO Fund and any other entity that is an Affiliate thereof and that has terms substantially similar to those of the foregoing partnerships or other entities and is formed in connection with the participation by one or more partners or other equity owners thereof directly or indirectly in investments in securities also purchased by BMEZP I, BMEZP II, any GSO Fund or any other funds with substantially similar investment objectives to BMEZP I, BMEZP II or any GSO Fund and that are sponsored or managed by an Affiliate of the Company (which includes serving as general partner of such funds).

“BFREP” means Blackstone Real Estate Capital Associates L.P., Blackstone Real Estate Capital Associates II L.P., Blackstone Real Estate Capital Associates III L.P., Blackstone Family Real Estate Partnership L.P., Blackstone Family Real Estate Partnership II L.P., Blackstone Family Real Estate Partnership III L.P., Blackstone Family Real Estate Partnership International-A-SMD L.P., Blackstone Family Real Estate Partnership IV-SMD L.P., Blackstone Family Real Estate Partnership International II-SMD L.P., Blackstone Family Real Estate Partnership V-SMD L.P., Blackstone Family Real Estate Partnership VI-SMD L.P., Blackstone Family Real Estate Partnership Europe III-SMD L.P., Blackstone Family Real Estate Special Situations Partnership - SMD L.P., Blackstone Family Real Estate Special Situations Partnership Europe - SMD L.P., Blackstone Real Estate Holdings L.P., Blackstone Real Estate Holdings II L.P., Blackstone Real Estate Holdings III L.P., Blackstone Real Estate Holdings International - A L.P., Blackstone Real Estate Holdings IV L.P., Blackstone Real Estate Holdings International II L.P., Blackstone Real Estate Holdings V L.P., Blackstone Real Estate Holdings VI L.P., Blackstone Real Estate Holdings Europe III L.P., Blackstone Real Estate Special Situations Holdings II L.P., Blackstone Real Estate Special Situations Holdings Europe L.P. and any other entity that is an Affiliate thereof and that has terms substantially similar to those of the foregoing partnerships and is formed in connection with the participation by one or more partners thereof in real estate and real estate-related investments also purchased by BREP VI, BSSF II or BSSF Europe and any other funds with substantially similar investment objectives to BREP VI, BSSF II or BSSF Europe and that are sponsored or managed by an Affiliate of the Company (which includes serving as general partner of such funds).

“Blackstone Capital Commitment” has the meaning set forth in the BSSF II Agreements.

“Blackstone Co-Investment Rights” has the meaning set forth in the BSSF II Agreements.

“Blackstone Collateral Entity” means any limited partnership, limited liability company or other entity named or referred to in the definition of any of “BFREP,” “BFIP,” “BFMEZP,” “BFCOMP” or “Other Blackstone Collateral Entity.”

“Blackstone Entity” means any partnership, limited liability company or other entity (excluding any natural persons and any portfolio companies of any Blackstone – sponsored fund) that is an Affiliate of The Blackstone Group L.P.

“BMEZP I” means (i) Blackstone Mezzanine Partners L.P., a Delaware limited partnership, and (ii) any other investment vehicle established pursuant to Article 2 of the partnership agreement for the partnership referred to in clause (i) above.

“BMEZP II” means (i) Blackstone Mezzanine Partners II L.P., a Delaware limited partnership, and (ii) any other investment vehicle established pursuant to Article 2 of the partnership agreement for the partnership referred to in clause (i) above.

“BREP VI” means (i) Blackstone Real Estate Partners VI L.P., Blackstone Real Estate Partners VI.TE.1 L.P., Blackstone Real Estate Partners VI.TE.2 L.P. and Blackstone Real Estate Partners VI.F L.P., each a Delaware limited partnership, (ii) any other Parallel Funds or other Supplemental Capital Vehicles (each as defined in the respective partnership agreements for the partnerships referred to in clause (i) above), or (iii) any other investment vehicle established pursuant to Article 2 of the respective partnership agreements for any of the partnerships referred to in clause (i) above.

“BSSF Europe” means (i) Blackstone Real Estate Special Situations Europe L.P., Blackstone Real Estate Special Situations Europe.1 L.P. and Blackstone Real Estate Special Situations Europe.2 L.P., each a limited partnership formed or to be formed under the laws of the United Kingdom pursuant to the Limited Partnerships Act 1907 of the United Kingdom, (ii) any alternative vehicle, parallel fund or other investment vehicle established pursuant to Article 2 of the partnership agreements for the partnerships referred to in clause (i) above, and (iii) any investment vehicle formed to co-invest with any of the partnerships referred to in clause (i) above using third party capital and that potentially pays Carried Interest Distributions (as such term is used in such partnership agreements).

“BSSF II” means (i) Blackstone Real Estate Special Situations Fund II L.P., a Delaware limited partnership, (ii) Blackstone Real Estate Special Situations Fund II.1 L.P., a Delaware limited partnership, and (iii) Blackstone Real Estate Special Situations Fund II.2 L.P., a Delaware limited partnership, and any Alternative Vehicles thereof or Parallel Funds formed in connection therewith.

“BSSF II Agreements” means (i) the BSSF II Partnership Agreement and (ii) any other BSSF II partnership agreements.

“BSSF II Partnership Agreement” means (i) the Amended and Restated Agreements of Limited Partnership, dated as of the respective dates set forth therein, of Blackstone Real Estate Special Situations Fund II L.P., Blackstone Real Estate Special Situations Fund II.1 L.P. and Blackstone Real Estate Special Situations Fund II.2 L.P., as each may be amended, supplemented, restated or otherwise modified from time to time.

“Capital Commitment Blackstone Entity” means any Blackstone Entity other than the Company (i) which holds the Capital Commitment BSSF II Interest, and (ii) in which the Company holds, directly or indirectly, a limited partner interest, limited liability company interest or other interest.

“Capital Commitment BSSF II Commitment” means the Capital Commitment (as defined in the BSSF II Partnership Agreement) to BSSF II of the Company or the Capital Commitment Blackstone Entity that relates solely to the Capital Commitment BSSF II Interest.

“Capital Commitment BSSF II Interest” means the Interest (as defined in the BSSF II Partnership Agreement), if any, of the Company or the Capital Commitment Blackstone Entity, in either case, as a capital partner in BSSF II.

“Capital Commitment BSSF II Investment” means the Company’s interest in a specific investment of BSSF II, which interest may be held by the Company (i) through the Company’s direct interest in BSSF II in the Company’s capacity as a capital partner of BSSF II if the Company holds the Capital Commitment BSSF II Interest, or (ii) through the Company’s interest in the Capital Commitment Blackstone Entity and the Capital Commitment Blackstone Entity’s interest in BSSF II in the Capital Commitment Blackstone Entity’s capacity as a capital partner of BSSF II if the Capital Commitment Blackstone Entity holds the Capital Commitment BSSF II Interest.

“Capital Commitment Capital Account” means, with respect to each Capital Commitment Investment for each Member, the account maintained for such Member to which are credited such Member’s contributions to the Company with respect to such Capital Commitment Investment and any net income allocated to such Member pursuant to Section 7.3 with respect to such Capital Commitment Investment and from which are debited any distributions with respect to such Capital Commitment Investment to such Member and any net losses allocated to such Member with respect to such Capital Commitment Investment pursuant to Section 7.3. In the case of any such distribution in kind, the Capital Commitment Capital Accounts for the related Capital Commitment Investment shall be adjusted as if the asset distributed had been sold in a taxable transaction and the proceeds distributed in cash, and any resulting gain or loss on such sale shall be allocated to the Members participating in such Capital Commitment Investment pursuant to Section 7.3.

“Capital Commitment Class A Interest” has the meaning set forth in Section 7.4(f).

“Capital Commitment Class B Interest” has the meaning set forth in Section 7.4(f).

“Capital Commitment Defaulting Party” has the meaning specified in Section 7.4(g).

“Capital Commitment Deficiency Contribution” has the meaning specified in Section 7.4(g).

“Capital Commitment Disposable Investment” has the meaning set forth in Section 7.4(f).

“Capital Commitment Distributions” means, with respect to each Capital Commitment Investment, all amounts of distributions received by the Company with respect to such Capital Commitment Investment solely in respect of the Capital Commitment BSSF II Interest, less any costs, fees and expenses of the Company with respect thereto and less reasonable reserves for payment of costs, fees and expenses of the Company that are anticipated with respect thereto, in each case which the Managing Member may allocate to all or any portion of such Capital Commitment Investment as it may determine in good faith is appropriate.

“Capital Commitment Giveback Amount” has the meaning set forth in Section 7.4(g).

“Capital Commitment Interest” means the interest of a Member in a specific Capital Commitment Investment as provided herein.

“Capital Commitment Investment” means any Capital Commitment BSSF II Investment, but shall exclude any GP-Related Investment.

“Capital Commitment Liquidating Share” with respect to each Capital Commitment Investment means, in the case of dissolution of the Company, the related Capital Commitment Capital Account of a Member (less amounts reserved in accordance with Section 9.3) as of the close of business on the effective date of dissolution.

“Capital Commitment Member Carried Interest” means, with respect to any Member, the aggregate amount of distributions or payments received by such Member (in any capacity) from Affiliates of the Company in respect of or relating to “carried interest”. “Capital Commitment Member Carried Interest” includes any amount initially received by an Affiliate of the Company from any fund (including BSSF II), any similar funds formed after the date hereof, and any other private equity merchant banking, real estate or mezzanine funds, whether or not in existence as of the date hereof) to which such Affiliate serves as general partner (or other similar capacity) that exceeds such Affiliate’s pro rata share of distributions from such fund based upon capital contributions thereto (or the capital contributions to make the investment of such fund giving rise to such “carried interest”).

“Capital Commitment Member Interest” means a Member’s interest in the Company which relates to (i) any Capital Commitment BSSF II Interest held by the Company or (ii) any Capital Commitment BSSF II Interest that may be held by the Capital Commitment Blackstone Entity.

“Capital Commitment Net Income (Loss)” with respect to each Capital Commitment Investment means all amounts of income received by the Company with respect to such Capital Commitment Investment, including without limitation gain or loss in respect of the disposition, in whole or in part, of such Capital Commitment Investment, less any costs, fees and expenses of the Company allocated thereto and less reasonable reserves for payment of costs, fees and expenses of the Company anticipated to be allocated thereto.

“Capital Commitment Profit Sharing Percentage” with respect to each Capital Commitment Investment means the percentage interest of a Member in Capital Commitment Net Income (Loss) from such Capital Commitment Investment set forth in the books and records of the Company.

“Capital Commitment Recontribution Amount” has the meaning set forth in Section 7.4(g).

“Capital Commitment-Related Capital Contributions” has the meaning set forth in Section 7.1(a).

“Capital Commitment-Related Commitment” with respect to any Member, means such Member’s commitment to the Company relating to such Member’s Capital Commitment Member Interest, as set forth in the books and records of the Company, including, without limitation, any such commitment that may be set forth in such Member’s Commitment Agreement or SMD Agreement, if any.

“Capital Commitment Special Distribution” has the meaning set forth in Section 7.7(a).

“Capital Commitment Value” has the meaning set forth in Section 7.5.

“Carried Interest” means (i) “Carried Interest Distributions” as defined in the BSSF II Partnership Agreement, and (ii) any other carried interest distribution to a Fund GP pursuant to any BSSF II Agreement. In the case of each of (i) and (ii) above, except as determined by the Managing Member, the amount shall not be less any costs, fees and expenses of the Company with respect thereto and less reasonable reserves for payment of costs, fees and expenses of the Company that are anticipated with respect thereto (in each case which the Managing Member may allocate amongst all or any portion of the GP-Related Investments as it determines in good faith is appropriate).

“Carried Interest Give Back Percentage” means, for any Member or Withdrawn Member, subject to Section 5.8(e), the percentage determined by dividing (A) the aggregate amount of distributions received by such Member or Withdrawn Member from the Company or any Other Fund GPs in respect of Carried Interest by (B) the aggregate amount of distributions made to all Members, Withdrawn Members or any other person by the Company or any Other Fund GP in respect of Carried Interest. For purposes of determining any “Carried Interest Give Back Percentage” hereunder, all Trust Amounts contributed to the Trust by the Company or any Other Fund GPs on behalf of a Member or Withdrawn Member (but not the Trust Income thereon) shall be deemed to have been initially distributed or paid to the Members and Withdrawn Members as members, partners or other equity owners of the Company or any of the Other Fund GPs.

“Carried Interest Sharing Percentage” means, with respect to each GP-Related Investment, the percentage interest of a Member in Carried Interest from such GP-Related Investment set forth in the books and records of the Company.

“Cause” means the occurrence or existence of any of the following with respect to any Member, as determined fairly, reasonably, on an informed basis and in good faith by the Managing Member: (i) (w) any breach by any Member of any provision of any non-competition agreement, (x) any material breach of this Agreement or any rules or regulations applicable to such Member that are established by the Managing Member, (y) such Member’s deliberate failure to perform his or her duties to the Company or any of its Affiliates, or (z) such Member’s committing to or engaging in any conduct or behavior that is or may be harmful to the Company or any of its Affiliates in a material way as determined by the Managing Member; *provided*, that in the case of any of the foregoing clauses (w), (x), (y) and (z), the Managing Member has given such Member written notice (a “Notice of Breach”) within fifteen days after the Managing Member becomes aware of such action and such Member fails to cure such breach, failure to perform or conduct or behavior within fifteen days after receipt of such Notice of Breach from the Managing Member (or such longer period, not to exceed an additional fifteen days, as shall be reasonably required for such cure, provided that such Member is diligently pursuing such cure); (ii) any act of fraud, misappropriation, dishonesty, embezzlement or similar conduct against the Company or any of its Affiliates; or (iii) conviction (on the basis of a trial or by an accepted plea of guilty or *nolo contendere*) of a felony or crime (including any misdemeanor charge involving moral turpitude, false statements or misleading omissions, forgery, wrongful taking, embezzlement, extortion or bribery), or a determination by a court of competent jurisdiction, by a regulatory body or by a self-regulatory body having authority with respect to securities laws, rules or regulations of the applicable securities industry, that such Member individually has violated any applicable securities laws or any rules or regulations thereunder, or any rules of any such self-regulatory body (including, without limitation, any licensing requirement), if such conviction or determination has a material adverse effect on (A) such Member’s ability to function as a Member of the Company, taking into account the services required of such Member and the nature of the business of the Company and its Affiliates or (B) the business of the Company and its Affiliates.

“Clawback Adjustment Amount” has the meaning set forth in Section 5.8(e).

“Clawback Amount” means the “Clawback Amount” and the “Interim Clawback Amount,” both as set forth in Article One of the BSSF II Partnership Agreement and any other clawback amount payable to the limited partners of BSSF II pursuant to any BSSF II Agreement, as applicable.

“Clawback Provisions” means paragraphs 4.2.9 and 9.2.8 of the BSSF II Partnership Agreement and any other similar provisions in any other BSSF II Agreement existing heretofore or hereafter entered into.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, or any successor statute. Any reference herein to a particular provision of the Code means, where appropriate, the corresponding provision in any successor statute.

“Commitment Agreements” means the agreements between the Company and the Members, pursuant to which each Member undertakes certain obligations, including the obligation to make capital contributions pursuant to Sections 4.1 and 7.1. The Commitment Agreements are hereby incorporated by reference as between the Company and the relevant Member.

“Company” has the meaning set forth in the preamble hereto.

“Contingent” means subject to repurchase rights and/or other requirements.

The term “control” when used with reference to any person means the power to direct the management and policies of such person, directly or indirectly, by or through stock or other equity ownership, agency or otherwise, or pursuant to or in connection with an agreement, arrangement or understanding (written or oral) with one or more other persons by or through stock ownership, agency or otherwise; and the terms “*controlling*” and “*controlled*” shall have meanings correlative to the foregoing.

“Controlled Entity” when used with reference to another person means any person controlled by such other person.

“Deceased Member” means any Member or Withdrawn Member who has died or who suffers from Incompetence. For purposes hereof, references to a Deceased Member shall refer collectively to the Deceased Member and the estate and heirs or legal representative of such Deceased Member, as the case may be, that have received such Deceased Member’s interest in the Company.

“Default Interest Rate” means the lower of (i) the sum of (a) the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A., as its prime rate and (b) 5%, or (ii) the highest rate of interest permitted under applicable law.

“Estate Planning Vehicle” has the meaning set forth in Section 6.3.

“Excess Holdback” has the meaning set forth in Section 4.1(d).

“Excess Holdback Percentage” has the meaning set forth in Section 4.1(d).

“Excess Tax-Related Amount” has the meaning set forth in Section 5.8(e).

“Existing Member” means any Member who is neither a Retaining Withdrawn Member nor a Deceased Member.

“Final Event” means the death, Total Disability, Incompetence, Bankruptcy, liquidation, dissolution or withdrawal from the Company of any person who is a Member.

“Firm Advances” has the meaning set forth in Section 7.1.

“Firm Collateral” means a Member’s or Withdrawn Member’s interest in one or more partnerships or limited liability companies, in either case affiliated with the Company, and certain other assets of such Member or Withdrawn Member, in each case that has been pledged or made available to the Trustee(s) to satisfy all or any portion of the Excess Holdback of such Member or Withdrawn Member as more fully described in the Company’s books and records; provided, that for all purposes hereof (and any other agreement (e.g., the Trust Agreement) that incorporates the meaning of the term “Firm Collateral” by reference), references to “Firm Collateral” shall include “Special Firm Collateral”, excluding references to “Firm Collateral” in Section 4.1(d)(v) and Section 4.1(d)(viii).

“Firm Collateral Realization” has the meaning set forth in Section 4.1(d)(v)(B) with respect to Firm Collateral, and Section 4.1(d)(viii)(B) with respect to Special Firm Collateral.

“Fiscal Year” means a calendar year, or any other period chosen by the Managing Member.

“Fund GP” means the Company (only with respect to the GP-Related BSSF II Interest) and the Other Fund GPs.

“GAAP” has the meaning specified in Section 5.1(a).

“Giveback” means an “Investment—Specific Giveback,” as such term is defined in the BSSF II Partnership Agreement.

“Giveback Amount” means the “Investment—Specific Giveback Amount,” as such term is defined in the BSSF II Partnership Agreement.

“Giveback Provisions” means paragraph 3.4.3 of the BSSF II Partnership Agreement and any other similar provisions in any other BSSF II Agreement existing heretofore or hereafter entered into.

“GP-Related Blackstone Entity” means any Blackstone Entity other than the Company (i) which holds the GP-Related BSSF II Interest, and (ii) in which the Company holds, directly or indirectly, a limited partner interest, limited liability company interest or other interest.

“GP-Related BSSF II Interest” means the interest in BSSF II held by the Company or the GP-Related Blackstone Entity as general partner of BSSF II, excluding any Capital Commitment BSSF II Interest that may be held by the Company or the GP-Related Blackstone Entity.

“GP-Related BSSF II Investment” means the Company’s interest in an Investment (for purposes of this definition, as defined in the BSSF II Partnership Agreement), which interest may be held by the Company (i) through the Company’s direct interest in BSSF II in the Company’s capacity as the general partner of BSSF II if the Company is the direct general partner of BSSF II, or (ii) through the Company’s interest in the GP-Related Blackstone Entity and the GP-Related Blackstone Entity’s interest in BSSF II in the GP-Related Blackstone Entity’s capacity as the general partner of BSSF II if the GP-Related Blackstone Entity is the direct general partner of BSSF II, in the case of (i) and (ii) excluding any Capital Commitment Investment.

“GP-Related Capital Account” has the meaning set forth in Section 5.2.

“GP-Related Capital Contribution” has the meaning set forth in Section 4.1(a).

“GP-Related Class A Interest” has the meaning set forth in Section 5.8(a).

“GP-Related Class B Interest” has the meaning set forth in Section 5.8(a).

“GP-Related Commitment” with respect to any Member means such Member’s commitment to the Company relating to such Member’s GP-Related Member Interest, as set forth in the books and records of the Company, including, without limitation, any such commitment that may be set forth in such Member’s Commitment Agreement or SMD Agreement, if any.

“GP-Related Defaulting Party” has the meaning set forth in Section 5.8(d).

“GP-Related Deficiency Contribution” has the meaning set forth in Section 5.8(d).

“GP-Related Disposable Investment” has the meaning set forth in Section 5.8(a).

“GP-Related Giveback Amount” has the meaning set forth in Section 5.8(d).

“GP-Related Investment” means any investment (direct or indirect) of the Company in respect of the GP-Related BSSF II Interest (including, without limitation, any GP-Related BSSF II Investment but excluding any Capital Commitment Investment).

“GP-Related Member Interest” of a Member means all interests of such Member in the Company (other than such Member’s Capital Commitment Member Interest), including, without limitation, such Member’s interest in the Company with respect to the GP-Related BSSF II Interest and with respect to all GP-Related Investments.

“GP-Related Net Income (Loss)” has the meaning set forth in Section 5.1(b).

“GP-Related Profit Sharing Percentage” means the “Carried Interest Sharing Percentage” and “Non-Carried Interest Sharing Percentage” of each Member; provided that any references in this Agreement to GP-Related Profit Sharing Percentages made (a) in connection with voting or voting rights or (b) GP-Related Capital Contributions with respect to GP-Related Investments (including Section 5.3(b)) means the “Non-Carried Interest Sharing Percentage” of each Member; provided further that, the term “GP-Related Profit Sharing Percentage” shall not include any Capital Commitment Profit Sharing Percentage.

“GP-Related Recontribution Amount” has the meaning set forth in Section 5.8(d).

“GP-Related Required Amounts” has the meaning set forth in Section 4.1(a).

“GP-Related Unallocated Percentage” has the meaning set forth in Section 5.3(b).

“GP-Related Unrealized Net Income (Loss)” attributable to any GP-Related BSSF II Investment as of any date means the GP-Related Net Income (Loss) that would be realized by the Company with respect to such GP-Related BSSF II Investment if BSSF II’s entire portfolio of investments were sold on such date for cash in an amount equal to their aggregate value on such date (determined in accordance with Section 5.1(e)) and all distributions payable by BSSF II to the Company (indirectly through the general partner of BSSF II) pursuant to the BSSF II Partnership Agreement with respect to such GP-Related BSSF II Investment were made on such date. “GP-Related Unrealized Net Income (Loss)” attributable to any other GP-Related Investment (other than a Capital Commitment Investment) as of any date means the GP-Related Net Income (Loss) that would be realized by the Company with respect to such GP-Related Investment if such GP-Related Investment were sold on such date for cash in an amount equal to its value on such date (determined in accordance with Section 5.1(e)).

“GSO Fund” means (i) any of GSO Capital Opportunities Fund LP, GSO Capital Opportunities Overseas Fund L.P., GSO Capital Opportunities Overseas Master Fund L.P., GSO Liquidity Partners LP, GSO Liquidity Overseas Partners LP, Blackstone / GSO Capital Solutions Fund LP, Blackstone / GSO Capital Solutions Overseas Fund L.P. and Blackstone / GSO Capital Solutions Overseas Master Fund L.P., or (ii) any alternative vehicle or parallel fund relating to any of the partnerships referred to in clause (i) above.

“Holdback” has the meaning set forth in Section 4.1(d).

“Holdback Percentage” has the meaning set forth in Section 4.1(d).

“Holdback Vote” has the meaning set forth in Section 4.1(d).

“Holdings” has the meaning set forth in the preamble hereto.

“Incompetence” means, with respect to any Member, the determination by the Managing Member in its sole discretion, after consultation with a qualified medical doctor, that such Member is incompetent to manage his person or his property.

“Inflation Index” means (i) the GNP deflator, which is the fixed-weighted price index representing the average change in the United States gross national product as published in the Survey of Current Business by the National Income and Wealth Division of the Bureau of Economic Analysis of the U.S. Department of Commerce, or (ii) such other index measuring changes in economic prices in the United States as shall be selected by the Managing Member.

“Initial Holdback Percentages” has the meaning set forth in Section 4.1(d).

“Interest” means a limited liability company interest (as defined in § 18-101(8) of the LLC Act) in the Company, including those that are held by a Retaining Withdrawn Member and including any Member’s GP-Related Member Interest and Capital Commitment Member Interest.

“Investment” means any investment (direct or indirect) of the Company designated by the Managing Member from time to time as an investment in which the Members’ respective interests shall be established and accounted for on a basis separate from the Company’s other businesses, activities and investments, including (a) GP-Related Investments, and (b) Capital Commitment Investments.

“Investor Note” means a promissory note of a Member evidencing indebtedness incurred by such Member to purchase a Capital Commitment Interest, the terms of which were or are approved by the Managing Member and which is secured by such Capital Commitment Interest, all other Capital Commitment Interests of such Member and all other interests of such Member in Blackstone Collateral Entities; provided, that such promissory note may also evidence indebtedness relating to other interests of such Member in Blackstone Collateral Entities, and such indebtedness shall be prepayable with Capital Commitment Net Income (whether or not such indebtedness relates to Capital Commitment Investments) as set forth in this Agreement, the Investor Note, the other BCE Agreements and any documentation relating to Other Sources; provided further, that references to “Investor Notes” herein refer to multiple loans made pursuant to such note, whether made with respect to Capital Commitment Investments or other BCE Investments, and references to an “Investor Note” refer to one such loan as the context requires. In no way shall any indebtedness incurred to acquire Capital Commitment Interests or other interests in Blackstone Collateral Entities be considered part of the Investor Notes for purposes hereof if the Lender or Guarantor is not the lender or guarantor with respect thereto.

“Investor Special Member” means any Special Member so designated at the time of its admission by the Managing Member as a Member of the Company.

“Issuer” means the issuer of any Security comprising part of an Investment.

“L/C” has the meaning set forth in Section 4.1(d).

“L/C Member” has the meaning set forth in Section 4.1(d).

“LLC Act” means the Delaware Limited Liability Company Act, 6 Del.C. § 18-101, et seq., as it may be amended from time to time, and any successor to such Act.

“Lender or Guarantor” means Blackstone Holdings I L.P., in its capacity as lender or guarantor under the Investor Notes, or any other Affiliate of the Company that makes or guarantees loans to enable a Member to acquire Capital Commitment Interests or other interests in Blackstone Collateral Entities.

“Loss Amount” has the meaning set forth in Section 5.8(e).

“Loss Investment” has the meaning set forth in Section 5.8(e).

“Majority in Interest of the Members” on any date (a “vote date”) means one or more persons who are Members (including the Managing Member but excluding Nonvoting Special Members) on the vote date and who, as of the last day of the most recent accounting period ending on or prior to the vote date (or as of such later date on or prior to the vote date selected by the Managing Member as of which the Members’ capital account balances can be determined), have aggregate capital account balances representing at least a majority in amount of the total capital account balances of all the persons who are Members (including the Managing Member but excluding Nonvoting Special Members) on the vote date.

“Managing Member” has the meaning specified in the preamble hereto.

“Member” means any person who is a member of the Company, including the Regular Members, the Managing Member and the Special Members. Except as otherwise specifically provided herein, no group of Members, including the Special Members and any group of Members in the same Member Category, shall have any right to vote as a class on any matter relating to the Company, including, but not limited to, any merger, reorganization, dissolution or liquidation.

“Member Category” means the Managing Member, Existing Members, Retaining Withdrawn Members or Deceased Members, each referred to as a group for purposes hereof.

“Moody’s” means Moody’s Investors Services, Inc., or any successor thereto.

“Net Carried Interest Distribution” has the meaning set forth in Section 5.8(e).

“Net Carried Interest Distribution Recontribution Amount” has the meaning set forth in Section 5.8(e).

“Net GP-Related Recontribution Amount” has the meaning set forth in Section 5.8(d).

“Non-Carried Interest” means, with respect to each GP-Related Investment, all amounts of distributions, other than Carried Interest and other than Capital Commitment Distributions, received by the Company with respect to such GP-Related Investment, less any costs, fees and expenses of the Company with respect thereto and less reasonable reserves for payment of costs, fees and expenses of the Company that are anticipated with respect thereto, in each case which the Managing Member may allocate to all or any portion of the GP-Related Investments as it may determine in good faith is appropriate.

“Non-Carried Interest Sharing Percentage” means, with respect to each GP-Related Investment, the percentage interest of a Member in Non-Carried Interest from such GP-Related Investment set forth in the books and records of the Company.

“Non-Contingent” means generally not subject to repurchase rights or other requirements.

“Nonvoting Special Member” has the meaning set forth in Section 6.1(a).

“Other Blackstone Collateral Entity” means any Blackstone Entity (other than any limited partnership, limited liability company or other entity named or referred to in the definition of any of “BFREP,” “BFIP,” “BFMEZP” or “BFCOMP”) in which any limited partner interest, limited liability company interest, unit or other interest is pledged to secure any Investor Note.

“Other Fund GPs” means any entity (other than the Company) through which any Member or Withdrawn Member directly receives any amounts of Carried Interest and any successor thereto; provided, that this includes any other entity which has in its organizational documents a provision which indicates that it is a “Fund GP” or an “Other Fund GP”; provided further, that notwithstanding any of the foregoing, neither Holdings nor any estate planning vehicle established for the benefit of family members of any Member shall be considered a “Fund GP” for purposes hereof.

“Other Sources” means (i) distributions or payments of Capital Commitment Member Carried Interest (which shall include amounts of Capital Commitment Member Carried Interest which are not distributed or paid to a Member but are instead contributed to a trust (or similar arrangement) to satisfy any “holdback” obligation with respect thereto), and (ii) distributions from Blackstone Collateral Entities (other than the Company) to such Member.

“Parallel Fund” means any additional collective investment vehicles (or other similar arrangements) formed pursuant to paragraph 2.8 of the BSSF II Partnership Agreement.

“Prime Rate” means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A. as its prime rate.

“Qualifying Fund” means any fund designated by the Managing Member as a “Qualifying Fund”.

“Regular Member” means any Member, excluding the Managing Member and any Special Members.

“Repurchase Period” has the meaning set forth in Section 5.8(b).

“Required Rating” has the meaning set forth in Section 4.1(d).

“Retained Portion” has the meaning set forth in Section 7.6.

“Retaining Withdrawn Member” means a Withdrawn Member who has retained a GP-Related Member Interest, pursuant to Section 6.5(f) or otherwise. A Retaining Withdrawn Member shall be considered a Nonvoting Special Member for all purposes hereof.

“Securities” means any debt or equity securities of an Issuer and its subsidiaries and other Controlled Entities constituting part of an Investment, including without limitation common and preferred stock, interests in limited partnerships and interests in limited liability companies (including warrants, rights, put and call options and other options relating thereto or any combination thereof), notes, bonds, debentures, trust receipts and other obligations, instruments or evidences of indebtedness, choses in action, other property or interests commonly regarded as securities, interests in real property, whether improved or unimproved, interests in oil and gas properties and mineral properties, short-term investments commonly regarded as money-market investments, bank deposits and interests in personal property of all kinds, whether tangible or intangible.

“Settlement Date” has the meaning set forth in Section 6.5(a).

“SMD Agreements” means the agreements between the Company and/or one or more of its Affiliates and certain of the Members, pursuant to which each such Member undertakes certain obligations with respect to the Company and/or its Affiliates. The SMD Agreements are hereby incorporated by reference as between the Company and the relevant Member.

“Special Firm Collateral” means interests in a Qualifying Fund or other assets that have been pledged to the Trustee(s) to satisfy all or any portion of a Member’s or Withdrawn Member’s Holdback (excluding any Excess Holdback) as more fully described in the Company’s books and records.

“Special Firm Collateral Realization” has the meaning set forth in Section 4.1(d)(viii).

“Special Member” means any person shown on the books and records of the Company as a Special Member of the Company, including any Nonvoting Special Member and any Investor Special Member.

“S&P” means Standard & Poor’s Ratings Group, and any successor thereto.

“Subject Investment” has the meaning set forth in Section 5.8(e).

“Subject Member” has the meaning set forth in Section 4.1(d).

“Successor in Interest” means any (i) shareholder of; (ii) trustee, custodian, receiver or other person acting in any Bankruptcy or reorganization proceeding with respect to; (iii) assignee for the benefit of the creditors of; (iv) officer, director or partner of; (v) trustee or receiver, or former officer, director or partner, or other fiduciary acting for or with respect to the dissolution, liquidation or termination of; or (vi) other executor, administrator, committee, legal representative or other successor or assign of, any Partner, whether by operation of law or otherwise.

“Total Disability” means the inability of a Member substantially to perform the services required of a Regular Member for a period of six consecutive months by reason of physical or mental illness or incapacity and whether arising out of sickness, accident or otherwise.

“Trust Account” has the meaning set forth in the Trust Agreement.

“Trust Agreement” means the Trust Agreement, dated as of the date set forth therein, as amended to date, among the Members, the Trustee(s) and certain other persons that may receive distributions in respect of or relating to Carried Interest from time to time.

“Trust Amount” has the meaning set forth in the Trust Agreement.

“Trust Income” has the meaning set forth in the Trust Agreement.

“Trustee(s)” has the meaning set forth in the Trust Agreement.

“Unadjusted Carried Interest Distribution” has the meaning set forth in Section 5.8(e).

“Unallocated Capital Commitment Interests” has the meaning set forth in Section 8.1(f).

“Withdraw” or “Withdrawal” with respect to a Member means a Member ceasing to be a member of the Company (except as a Retaining Withdrawn Member) for any reason (including death, disability, removal, resignation or retirement, whether such is voluntary or involuntary), unless the context shall limit the type of withdrawal to a specific reason, and “Withdrawn” with respect to a Member means, as aforesaid, a Member who has ceased to be a member of the Company.

“Withdrawal Date” means the date of Withdrawal from the Company of a Withdrawn Member.

“Withdrawn Member” means a Member whose interest in the Company has been terminated for any reason, including the occurrence of an event specified in Section 6.2, and shall include, unless the context requires otherwise, the estate or legal representatives of any such Member.

1.2. Terms Generally. The definitions in Section 1.1 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The term “person” includes individuals,

partnerships (including limited liability partnerships), companies (including limited liability companies), joint ventures, corporations, trusts, governments (or agencies or political subdivisions thereof) and other associations and entities. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”.

ARTICLE II

GENERAL PROVISIONS

2.1. Managing, Regular and Special Members . The Members may be Managing Members, Regular Members or Special Members (including Investor Special Members). The Managing Member as of the date hereof is Holdings, the Regular Members as of the date hereof are those persons shown as Regular Members in the books and records of the Company, and the Special Members as of the date hereof are persons shown as Special Members in the books and records of the Company. The books and records of the Company contain the GP-Related Profit Sharing Percentage and GP-Related Commitment of each such Member with respect to the GP-Related Investments of the Company as of the date hereof. The books and records of the Company contain the Capital Commitment Profit Sharing Percentage and Capital Commitment-Related Commitment of each such Member with respect to the Capital Commitment Investments of the Company as of the date hereof. The books and records of the Company shall be amended by the Managing Member from time to time to reflect additional GP-Related Investments, additional Capital Commitment Investments, dispositions by the Company of GP-Related Investments, dispositions by the Company of Capital Commitment Investments, the GP-Related Profit Sharing Percentages of the Members, as modified from time to time, the Capital Commitment Profit Sharing Percentages of the Members, as modified from time to time, the admission and withdrawal of Members and the transfer or assignment of interests in the Company pursuant to the terms of this Agreement. At the time of admission of each additional Member, the Managing Member shall determine in its sole discretion the GP-Related Investments and Capital Commitment Investments in which such Member shall participate and such Member’s GP-Related Commitment, Capital Commitment-Related Commitment, GP-Related Profit Sharing Percentage with respect to each such GP-Related Investment and Capital Commitment Profit Sharing Percentage with respect to each such Capital Commitment Investment. Each Member may have a GP-Related Member Interest and/or a Capital Commitment Member Interest.

2.2. Formation; Name; Foreign Jurisdictions . The Company is hereby continued as a limited liability company pursuant to the LLC Act and shall conduct its activities on and after the date hereof under the name of Blackstone Real Estate Special Situations Associates II L.L.C. The certificate of formation of the Company may be amended and/or restated from time to time by the Managing Member, as an “authorized person” (within the meaning of the LLC Act). The Managing Member is further authorized to execute and deliver and file any other certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in a jurisdiction in which the Company may wish to conduct business.

2.3. Term . The term of the Company shall continue until December 31, 2059, unless earlier dissolved and its affairs wound up in accordance with this Agreement.

2.4. Purposes; Powers . (a) The purposes of the Company shall be, directly or indirectly through subsidiaries or Affiliates:

(i) to serve as the general partner of BSSF II (including any Alternative Vehicle and any Parallel Fund) and perform the functions of a general partner of BSSF II (including any Alternative Vehicle and any Parallel Fund) specified in the BSSF II Agreements,

(ii) to serve as a capital partner and/or limited partner of BSSF II (including any Alternative Vehicle and any Parallel Fund) and perform the functions of a capital partner and/or limited partner of BSSF II (including any Alternative Vehicle and any Parallel Fund) specified in the BSSF II Agreements,

(iii) to serve as a member, partner or other interest holder of the Capital Commitment Blackstone Entity, if any, and/or the GP-Related Blackstone Entity, if any, and perform the functions of a member, partner or other interest holder of the Capital Commitment Blackstone Entity and/or the GP-Related Blackstone Entity specified in the governing agreement(s) of the Capital Commitment Blackstone Entity and/or the GP-Related Blackstone Entity,

(iv) to make the Blackstone Capital Commitment or a portion thereof, either directly or indirectly through the Capital Commitment Blackstone Entity and/or the GP-Related Blackstone Entity,

(v) to serve as a general partner or limited partner of other partnerships and perform the functions of a general partner or limited partner specified in the respective partnership agreements, as amended, supplemented or otherwise modified from time to time, of any such partnership,

(vi) to serve as a member of limited liability companies and perform the functions of a member specified in the respective limited liability company agreements, as amended, supplemented or otherwise modified from time to time, of any such limited liability company,

(vii) to invest in Capital Commitment Investments and/or GP-Related Investments and acquire and invest in Securities or other property (directly or indirectly through the Capital Commitment Blackstone Entity and/or the GP-Related Blackstone Entity and/or BSSF II (including any Alternative Vehicle and any Parallel Fund), including, without limitation, in connection with any action referred to in any of clauses (i) through (vi) above,

(viii) to carry on such other businesses, perform such other services and make such other investments as are deemed desirable by the Managing Member and as are permitted under the LLC Act, the BSSF II Agreements, the governing agreement(s) of the Capital Commitment Blackstone Entity and/or the GP-Related Blackstone Entity and the respective partnership agreement of any partnership referred to in clause (v) above and the respective limited liability company agreement of any limited liability company referred to in clause (vi) above, in the case of each of the foregoing, as amended, supplemented or otherwise modified from time to time,

(ix) any other lawful purpose, and

(x) to do all things necessary, desirable, convenient or incidental thereto.

(b) In furtherance of its purposes, the Company shall have all powers necessary, suitable or convenient for the accomplishment of its purposes, alone or with others, as principal or agent, including the following:

(i) to be and become a general or limited partner of partnerships, a member of limited liability companies, a holder of common and preferred stock of corporations and/or an investor in the foregoing entities or other entities, in connection with the making of Investments or the acquisition, holding or disposition of Securities or other property or as otherwise deemed appropriate by the Managing Member in the conduct of the Company's business, and to take any action in connection therewith;

(ii) to acquire and invest in general or limited partner interests, in limited liability company interests, in common and preferred stock of corporations and/or in other interests in or obligations of the foregoing entities or other entities and in Investments and Securities or other property or direct or indirect interests therein, whether such Investments and Securities or other property are readily marketable or not, and to receive, hold, sell, dispose of or otherwise transfer any such partner interests, limited liability company interests, stock, interests, obligations, Investments or Securities or other property and any dividends and distributions thereon and to purchase and sell, on margin, and be long or short, futures contracts and to purchase and sell, and be long or short, options on futures contracts;

(iii) to buy, sell and otherwise acquire investments, whether such investments are readily marketable or not;

(iv) to invest and reinvest the cash assets of the Company in money-market or other short-term investments;

(v) to hold, receive, mortgage, pledge, lease, transfer, exchange or otherwise dispose of, grant options with respect to, and otherwise deal in and exercise all rights, powers, privileges and other incidents of ownership or possession with respect to, all property held or owned by the Company;

(vi) to borrow or raise money from time to time and to issue promissory notes, drafts, bills of exchange, warrants, bonds, debentures and other negotiable and non-negotiable instruments and evidences of indebtedness, to secure payment of the principal of any such indebtedness and the interest thereon by mortgage, pledge, conveyance or assignment in trust of, or the granting of a security interest in, the whole or any part of the property of the Company, whether at the time owned or thereafter acquired, to guarantee the obligations of others and to buy, sell, pledge or otherwise dispose of any such instrument or evidence of indebtedness;

(vii) to lend any of its property or funds, either with or without security, at any legal rate of interest or without interest;

(viii) to have and maintain one or more offices within or without the State of Delaware, and in connection therewith, to rent or acquire office space, engage personnel and compensate them and do such other acts and things as may be advisable or necessary in connection with the maintenance of such office or offices;

(ix) to open, maintain and close accounts, including margin accounts, with brokers;

(x) to open, maintain and close bank accounts and draw checks and other orders for the payment of moneys;

(xi) to engage accountants, auditors, custodians, investment advisers, attorneys and any and all other agents and assistants, both professional and nonprofessional, and to compensate any of them as may be necessary or advisable;

(xii) to form or cause to be formed and to own the stock of one or more corporations, whether foreign or domestic, to form or cause to be formed and to participate in partnerships and joint ventures, whether foreign or domestic and to form or cause to be formed and be a member or manager or both of one or more limited liability companies;

(xiii) to enter into, make and perform all contracts, agreements and other undertakings as may be necessary, convenient, advisable or incident to carrying out its purposes;

(xiv) to sue and be sued, to prosecute, settle or compromise all claims against third parties, to compromise, settle or accept judgment to claims against the Company, and to execute all documents and make all representations, admissions and waivers in connection therewith;

(xv) to distribute, subject to the terms of this Agreement, at any time and from time to time to the Members cash or investments or other property of the Company, or any combination thereof; and

(xvi) to take such other actions necessary, desirable, convenient or incidental thereto and to engage in such other businesses as may be permitted under Delaware law.

2.5. Place of Business. The Company shall maintain a registered office at The Corporation Trust Company, 1209 Orange Street, New Castle County, Wilmington, Delaware 19801. The Company shall maintain an office and principal place of business at such place or places as the Managing Member specifies from time to time and as set forth in the books and records of the Company. The name and address of the Company's registered agent is The Corporation Trust Company, 1209 Orange Street, New Castle County, Wilmington, Delaware 19801. The Managing Member may from time to time change the registered agent or office by an amendment to the certificate of formation of the Company.

ARTICLE III

MANAGEMENT

3.1. Managing Member. (a) Holdings shall be an original managing member (the "Managing Member"). The Managing Member shall cease to be the Managing Member only if (i) it Withdraws from the Company for any reason, (ii) it consents in its sole discretion to resign as the Managing Member, or (iii) a Final Event with respect to it occurs. The Managing Member may not be removed without its consent. There may be one or more Managing Members. In the event that one or more other Managing Members is admitted to the Company as such, all references herein to the "Managing Member" in the singular form shall be deemed to also refer to such other Managing Members as may be appropriate. The relative rights and responsibilities of such Managing Members will be as agreed upon from time to time between them.

(b) Upon the Withdrawal from the Company or voluntary resignation of the last remaining Managing Member, all of the powers formerly vested therein pursuant to this Agreement and the LLC Act shall be exercised by a Majority in Interest of the Members.

3.2. Member Voting, etc.

(a) Except as otherwise expressly provided herein and except as may be expressly required by the LLC Act, Members (including Special Members) as such shall have no right to, and shall not, take part in the management or control of the Company's business or act for or bind the Company, and shall have only the rights and powers granted to Members of the applicable class herein.

(b) To the extent a Member is entitled to vote with respect to any matter relating to the Company, such Member shall not be obligated to abstain from voting on any matter (or vote in any particular manner) because of any interest (or conflict of interest) of such Member (or any Affiliate thereof) in such matter.

(c) Meetings of the Members may be called only by the Managing Member.

3.3. Management.

(a) The management, control and operation of the Company and the formulation and execution of business and investment policy shall be vested in the Managing Member. The Managing Member shall, in its discretion, exercise all powers necessary and convenient for the purposes of the Company, including those enumerated in Section 2.4, on behalf and in the name of the Company. All decisions and determinations (howsoever described herein) to be made by the Managing Member pursuant to this Agreement shall be made in its sole discretion, subject only to the express terms and conditions of this Agreement.

(b) Notwithstanding any provision in this Agreement to the contrary, the Company is hereby authorized, without the need for any further act, vote or consent of any person (directly or indirectly through one or more other entities, in the name and on behalf of the Company, on its own behalf or in its capacity as general partner of BSSF II, or as a member, partner or other interest holder of the Capital Commitment Blackstone Entity and/or the GP-Related Blackstone Entity on the Capital Commitment Blackstone Entity's and/or the GP-Related Blackstone Entity's own behalf, or in the Capital Commitment Blackstone Entity's and/or the GP-Related Blackstone Entity's capacity as a capital and/or limited partner or general partner of BSSF II or in the Company's capacity as a general or limited partner, member or other equity owner of any Company Affiliate (as hereinafter defined), (i) to execute and deliver, and to perform the Company's obligations under the BSSF II Agreements, including, without limitation, serving as a general partner of BSSF II, (ii) to execute and deliver, and to perform the Company's obligations under, the governing agreement(s) of the Capital Commitment Blackstone Entity and/or the GP-Related Blackstone Entity, including, without limitation, serving as a member, partner or other interest holder of the Capital Commitment Blackstone Entity and/or the GP-Related Blackstone Entity, (iii) to execute and deliver, and to perform the Company's obligations under, the governing agreement, as amended, supplemented, restated or otherwise modified (each a "Company Affiliate Governing Agreement"), of any other partnership, limited liability company or other entity (each a "Company Affiliate") of which the Company is to become a general or limited partner, member or other equity owner, including without limitation, serving as a general or limited partner, member or other equity owner of each Company Affiliate, and (iv) to take any action, in the applicable capacity, contemplated by or arising out of this Agreement, the BSSF II Agreements, the governing agreement(s) of the Capital Commitment Blackstone Entity and/or the GP-Related Blackstone Entity or any Company Affiliate Governing Agreement (and any amendment, supplement, restatement and/or other modification of any of the foregoing).

(c) The Managing Member and any other person designated by the Managing Member, each acting individually, is hereby authorized and empowered, as an authorized person of the Company within the meaning of the LLC Act or otherwise, or as an authorized representative of the Managing Member (the Managing Member hereby authorizing and ratifying any of the following actions):

(i) to execute and deliver and/or file (including any such action, directly or indirectly through one or more other entities, in the name and on behalf of the Company, on its own behalf or in its capacity as general partner of BSSF II, or as a member, partner or other interest holder of the Capital Commitment Blackstone Entity and/or the GP-Related Blackstone Entity on the Capital Commitment Blackstone Entity's and/or the GP-Related Blackstone

Entity's own behalf or in the Capital Commitment Blackstone Entity's and/or the GP-Related Blackstone Entity's capacity as a capital and/or limited partner or general partner of BSSF II, or in the Company's capacity as a general or limited partner, member or other equity owner of any Company Affiliate, any of the following:

- (A) any agreement, certificate, instrument or other document of the Company, BSSF II, the Capital Commitment Blackstone Entity, the GP-Related Blackstone Entity or any Company Affiliate (and any amendments, supplements, restatements and/or other modifications thereof), including, without limitation, the following: (I) the BSSF II Agreements, the governing agreement(s) of the Capital Commitment Blackstone Entity and/or the GP-Related Blackstone Entity and each Company Affiliate Governing Agreement, (II) Subscription Agreements on behalf of BSSF II, (III) side letters issued in connection with investments in BSSF II, and (IV) such other agreements, certificates, instruments and other documents as may be necessary or desirable in furtherance of the purposes of the Company, BSSF II, the Capital Commitment Blackstone Entity, the GP-Related Blackstone Entity or any Company Affiliate (and any amendments, supplements, restatements and/or other modifications of any of the foregoing referred to in (I) through (IV) hereof);
 - (B) the certificates of formation, certificates of limited partnership and/or other organizational documents of the Company, BSSF II, the Capital Commitment Blackstone Entity, the GP-Related Blackstone Entity or any Company Affiliate (and any amendments, supplements, restatements and/or other modifications thereof); and
 - (C) any other certificates, notices, applications or other documents (and any amendments, supplements, restatements and/or other modifications thereof) to be filed with any government or governmental or regulatory body, including, without limitation, any such document that may be necessary for the Company, BSSF II, the Capital Commitment Blackstone Entity, the GP-Related Blackstone Entity or any Company Affiliate to qualify to do business in a jurisdiction in which the Company, BSSF II, the Capital Commitment Blackstone Entity, the GP-Related Blackstone Entity or such Company Affiliate desires to do business;
- (ii) to prepare or cause to be prepared, and to sign, execute and deliver and/or file (including any such action, directly or indirectly through one or more other entities, in the name and on behalf of the Company, on its own behalf or in its capacity as general partner of BSSF II, or as a member, partner or other interest holder of the Capital Commitment Blackstone Entity and/or the GP-Related Blackstone Entity on the Capital Commitment Blackstone Entity's and/or the GP-Related Blackstone Entity's own behalf or in the Capital Commitment Blackstone Entity's and/or the GP-Related Blackstone Entity's capacity as capital and/or limited partner or general partner of BSSF II, or in the Company's capacity as a general or limited partner, member or other equity owner of any Company Affiliate): (A) any certificates, forms, notices, applications or other documents to be filed with any government or governmental or regulatory body on behalf of the Company, BSSF II, the Capital Commitment Blackstone Entity, the GP-Related Blackstone Entity or any Company Affiliate, (B) any certificates, forms, notices, applications or other documents that may be necessary or advisable in connection with any bank account of the Company, BSSF II, the Capital Commitment Blackstone Entity, the GP-Related Blackstone Entity or any Company Affiliate or any banking facilities or services that may be

utilized by the Company, BSSF II, the Capital Commitment Blackstone Entity, the GP-Related Blackstone Entity or any Company Affiliate, and all checks, notes, drafts and other documents of the Company, BSSF II, the Capital Commitment Blackstone Entity, the GP-Related Blackstone Entity or any Company Affiliate that may be required in connection with any such bank account, banking facilities or services, (C) resolutions with respect to any of the foregoing matters (which resolutions, when executed by any person authorized as provided in this Section 3.3(c), each acting individually, shall be deemed to have been adopted by the Managing Member, the Company, BSSF II, the Capital Commitment Blackstone Entity, the GP-Related Blackstone Entity or any Company Affiliate, as applicable, for all purposes).

The authority granted to any person (other than the Managing Member) in this Section 3.3(c) may be revoked at any time by the Managing Member by an instrument in writing signed by the Managing Member.

3.4. Responsibilities of Members. (a) Unless otherwise determined by the Managing Member in a particular case, each Regular Member shall devote substantially all his time and attention to the businesses of the Company and its Affiliates, and each Special Member shall not be required to devote any time or attention to the businesses of the Company or its Affiliates.

(b) All outside business or investment activities of the Members (including outside directorships or trusteeships) shall be subject to such rules and regulations as are established by the Managing Member from time to time.

(c) The Managing Member may from time to time establish such other rules and regulations applicable to Members or other employees as the Managing Member deems appropriate, including rules governing the authority of Members or other employees to bind the Company to financial commitments or other obligations.

3.5. Exculpation and Indemnification. (a) **Liability to Members.** Notwithstanding any other provision of this Agreement, whether express or implied, to the fullest extent permitted by law, no Member nor any of such Member's representatives, agents or advisors nor any partner, member, officer, employee, representative, agent or advisor of the Company or any of its Affiliates (individually, a "Covered Person" and collectively, the "Covered Persons") shall be liable to the Company or any other Member for any act or omission (in relation to the Company, this Agreement, any related document or any transaction or investment contemplated hereby or thereby) taken or omitted by a Covered Person (other than any act or omission constituting Cause), unless there is a final and non-appealable judicial determination and/or determination of an arbitrator that such Covered Person did not act in good faith and in what such Covered Person reasonably believed to be in, or not opposed to, the best interests of the Company and within the authority granted to such Covered Person by this Agreement, and, with respect to any criminal act or proceeding, had reasonable cause to believe that such Covered Person's conduct was unlawful. Each Covered Person shall be entitled to rely in good faith on the advice of legal counsel to the Company, accountants and other experts or professional advisors, and no action taken by any Covered Person in reliance on such advice shall in any event subject such person to any liability to any Member or the Company. To the extent that, at law or in equity, a Member has duties (including fiduciary duties) and liabilities relating thereto to the Company or to another Member, to the fullest extent permitted by law, such Member acting under this Agreement shall not be liable to the Company or to any such other Member for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they expand or restrict the duties and liabilities of a Member otherwise existing at law or in equity, are agreed by the Members, to the fullest extent permitted by law, to modify to that extent such other duties and liabilities of such Member.

(b) Indemnification. To the fullest extent permitted by law, the Company shall indemnify and hold harmless (but only to the extent of the Company's assets (including, without limitation, the remaining capital commitments of the Members) each Covered Person from and against any and all claims, damages, losses, costs, expenses and liabilities (including, without limitation, amounts paid in satisfaction of judgments, in compromises and settlements, as fines and penalties and legal or other costs and reasonable expenses of investigating or defending against any claim or alleged claim), joint and several, of any nature whatsoever, known or unknown, liquidated or unliquidated (collectively, "Losses"), arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, in which the Covered Person may be involved, or threatened to be involved, as a party or otherwise, by reason of such Covered Person's management of the affairs of the Company or which relate to or arise out of or in connection with the Company, its property, its business or affairs (other than claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, arising out of any act or omission of such Covered Person constituting Cause); provided, that a Covered Person shall not be entitled to indemnification under this Section with respect to any claim, issue or matter if there is a final and non-appealable judicial determination and/or determination of an arbitrator that such Covered Person did not act in good faith and in what such Covered Person reasonably believed to be in, or not opposed to, the best interest of the Company and within the authority granted to such Covered Person by this Agreement, and, with respect to any criminal act or proceeding, had reasonable cause to believe that such Covered Person's conduct was unlawful; provided further, that if such Covered Person is a Member or a Withdrawn Member, such Covered Person shall bear its share of such Losses in accordance with such Covered Person's GP-Related Profit Sharing Percentage in the Company as of the time of the actions or omissions that gave rise to such Losses. To the fullest extent permitted by law, expenses (including legal fees) incurred by a Covered Person (including, without limitation, the Managing Member) in defending any claim, demand, action, suit or proceeding may, with the approval of the Managing Member, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of a written undertaking by or on behalf of the Covered Person to repay such amount to the extent that it shall be subsequently determined that the Covered Person is not entitled to be indemnified as authorized in this Section, and the Company and its Affiliates shall have a continuing right of offset against such Covered Person's interests/investments in the Company and such Affiliates and shall have the right to withhold amounts otherwise distributable to such Covered Person to satisfy such repayment obligation. If a Member institutes litigation against a Covered Person which gives rise to an indemnity obligation hereunder, such Member shall be responsible, up to the amount of such Member's Interests and remaining capital commitment, for such Member's pro rata share of the Company's expenses related to such indemnity obligation, as determined by the Managing Member. The Company may purchase insurance, to the extent available at reasonable cost, to cover losses, claims, damages or liabilities covered by the foregoing indemnification provisions. Members will not be personally obligated with respect to indemnification pursuant to this Section.

3.6. Representations of Members.

(a) Each Regular or Special Member by execution of this Agreement (or by otherwise becoming bound by the terms and conditions hereof as provided herein or in the LLC Act) represents and warrants to every other Member and to the Company, except as may be waived by the Managing Member, that such Member is acquiring each of such Member's Interests for such Member's own account for investment and not with a view to resell or distribute the same or any part hereof, and that no other person has any interest in any such Interest or in the rights of such Member hereunder; *provided*, that a Member may choose to make transfers for estate and charitable planning purposes (in accordance with the terms hereof). Each Regular or Special Member represents and warrants that such Member understands that the Interests have not been registered under the Securities Act of 1933 and therefore such Interests may not be resold without registration under such Act or exemption from such

registration, and that accordingly such Member must bear the economic risk of an investment in the Company for an indefinite period of time. Each Regular or Special Member represents that such Member has such knowledge and experience in financial and business matters, that such Member is capable of evaluating the merits and risks of an investment in the Company, and that such Member is able to bear the economic risk of such investment. Each Regular or Special Member represents that such Member's overall commitment to the Company and other investments which are not readily marketable is not disproportionate to the Member's net worth and the Member has no need for liquidity in the Member's investment in Interests. Each Regular or Special Member represents that to the full satisfaction of the Member, the Member has been furnished any materials that such Member has requested relating to the Company, any Investment and the offering of Interests and has been afforded the opportunity to ask questions of representatives of the Company concerning the terms and conditions of the offering of Interests and any matters pertaining to each Investment and to obtain any other additional information relating thereto. Each Regular or Special Member represents that the Member has consulted to the extent deemed appropriate by the Member with the Member's own advisers as to the financial, tax, legal and related matters concerning an investment in Interests and on that basis believes that an investment in the Interests is suitable and appropriate for the Member.

(b) Each Regular or Special Member agrees that the representations and warranties contained in paragraph (a) above shall be true and correct as of any date that such Member (1) makes a capital contribution to the Company (whether as a result of Firm Advances made to such Member or otherwise) with respect to any Investment, and such Member hereby agrees that such capital contribution shall serve as confirmation thereof and/or (2) repays any portion of the principal amount of a Firm Advance, and such Member hereby agrees that such repayment shall serve as confirmation thereof.

3.7. Tax Information. Each Regular or Special Member certifies that (A) if the Member is a United States person (as defined in the Code) (x) (i) the Member's name, social security number (or, if applicable, employer identification number) and address provided to the Company and its Affiliates pursuant to an IRS Form W-9, Payer's Request for Taxpayer Identification Number Certification ("W-9") or otherwise are correct and (ii) the Member will complete and return a W-9, and (y) (i) the Member is a United States person (as defined in the Code) and (ii) the Member will notify the Company within 60 days of a change to foreign (non-United States) status or (B) if the Member is not a United States person (as defined in the Code) (x) (i) the information on the completed IRS Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding ("W-8BEN") or other applicable form, including but not limited to IRS Form W-8IMY, Certificate of Foreign Intermediary, Foreign Partnership, or Certain U.S. Branches for United States Tax Withholding ("W-8IMY"), or otherwise is correct and (ii) the Member will complete and return the applicable IRS form, including but not limited to a W-8BEN or W-8IMY, and (y) (i) the Member is not a United States person (as defined in the Code) and (ii) the Member will notify the Company within 60 days of any change of such status. The Member agrees to properly execute and provide to the Company in a timely manner any tax documentation that may be reasonably required by the Company or the Managing Member.

ARTICLE IV

CAPITAL OF THE COMPANY

4.1. Capital Contributions by Members. (a) Except as agreed by the Managing Member and a Regular Member, such Regular Member shall not be required to make capital contributions to the Company ("GP-Related Capital Contributions") at such times and in such amounts (the "GP-Related Required Amounts") as are required to satisfy the Company's obligation to make capital contributions to BSSF II (or, if applicable, to the GP-Related Blackstone Entity) in respect of the

GP-Related BSSF II Interest with respect to any GP-Related BSSF II Investment and as are otherwise determined by the Managing Member from time to time or as may be set forth in such Regular Member's Commitment Agreement or SMD Agreement, if any; provided, that additional GP-Related Capital Contributions in excess of the GP-Related Required Amounts may be made pro rata among the Regular Members based upon each Regular Member's Carried Interest Sharing Percentage. GP-Related Capital Contributions in excess of the GP-Related Required Amounts which are to be used for ongoing business operations (as distinct from financing, legal or other specific liabilities of the Company (including those specifically set forth in Sections 4.1(d) and 5.8(d)) shall be determined by the Managing Member. Special Members shall not be required to make additional GP-Related Capital Contributions to the Company in excess of the GP-Related Required Amounts, except (i) as a condition of an increase in such Special Member's GP-Related Profit Sharing Percentage or (ii) as specifically set forth in this Agreement; provided, that the Managing Member and any Special Member may agree from time to time that such Special Member shall make an additional GP-Related Capital Contribution to the Company; provided further, that each Investor Special Member shall maintain its GP-Related Capital Accounts at an aggregate level equal to the product of (i) its GP-Related Profit Sharing Percentage from time to time and (ii) the total capital of the Company related to the GP-Related BSSF II Interest.

(b) Each GP-Related Capital Contribution by a Member shall be credited to the appropriate GP-Related Capital Account of such Member in accordance with Section 5.2.

(c) The Managing Member may elect on a case by case basis to (i) cause the Company to loan any Member (including any additional Member admitted to the Company pursuant to Section 6.1 but excluding any Members that are also executive officers of The Blackstone Group L.P. or any Affiliate thereof) the amount of any GP-Related Capital Contribution required to be made by such Member or (ii) permit any Member (including any additional Member admitted to the Company pursuant to Section 6.1) to make a required GP-Related Capital Contribution to the Company in installments, in each case on terms determined by the Managing Member.

(d) (i) The Members and the Withdrawn Members have entered into the Trust Agreement, pursuant to which certain amounts of Carried Interest will be paid to the Trustee(s) for deposit in the Trust Account (such amounts to be paid to the Trustee(s) for deposit in the Trust Account constituting a "Holdback"). The Managing Member shall determine, as set forth below, the percentage of Carried Interest that shall be withheld for the Managing Member and each Member Category (such withheld percentage constituting the Managing Member's and such Member Category's "Holdback Percentage"). The applicable Holdback Percentages initially shall be 0% for the Managing Member, 15% for Existing Members (other than the Managing Member), 21% for Retaining Withdrawn Members (other than the Managing Member) and 24% for Deceased Members (the "Initial Holdback Percentages"). Any provision of this Agreement not the contrary notwithstanding, the Holdback Percentage for the Managing Member shall not be subject to change pursuant to clause (ii), (iii) or (iv) of this Section 4.1(d).

(ii) The Holdback Percentage may not be reduced for any individual Member as compared to the other Members in his Member Category (except as provided in clause (iv) below). The Managing Member may only reduce the Holdback Percentages among the Member Categories on a proportionate basis. For example, if the Holdback Percentage for Existing Members is decreased to 12.5%, the Holdback Percentage for Retaining Withdrawn Members and Deceased Members shall be reduced to 17.5% and 20%, respectively. Any reduction in the Holdback Percentage for any Member shall apply only to distributions relating to Carried Interest made after the date of such reduction.

(iii) The Holdback Percentage may not be increased for any individual Member as compared to the other Members in his Member Category (except as provided in clause (iv) below). The Managing Member may not increase the Retaining Withdrawn Members' Holdback Percentage beyond 21% unless the Managing Member concurrently increases the Existing Members' Holdback Percentage to the Holdback Percentage of the Retaining Withdrawn Members. The Managing Member may not increase the Deceased Members' Holdback Percentage beyond 24% unless the Managing Member increases the Holdback Percentage for both Existing Members and Retaining Withdrawn Members to 24%. The Managing Member may not increase the Holdback Percentage of any Member Category beyond 24% unless such increase applies equally to all Member Categories. Any increase in the Holdback Percentage for any Member shall apply only to distributions relating to Carried Interest made after the date of such increase. The foregoing shall in no way prevent the Managing Member from proportionately increasing the Holdback Percentage of any Member Category (following a reduction of the Holdback Percentages below the Initial Holdback Percentages), if the resulting Holdback Percentages are consistent with the above. For example, if the Managing Member reduces the Holdback Percentages for Existing Members, Retaining Withdrawn Members and Deceased Members to 12.5%, 17.5% and 20%, respectively, the Managing Member shall have the right to subsequently increase the Holdback Percentages to the Initial Holdback Percentages.

(iv) (A) Notwithstanding anything contained herein to the contrary, the Company may increase or decrease the Holdback Percentage for any Member in any Member Category (in such capacity, the "Subject Member") pursuant to a majority vote of the Regular Members (a "Holdback Vote"); provided, that, notwithstanding anything to the contrary contained herein, the Holdback Percentage applicable to the Managing Member shall not be increased or decreased without its prior written consent; provided further, that a Subject Member's Holdback Percentage shall not be (I) increased prior to such time as such Subject Member (x) is notified by the Company of the decision to increase such Subject Member's Holdback Percentage and (y) has, if requested by such Subject Member, been given 30 days to gather and provide information to the Company for consideration before a second Holdback Vote (requested by the Subject Member) or (II) decreased unless such decrease occurs subsequent to an increase in a Subject Member's Holdback Percentage pursuant to a Holdback Vote under this clause (iv); provided further, that such decrease shall not exceed an amount such that such Subject Member's Holdback Percentage is less than the prevailing Holdback Percentage for the Member Category of such Subject Member; provided further, that a Member shall not vote to increase a Subject Member's Holdback Percentage unless such voting Member determines, in his good faith judgment, that the facts and circumstances indicate that it is reasonably likely that such Subject Member, or any of his successors or assigns (including his estate or heirs) who at the time of such vote holds the GP-Related Member Interest or otherwise has the right to receive distributions relating thereto, will not be capable of satisfying any GP-Related Recontribution Amounts that may become due.

- (B) A Holdback Vote shall take place at a Company meeting. Each Regular Member shall be entitled to cast one vote with respect to the Holdback Vote regardless of such Regular Member's interest in the Company. Such vote may be cast by any Regular Member in person or by proxy.
- (C) If the result of the second Holdback Vote is an increase in a Subject Member's Holdback Percentage, such Subject Member may submit the decision to an arbitrator, the identity of which is mutually agreed upon by both

the Subject Member and the Company; provided, that if the Company and the Subject Member cannot agree upon a mutually satisfactory arbitrator within 10 days of the second Holdback Vote, each of the Company and the Subject Member shall request their candidate for arbitrator to select a third arbitrator satisfactory to such candidates; provided further, that if such candidates fail to agree upon a mutually satisfactory arbitrator within 30 days of such request, the then sitting President of the American Arbitration Association shall unilaterally select the arbitrator. Each Subject Member that submits the decision of the Company pursuant to the second Holdback Vote to arbitration and the Company shall estimate their reasonably projected out-of-pocket expenses relating thereto, and each such party shall, to the satisfaction of the arbitrator and prior to any determination being made by the arbitrator, pay the total of such estimated expenses (i.e., both the Subject Member's and the Company's expenses) into an escrow account to be controlled by Simpson Thacher & Bartlett LLP, as escrow agent (or such other comparable law firm as the Company and the Subject Member shall agree). The arbitrator shall direct the escrow agent to pay out of such escrow account all expenses associated with such arbitration (including costs leading thereto) and to return to the "victorious" party the entire amount of funds such party paid into such escrow account. If the amount contributed to the escrow account by the losing party is insufficient to cover the expenses of such arbitration, such "losing" party shall then provide any additional funds necessary to cover such costs to such "victorious" party. For purposes hereof, the "victorious" party shall be the Company if the Holdback Percentage ultimately determined by the arbitrator is closer to the percentage determined in the second Holdback Vote than it is to the prevailing Holdback Percentage for the Subject Member's Member Category; otherwise, the Subject Member shall be the "victorious" party. The party that is not the "victorious" party shall be the "losing" party.

- (D) In the event of a decrease in a Subject Member's Holdback Percentage (1) pursuant to a Holdback Vote under this clause (iv) or (2) pursuant to a decision of an arbitrator under paragraph (C) of this clause (iv), the Company shall release and distribute to such Subject Member any Trust Amounts (and the Trust Income thereon (except as expressly provided herein with respect to using Trust Income as Firm Collateral)) which exceed the required Holdback of such Subject Member (in accordance with such Subject Member's reduced Holdback Percentage) as though such reduced Holdback Percentage had applied since the increase of the Subject Member's Holdback Percentage pursuant to a previous Holdback Vote under this clause (iv).

(v) (A) If a Member's Holdback Percentage exceeds 15% (such percentage in excess of 15% constituting the "Excess Holdback Percentage"), such Member may satisfy the portion of his Holdback obligation in respect of his Excess Holdback Percentage (such portion constituting such Member's "Excess Holdback"), and such Member (or a Withdrawn Member with respect to amounts contributed to the Trust Account while he was a Member), to the extent his Excess Holdback obligation has previously been satisfied in cash, may obtain the release of the Trust Amounts (but not the Trust Income thereon which shall remain in the Trust Account and allocated to such Member or Withdrawn Member) satisfying such Member's or Withdrawn Member's Excess Holdback obligation, by pledging or otherwise making available to the Company, on a first priority basis (except as provided below), all or any portion of his Firm Collateral in satisfaction of his Excess Holdback obligation. Any Member seeking to satisfy all

or any portion of the Excess Holdback utilizing Firm Collateral shall sign such documents and otherwise take such other action as is necessary or appropriate (in the good faith judgment of the Managing Member) to perfect a first priority security interest in, and otherwise assure the ability of the Company to realize on (if required), such Firm Collateral; provided, that, in the case of entities listed in the Company's books and records in which Members are permitted to pledge their interests therein to finance all or a portion of their capital contributions thereto ("Pledgable Blackstone Interests"), to the extent a first priority security interest is unavailable because of an existing lien on such Firm Collateral, the Member or Withdrawn Member seeking to utilize such Firm Collateral shall grant the Company a second priority security interest therein in the manner provided above; provided further, that (x) in the case of Pledgable Blackstone Interests, to the extent that neither a first priority nor a second priority security interest is available, or (y) if the Managing Member otherwise determines in its good faith judgment that a security interest in Firm Collateral (and the corresponding documents and actions) are not necessary or appropriate, the Member or Withdrawn Member shall (in the case of either clause (x) or (y) above) irrevocably instruct in writing the relevant partnership, limited liability company or other entity listed in the Company's books and records to remit any and all net proceeds resulting from a Firm Collateral Realization on such Firm Collateral to the Trustee(s) as more fully provided in clause (B) below. The Company shall, at the request of any Member or Withdrawn Member, assist such Member or Withdrawn Member in taking such action necessary to enable such Member or Withdrawn Member to use Firm Collateral as provided hereunder.

- (B) If upon a sale or other realization of all or any portion of any Firm Collateral (a "Firm Collateral Realization"), the remaining Firm Collateral is insufficient to cover any Member's or Withdrawn Member's Excess Holdback requirement, then up to 100% of the net proceeds otherwise distributable to such Member or Withdrawn Member from such Firm Collateral Realization (including distributions subject to the repayment of financing sources as in the case of Pledgable Blackstone Interests) shall be paid into the Trust Account to fully satisfy such Excess Holdback requirement (allocated to such Member or Withdrawn Member) and shall be deemed to be Trust Amounts for purposes hereunder. Any net proceeds from such Firm Collateral Realization in excess of the amount necessary to satisfy such Excess Holdback requirement shall be distributed to such Member or Withdrawn Member.
- (C) Upon any valuation or revaluation of Firm Collateral that results in a decreased valuation of such Firm Collateral so that such Firm Collateral is insufficient to cover any Member's or Withdrawn Member's Excess Holdback requirement (including upon a Firm Collateral Realization, if net proceeds therefrom and the remaining Firm Collateral are insufficient to cover any Member's or Withdrawn Member's Excess Holdback requirement), the Company shall provide notice of the foregoing to such Member or Withdrawn Member and such Member or Withdrawn Member shall, within 30 days of receiving such notice, contribute cash (or additional Firm Collateral) to the Trust Account in an amount necessary to satisfy his Excess Holdback requirement. If any such Member or Withdrawn Member defaults upon his obligations under this clause (C), then Section 5.8(d)(ii) shall apply thereto; provided, that clause (A) of the first sentence of Section 5.8(d)(ii) shall be deemed inapplicable to a default under this clause (C); provided further, that for purposes of applying Section 5.8(d)(ii) to a default under this clause (C): (I) the term "GP-Related Defaulting Party" where such term appears in such Section 5.8(d)(ii) shall be construed as "defaulting party" for purposes hereof and (II) the terms "Net GP-Related Recontribution Amount" and "GP-Related Recontribution Amount" where such terms appear in such Section 5.8(d)(ii) shall be construed as the amount due pursuant to this clause (C).

(vi) Any Member or Withdrawn Member may (A) obtain the release of any Trust Amounts (but not the Trust Income thereon which shall remain in the Trust Account and allocated to such Member or Withdrawn Member) or Firm Collateral, in each case, held in the Trust Account for the benefit of such Member or Withdrawn Member or (B) require the Company to distribute all or any portion of amounts otherwise required to be placed in the Trust Account (whether cash or Firm Collateral), by obtaining a letter of credit (an “L/C”) for the benefit of the Trustee(s) in such amounts. Any Member or Withdrawn Member choosing to furnish an L/C to the Trustee(s) (in such capacity, an “L/C Member”) shall deliver to the Trustee(s) an unconditional and irrevocable L/C from a commercial bank whose (x) short-term deposits are rated at least A-1 by S&P and P-1 by Moody’s (if the L/C is for a term of 1 year or less), or (y) long-term deposits are rated at least A+ by S&P or A1 by Moody’s (if the L/C is for a term of 1 year or more) (each a “Required Rating”). If the relevant rating of the commercial bank issuing such L/C drops below the relevant Required Rating, the L/C Member shall supply to the Trustee(s), within 30 days of such occurrence, a new L/C from a commercial bank whose relevant rating is at least equal to the relevant Required Rating, in lieu of the insufficient L/C. In addition, if the L/C has a term expiring on a date earlier than the latest possible termination date of BSSF II, the Trustee(s) shall be permitted to drawdown on such L/C if the L/C Member fails to provide a new L/C from a commercial bank whose relevant rating is at least equal to the relevant Required Rating, at least 30 days prior to the stated expiration date of such existing L/C. The Trustee(s) shall notify an L/C Member 10 days prior to drawing on any L/C. The Trustee(s) may (as directed by the Company in the case of clause (I) below) draw down on an L/C only if (I) such a drawdown is necessary to satisfy an L/C Member’s obligation relating to the Company’s obligations under the Clawback Provisions or (II) an L/C Member has not provided a new L/C from a commercial bank whose relevant rating is at least equal to the relevant Required Rating (or the requisite amount of cash and/or Firm Collateral (to the extent permitted hereunder)), at least 30 days prior to the stated expiration of an existing L/C in accordance with this clause (vi). The Trustee(s), as directed by the Company, shall return to any L/C Member his L/C upon (1) the termination of the Trust Account and satisfaction of the Company’s obligations, if any, in respect of the Clawback Provisions, (2) an L/C Member satisfying his entire Holdback obligation in cash and Firm Collateral (to the extent permitted hereunder), or (3) the release, by the Trustee(s), as directed by the Company, of all amounts in the Trust Account to the Members or Withdrawn Members. If an L/C Member satisfies a portion of his Holdback obligation in cash and/or Firm Collateral (to the extent permitted hereunder) or if the Trustee(s), as directed by the Company, release a portion of the amounts in the Trust Account to the Members or Withdrawn Members in the Member Category of such L/C Member, the L/C of an L/C Member may be reduced by an amount corresponding to such portion satisfied in cash and/or Firm Collateral (to the extent permitted hereunder) or such portion released by the Trustee(s), as directed by the Company; provided, that in no way shall the general release of any Trust Income cause an L/C Member to be permitted to reduce the amount of an L/C by any amount.

(vii) (A) Any in-kind distributions by the Company relating to Carried Interest shall be made in accordance herewith as though such distributions consisted of cash. The Company may direct the Trustee(s) to dispose of any in-kind distributions held in the Trust Account at any time. The net proceeds therefrom shall be treated as though initially contributed to the Trust Account.

- (B) In lieu of the foregoing, any Existing Member may pledge with respect to any in-kind distribution the Special Firm Collateral referred to in asset category 5 on the Company's books and records; provided, that the initial contribution of such Special Firm Collateral shall initially equal 130% of the required Holdback Amount for a period of 90 days, and thereafter shall equal at least 115% of the required Holdback Amount. Paragraphs 4.1(d)(viii)(C) and (D) shall apply to such Special Firm Collateral. To the extent such Special Firm Collateral exceeds the applicable minimum percentage of the required Holdback Amount specified in the first sentence of this clause (vii)(B), the related Member may obtain a release of such excess amount from the Trust Account.

(viii) (A) Any Regular Member or Withdrawn Member may satisfy all or any portion of his Holdback (excluding any Excess Holdback), and such Member or a Withdrawn Member may, to the extent his Holdback (excluding any Excess Holdback) has been previously been satisfied in cash or by the use of an L/C as provided herein, obtain a release of Trust Amounts (but not the Trust Income thereon which shall remain in the Trust Account and allocated to such Member or Withdrawn Member) that satisfy such Member's or Withdrawn Member's Holdback (excluding any Excess Holdback) by pledging to the Trustee(s) on a first priority basis all of his Special Firm Collateral in a particular Qualifying Fund, which at all times must equal or exceed the amount of the Holdback distributed to the Member or Withdrawn Member (as more fully set forth below). Any Member seeking to satisfy such Member's Holdback utilizing Special Firm Collateral shall sign such documents and otherwise take such other action as is necessary or appropriate (in the good faith judgment of the Managing Member) to perfect a first priority security interest in, and otherwise assure the ability of the Trustee(s) to realize on (if required), such Special Firm Collateral.

- (B) If upon a distribution, withdrawal, sale, liquidation or other realization of all or any portion of any Special Firm Collateral (a "Special Firm Collateral Realization"), the remaining Special Firm Collateral (which shall not include the amount of Firm Collateral that consists of a Qualifying Fund and is being used in connection with an Excess Holdback) is insufficient to cover any Member's or Withdrawn Member's Holdback (when taken together with other means of satisfying the Holdback as provided herein (i.e., cash contributed to the Trust Account or an L/C in the Trust Account)), then up to 100% of the net proceeds otherwise distributable to such Member or Withdrawn Member from such Special Firm Collateral Realization (which shall not include the amount of Firm Collateral that consists of a Qualifying Fund or other asset and is being used in connection with an Excess Holdback) shall be paid into the Trust (and allocated to such Member or Withdrawn Member) to fully satisfy such Holdback and shall be deemed thereafter to be Trust Amounts for purposes hereunder. Any net proceeds from such Special Firm Collateral Realization in excess of the amount necessary to satisfy such Holdback (excluding any Excess Holdback) shall be distributed to such Member or Withdrawn Member. To the extent a Qualifying Fund distributes Securities to a Member or Withdrawn Member in connection with a Special Firm Collateral Realization, such Member or Withdrawn Member shall be required to promptly fund such Member's or Withdrawn Member's deficiency with respect to his Holdback in cash or an L/C.
- (C) Upon any valuation or revaluation of the Special Firm Collateral and/or any adjustment in the Applicable Collateral Percentage applicable to a Qualifying Fund (as provided in the Company's books and records), if such Member's or Withdrawn Member's Special Firm Collateral is valued at less than such

Member's Holdback (excluding any Excess Holdback) as provided in the Company's books and records, taking into account other permitted means of satisfying the Holdback hereunder, the Company shall provide notice of the foregoing to such Member or Withdrawn Member and, within 10 business days of receiving such notice, such Member or Withdrawn Member shall contribute cash or additional Special Firm Collateral to the Trust Account in an amount necessary to make up such deficiency. If any such Member or Withdrawn Member defaults upon his obligations under this clause (C), then Section 5.8 (d)(ii) shall apply thereto; provided, that the first sentence of Section 5.8(d)(ii) shall be deemed inapplicable to such default; provided further, that for purposes of applying Section 5.8(d)(ii) to a default under this clause (C): (I) the term "GP-Related Defaulting Party" where such term appears in such Section 5.8(d)(ii) shall be construed as "defaulting party" for purposes hereof and (II) the terms "Net GP-Related Recontribution Amount" and "GP-Related Recontribution Amount" where such terms appear in such Section 5.8(d)(ii) shall be construed as the amount due pursuant to this clause (C).

- (D) Upon a Member becoming a Withdrawn Member, at any time thereafter the Managing Member may revoke the ability of such Withdrawn Member to use Special Firm Collateral as set forth in this Section 4.1(d)(viii), notwithstanding anything else in this Section 4.1(d)(viii). In that case the provisions of clause (C) above shall apply to the Withdrawn Member's obligation to satisfy the Holdback (except that 30 days' notice of such revocation shall be given), given that the Special Firm Collateral is no longer available to satisfy any portion of the Holdback (excluding any Excess Holdback).
- (E) Nothing in this Section 4.1(d)(viii) shall prevent any Member or Withdrawn Member from using any amount of such Member's interest in a Qualifying Fund as Firm Collateral; provided that at all times Section 4.1(d)(v) and this Section 4.1(d)(viii) are each satisfied.

4.2. Interest. Interest on the balances of the Members' capital related to the Members' GP-Related Member Interests (excluding capital invested in GP-Related Investments and, if deemed appropriate by the Managing Member, capital invested in any other investment of the Company) shall be credited to the Members' GP-Related Capital Accounts at the end of each accounting period pursuant to Section 5.2, or at any other time as determined by the Managing Member, at rates determined by the Managing Member from time to time, and shall be charged as an expense of the Company.

4.3. Withdrawals of Capital. No Member may withdraw capital related to such Member's GP-Related Member Interest from the Company except (i) for distributions of cash or other property pursuant to Section 5.8, (ii) as otherwise expressly provided in this Agreement or (iii) as determined by the Managing Member.

ARTICLE V

PARTICIPATION IN PROFITS AND LOSSES

5.1. General Accounting Matters. (a) GP-Related Net Income (Loss) shall be determined by the Managing Member at the end of each accounting period and shall be allocated as described in Section 5.4.

(b) “GP-Related Net Income (Loss)” from any activity of the Company related to the GP-Related BSSF II Interest for any accounting period means (i) the gross income realized by the Company from such activity during such accounting period less (ii) all expenses of the Company, and all other items that are deductible from gross income, for such accounting period that are allocable to such activity (determined as provided below).

“GP-Related Net Income (Loss)” from any GP-Related Investment for any accounting period in which such GP-Related Investment has not been sold or otherwise disposed of means (i) the gross amount of dividends, interest or other income received by the Company from such GP-Related Investment during such accounting period less (ii) all expenses of the Company for such accounting period that are allocable to such GP-Related Investment (determined as provided below).

“GP-Related Net Income (Loss)” from any GP-Related Investment for the accounting period in which such GP-Related Investment is sold or otherwise disposed of means (i) the sum of the gross proceeds from the sale or other disposition of such GP-Related Investment and the gross amount of dividends, interest or other income received by the Company from such GP-Related Investment during such accounting period less (ii) the sum of the cost or other basis to the Company of such GP-Related Investment and all expenses of the Company for such accounting period that are allocable to such GP-Related Investment.

GP-Related Net Income (Loss) shall be determined in accordance with the accounting method used by the Company for U.S. federal income tax purposes with the following adjustments: (i) any income of the Company that is exempt from U.S. federal income taxation and not otherwise taken into account in computing GP-Related Net Income (Loss) shall be added to such taxable income or loss; (ii) if any asset has a value on the books of the Company that differs from its adjusted tax basis for U.S. federal income tax purposes, any depreciation, amortization or gain resulting from a disposition of such asset shall be calculated with reference to such value; (iii) upon an adjustment to the value of any asset on the books of the Company pursuant to Regulation Section 1.704-1(b)(2), the amount of the adjustment shall be included as gain or loss in computing such taxable income or loss; (iv) any expenditures of the Company not deductible in computing taxable income or loss, not properly capitalizable and not otherwise taken into account in computing GP-Related Net Income (Loss) pursuant to this definition shall be treated as deductible items; (v) any income from a GP-Related Investment that is payable to Company employees in respect of “phantom interests” in such GP-Related Investment awarded by the Managing Member to employees shall be included as an expense in the calculation of GP-Related Net Income (Loss) from such GP-Related Investment, and (vi) items of income and expense (including interest income and overhead and other indirect expenses) of the Company, Holdings and other Affiliates of the Company shall be allocated among the Company, Holdings and such Affiliates, among various Company activities and GP-Related Investments and between accounting periods, in each case as determined by the Managing Member. Any adjustments to GP-Related Net Income (Loss) by the Managing Member, including adjustments for items of income accrued but not yet received, unrealized gains, items of expense accrued but not yet paid, unrealized losses, reserves (including reserves for taxes, bad debts, actual or threatened litigation, or any other expenses, contingencies or obligations) and other appropriate items shall be made in accordance with U.S. generally accepted accounting principles (“GAAP”); provided, that the Managing Member shall not be required to make any such adjustment.

(c) An accounting period shall be a Fiscal Year, except that, at the option of the Managing Member, an accounting period will terminate and a new accounting period will begin on the admission date of an additional Member or the Settlement Date of a Withdrawn Member, if any such date is not the first day of a Fiscal Year. If any event referred to in the preceding sentence occurs and the Managing Member does not elect to terminate an accounting period and begin a new accounting period, then the Managing Member may make such adjustments as it deems appropriate to the

Members' GP-Related Profit Sharing Percentages for the accounting period in which such event occurs (prior to any allocations of GP-Related Unallocated Percentages or adjustments to GP-Related Profit Sharing Percentages pursuant to Section 5.3) to reflect the Members' average GP-Related Profit Sharing Percentages during such accounting period; provided, that the GP-Related Profit Sharing Percentages of Members in GP-Related Net Income (Loss) from GP-Related Investments acquired during such accounting period will be based on GP-Related Profit Sharing Percentages in effect when each such GP-Related Investment was acquired.

(d) In establishing GP-Related Profit Sharing Percentages and allocating GP-Related Unallocated Percentages pursuant to Section 5.3, the Managing Member may consider such factors as it deems appropriate.

(e) All determinations, valuations and other matters of judgment required to be made for accounting purposes under this Agreement shall be made by the Managing Member and approved by the Company's independent accountants. Such approved determinations, valuations and other accounting matters shall be conclusive and binding on all Members, all Withdrawn Members, their successors, heirs, estates or legal representatives and any other person, and to the fullest extent permitted by law no such person shall have the right to an accounting or an appraisal of the assets of the Company or any successor thereto.

5.2. GP-Related Capital Accounts. (a) There shall be established for each Member on the books of the Company, to the extent and at such times as may be appropriate, one or more capital accounts as the Managing Member may deem to be appropriate for purposes of accounting for such Member's interests in the capital of the Company related to the GP-Related BSSF II Interest and the GP-Related Net Income (Loss) of the Company (each a "GP-Related Capital Account").

(b) As of the end of each accounting period or, in the case of a contribution to the Company by one or more of the Members or a distribution by the Company to one or more of the Members, at the time of such contribution or distribution, (i) the appropriate GP-Related Capital Accounts of each Member shall be credited with the following amounts: (A) the amount of cash and the value of any property contributed by such Member to the capital of the Company related to such Member's GP-Related Member Interest during such accounting period, (B) the GP-Related Net Income allocated to such Member for such accounting period and (C) the interest credited on the balance of such Member's capital related to such Member's GP-Related Member Interest for such accounting period pursuant to Section 4.2; and (ii) the appropriate GP-Related Capital Accounts of each Member shall be debited with the following amounts: (x) the amount of cash, the principal amount of any subordinated promissory note of the Company referred to in Section 6.5 (as such amount is paid) and the value of any property distributed to such Member during such accounting period with respect to such Member's GP-Related Member Interest and (y) the GP-Related Net Loss allocated to such Member for such accounting period.

5.3. GP-Related Profit Sharing Percentages. (a) Prior to the beginning of each annual accounting period, the Managing Member shall establish the profit sharing percentage (the "GP-Related Profit Sharing Percentage") of each Member in each category of GP-Related Net Income (Loss) for such annual accounting period pursuant to Section 5.1(a) taking into account such factors as the Managing Member deems appropriate, including those referred to in Section 5.1(d); provided, that (i) the Managing Member may elect to establish GP-Related Profit Sharing Percentages in GP-Related Net Income (Loss) from any GP-Related Investment acquired by the Company during such accounting period at the time such GP-Related Investment is acquired in accordance with paragraph (d) below and (ii) GP-Related Net Income (Loss) for such accounting period from any GP-Related Investment shall be allocated in accordance with the GP-Related Profit Sharing Percentages in such GP-Related Investment established

in accordance with paragraph (d) below. The Managing Member may establish different GP-Related Profit Sharing Percentages for any Member in different categories of GP-Related Net Income (Loss). In the case of the Withdrawal of a Member, such former Member's GP-Related Profit Sharing Percentages shall be allocated by the Managing Member to one or more of the remaining Members. In the case of the admission of any Member to the Company as an additional Member, the GP-Related Profit Sharing Percentages of the other Members shall be reduced by an amount equal to the GP-Related Profit Sharing Percentage allocated to such new Member pursuant to Section 6.1(b); such reduction of each other Member's GP-Related Profit Sharing Percentage shall be pro rata based upon such Member's GP-Related Profit Sharing Percentage as in effect immediately prior to the admission of the new Member. Notwithstanding the foregoing, the Managing Member may also adjust the GP-Related Profit Sharing Percentage of any Member for any annual accounting period at the end of such annual accounting period in its sole discretion.

(b) The Managing Member may elect to allocate to the Members less than 100% of the GP-Related Profit Sharing Percentages of any category for any annual accounting period at the time specified in Section 5.3(a) for the annual fixing of GP-Related Profit Sharing Percentages (any remainder of such GP-Related Profit Sharing Percentages being called an "GP-Related Unallocated Percentage"); provided, that any GP-Related Unallocated Percentage in any category of GP-Related Net Income (Loss) for any annual accounting period that is not allocated by the Managing Member within 90 days after the end of such accounting period shall be deemed to be allocated among all Members (including the Managing Member) in the manner determined by the Managing Member in its sole discretion.

(c) Unless otherwise determined by the Managing Member in a particular case, (i) GP-Related Profit Sharing Percentages in GP-Related Net Income (Loss) from any GP-Related Investment shall be allocated in proportion to the Members' respective GP-Related Capital Contributions in respect of such GP-Related Investment and (ii) GP-Related Profit Sharing Percentages in GP-Related Net Income (Loss) from each GP-Related Investment shall be fixed at the time such GP-Related Investment is acquired and shall not thereafter change, subject to any repurchase rights established by the Managing Member pursuant to Section 5.7.

5.4. Allocations of GP-Related Net Income (Loss). (a) Except as provided in Section 5.4(d), GP-Related Net Income of the Company for each GP-Related Investment shall be allocated to the GP-Related Capital Accounts related to such GP-Related Investment of all the Members participating in such GP-Related Investment (including the Managing Member): first, in proportion to and to the extent of the amount of Non-Carried Interest (other than amounts representing a return of GP-Related Capital Contributions) or Carried Interest distributed to the Members; second, to Members that received Non-Carried Interest (other than amounts representing a return of GP-Related Capital Contributions) or Carried Interest in years prior to the years such GP-Related Net Income is being allocated to the extent such Non-Carried Interest (other than amounts representing a return of GP-Related Capital Contributions) or Carried Interest exceeded GP-Related Net Income allocated to such Members in such earlier years; and third, to the Members in the same manner that such Non-Carried Interest (other than amounts representing a return of GP-Related Capital Contributions) or Carried Interest would have been distributed if cash were available to distribute with respect thereto.

(b) GP-Related Net Loss of the Company shall be allocated as follows: (i) GP-Related Net Loss relating to realized losses suffered by BSSF II and allocated to the Company with respect to its pro rata share thereof (based on capital contributions made by the Company to BSSF II with respect to the GP-Related BSSF II Interest) shall be allocated to the Members in accordance with each Member's Non-Carried Interest Sharing Percentage with respect to the GP-Related Investment giving rise to such loss suffered by BSSF II and (ii) GP-Related Net Loss relating to realized losses

suffered by BSSF II and allocated to the Company with respect to the Carried Interest shall be allocated in accordance with a Member's (including Withdrawn Member's) Carried Interest Give Back Percentage (as of the date of such loss) (subject to adjustment pursuant to Section 5.8(e)).

(c) Notwithstanding Section 5.4(a) above, GP-Related Net Income relating to Carried Interest allocated after the allocation of a GP-Related Net Loss pursuant to clause (ii) of Section 5.4(b) shall be allocated in accordance with such Carried Interest Give Back Percentages until such time as the Members have been allocated GP-Related Net Income relating to Carried Interest equal to the aggregate amount of GP-Related Net Loss previously allocated in accordance with clause (ii) of Section 5.4(b). Withdrawn Members shall remain Members for purposes of allocating such GP-Related Net Loss with respect to Carried Interest.

(d) To the extent the Company has any GP-Related Net Income (Loss) for any accounting period unrelated to BSSF II, such GP-Related Net Income (Loss) will be allocated in accordance with GP-Related Profit Sharing Percentages prevailing at the beginning of such accounting period.

(e) The Managing Member may authorize from time to time advances to Members (including any additional Member admitted to the Company pursuant to Section 6.1 but excluding any Members that are also executive officers of The Blackstone Group L.P. or any Affiliate thereof) against their allocable shares of GP-Related Net Income (Loss).

5.5. Liability of Members. Except as otherwise provided in the LLC Act or as expressly provided in this Agreement, no Member shall be personally obligated for any debt, obligation or liability of the Company or of any other Member solely by reason of being a Member. In no event shall any Member or Withdrawn Member (i) be obligated to make any capital contribution or payment to or on behalf of the Company or (ii) have any liability to return distributions received by such Member from the Company, in each case except as specifically provided in Sections 4.1(d) or 5.8 or otherwise in this Agreement, as such Member shall otherwise expressly agree in writing or as may be required by applicable law.

5.6. [Intentionally omitted.]

5.7. Repurchase Rights, etc.. The Managing Member may from time to time establish such repurchase rights and/or other requirements with respect to the Members' GP-Related Member Interests relating to GP-Related BSSF II Investments as the Managing Member may determine. The Managing Member shall have authority to (a) withhold any distribution otherwise payable to any Member until any such repurchase rights have lapsed or any such requirements have been satisfied, (b) pay any distribution to any Member that is Contingent as of the distribution date and require the refund of any portion of such distribution that is Contingent as of the Withdrawal Date of such Member, (c) amend any previously established repurchase rights or other requirements from time to time and (d) make such exceptions thereto as it may determine on a case by case basis.

5.8. Distributions. (a) The Company shall make distributions of available cash (subject to reserves and other adjustments as provided herein) or other property to Members at such times and in such amounts as are determined by the Managing Member. The Managing Member shall, if it deems it appropriate, determine the availability for distribution of, and distribute, cash or other property separately for each category of GP-Related Net Income (Loss) established pursuant to Section 5.1(a). Subject to Section 5.8(e), distributions of cash or other property with respect to Non-Carried Interest shall be made among the Members in accordance with their respective Non-Carried Interest Sharing Percentages, and, subject to Section 4.1(d), distributions of cash or other property with respect to Carried

Interest shall be made among Members in accordance with their respective Carried Interest Sharing Percentages. At any time that a sale, exchange, transfer or other disposition by BSSF II of a portion of a GP-Related Investment is being considered by the Company (a “GP-Related Disposable Investment”), at the election of the Managing Member each Member’s Interest with respect to such GP-Related Investment shall be vertically divided into two separate Interests, an Interest attributable to the GP-Related Disposable Investment (a Member’s “GP-Related Class B Interest”), and an Interest attributable to such GP-Related Investment excluding the GP-Related Disposable Investment (a Member’s “GP-Related Class A Interest”). Distributions (including those resulting from a sale, transfer, exchange or other disposition by BSSF II) relating to a GP-Related Disposable Investment (with respect to both Carried Interest and Non-Carried Interest) shall be made only to holders of GP-Related Class B Interests with respect to such GP-Related Investment in accordance with their GP-Related Profit Sharing Percentages relating to such GP-Related Class B Interests, and distributions (including those resulting from the sale, transfer, exchange or other disposition by BSSF II) relating to a GP-Related Investment excluding such GP-Related Disposable Investment (with respect to both Carried Interest and Non-Carried Interest) shall be made only to holders of GP-Related Class A Interests with respect to such GP-Related Investment in accordance with their respective GP-Related Profit Sharing Percentages relating to such GP-Related Class A Interests. Except as provided above, distributions of cash or other property with respect to each category of GP-Related Net Income (Loss) shall be allocated among the Members in the same proportions as the allocations of GP-Related Net Income (Loss) of each such category.

(b) Subject to the Company’s having sufficient available cash in the reasonable judgment of the Managing Member, the Company shall make cash distributions to each Member with respect to each Fiscal Year of the Company in an aggregate amount at least equal to the total Federal, New York State and New York City income and other taxes that would be payable by such Member with respect to all categories of GP-Related Net Income (Loss) allocated to such Member for such Fiscal Year, the amount of which shall be calculated (i) on the assumption that each Member is an individual subject to the then prevailing maximum Federal, New York State and New York City income tax rates, (ii) taking into account the deductibility of state and local income and other taxes for Federal income tax purposes and (iii) taking into account any differential in applicable rates due to the type and character of Net Income (Loss) allocated to such Member. Notwithstanding the provisions of the foregoing sentence, the Managing Member may refrain from making any distribution if, in the reasonable judgment of the Managing Member, such distribution is prohibited by § 18-607 of the LLC Act.

(c) The Managing Member may provide that the GP-Related Member Interest of any Member or employee (including such Member’s or employee’s right to distributions and investments of the Company related thereto) may be subject to repurchase by the Company during such period as the Managing Member shall determine (a “Repurchase Period”). Any Contingent distributions from GP-Related Investments subject to repurchase rights will be withheld by the Company and will be distributed to the recipient thereof (together with interest thereon at rates determined by the Managing Member from time to time) as the recipient’s rights to such distributions become Non-Contingent (by virtue of the expiration of the applicable Repurchase Period or otherwise). The Managing Member may elect in an individual case to have the Company distribute any Contingent distribution to the applicable recipient thereof irrespective of whether the applicable Repurchase Period has lapsed. If a Member Withdraws from the Company for any reason other than his death, Total Disability or Incompetence, the undistributed share of any GP-Related Investment that remains Contingent as of the applicable Withdrawal Date shall be repurchased by the Company at a purchase price determined at such time by the Managing Member. Unless determined otherwise by the Managing Member, the repurchased portion thereof will be allocated among the remaining Members with interests in such GP-Related Investment in proportion to their respective percentage interests in such GP-Related Investment, or if no other Member has a percentage interest in such specific GP-Related Investment, to the Managing Member; provided, that the Managing Member may allocate the Withdrawn Member’s share of

unrealized investment income from a repurchased GP-Related Investment attributable to the period after the Withdrawn Member's Withdrawal Date on any basis it may determine, including to existing or new Members who did not previously have interests in such GP-Related Investment, except that, in any event, each Investor Special Member shall be allocated a share of such unrealized investment income equal to its respective GP-Related Profit Sharing Percentage of such unrealized investment income.

(d) (i) (A) If the Company is obligated under the Clawback Provisions or Giveback Provisions to contribute to BSSF II a Clawback Amount or a Giveback Amount (other than a Capital Commitment Giveback Amount) or if the GP-Related Blackstone Entity is obligated under the Clawback Provisions or Giveback Provisions to contribute to BSSF II such a Clawback Amount or Giveback Amount (other than a Capital Commitment Giveback Amount), and the Company is obligated to contribute such amount to the GP-Related Blackstone Entity (the amount of any such obligation of the Company with respect to such a Giveback Amount being herein called a "GP-Related Giveback Amount"), the Company shall call for such amounts as are necessary to satisfy such obligations of the Company as determined by the Managing Member, in which case each Member and Withdrawn Member shall contribute to the Company, in cash, when and as called by the Company, such an amount of prior distributions by the Company (and the Other Fund GPs) with respect to Carried Interest (and/or Non-Carried Interest in the case of a GP-Related Giveback Amount) (the "GP-Related Recontribution Amount") which equals (I) the product of (a) a Member's or Withdrawn Member's Carried Interest Give Back Percentage and (b) the aggregate Clawback Amount payable by the Company in the case of Clawback Amounts and (II) with respect to a GP-Related Giveback Amount, such Member's pro rata share of prior distributions of Carried Interest and/or Non-Carried Interest in connection with (a) the GP-Related BSSF II Investment giving rise to the GP-Related Giveback Amount, (b) if the amounts contributed pursuant to clause (II)(a) above are insufficient to satisfy such GP-Related Giveback Amount, GP-Related BSSF II Investments other than the one giving rise to such obligation, but only those amounts received by the Members with an interest in the GP-Related BSSF II Investment referred to in clause (II)(a) above, and (c) if the GP-Related Giveback Amount pursuant to an applicable BSSF Agreement is unrelated to a specific GP-Related BSSF II Investment, all GP-Related BSSF II Investments. Each Member and Withdrawn Member shall promptly contribute to the Company, along with satisfying his comparable obligations to the Other Fund GPs, if any, upon such call such Member's or Withdrawn Member's GP-Related Recontribution Amount, less the amount paid out of the Trust Account on behalf of such Member or Withdrawn Member by the Trustee(s) pursuant to written instructions from the Company, or if applicable, any of the Other Fund GPs with respect to Carried Interest (and/or Non-Carried Interest in the case of GP-Related Giveback Amounts) (the "Net GP-Related Recontribution Amount"), irrespective of the fact that the amounts in the Trust Account may be sufficient on an aggregate basis to satisfy the Company's and the Other Fund GPs' obligation under the Clawback Provisions and/or Giveback Provisions; provided, that to the extent a Member's or Withdrawn Member's share of the amount paid with respect to the Clawback Amount or the GP-Related Giveback Amount exceeds his GP-Related Recontribution Amount, such excess shall be repaid to such Member or Withdrawn Member as promptly as reasonably practicable, subject to clause (ii) below; provided further, that such written instructions from the Company shall specify each Member's and Withdrawn Member's GP-Related Recontribution Amount. Prior to such time, the Company may, in its discretion (but shall be under no obligation to), provide notice that in the Company's judgment, the potential obligations in respect of the Clawback Provisions or the Giveback Provisions will probably materialize (and an estimate of the aggregate amount of such obligations); provided further, that any amount from a Member's Trust Account used to pay any GP-Related Giveback Amount (or such lesser amount as may be required by the Managing Member) shall be contributed by such Member to such Member's Trust Account no later than 30 days after the Net GP-Related Recontribution Amount is paid with respect to such GP-Related Giveback Amount. Solely to the extent required by the BSSF II Agreements, each partner of the Managing Member shall have the same obligations as a Member under this Section 5.8(d)(i)(A) and under Section 5.8(d)(ii)(A) solely with respect to such partner's pro rata

share of any Clawback Amount (for purpose of this sentence, as defined in paragraph 9.2.8(b) of the BSSF II Partnership Agreement) and solely to the extent the Company has insufficient funds to meet the Company's obligations under paragraph 9.2.8(a) of the BSSF II Partnership Agreement and/or the comparable provisions under any other BSSF II Agreement.

- (B) To the extent any Member or Withdrawn Member has satisfied any Holdback obligation with Firm Collateral, such Member or Withdrawn Member shall, within 10 days of the Company's call for GP-Related Recontribution Amounts, make a cash payment into the Trust Account in an amount equal to the amount of the Holdback obligation satisfied with such Firm Collateral, or such lesser amount such that the amount in the Trust Account allocable to such Member or Withdrawn Member equals the sum of (I) such Member's or Withdrawn Member's GP-Related Recontribution Amount and (II) any similar amounts payable to any of the Other Fund GPs. Immediately upon receipt of such cash, the Trustee(s) shall take such steps as are necessary to release such Firm Collateral of such Member or Withdrawn Member equal to the amount of such cash payment. If the amount of such cash payment is less than the amount of Firm Collateral of such Member or Withdrawn Member, the balance of such Firm Collateral if any, shall be retained to secure the payment of GP-Related Deficiency Contributions, if any, and shall be fully released upon the satisfaction of the Company's and the Other Fund GPs' obligation to pay the Clawback Amount. The failure of any Member or Withdrawn Member to make a cash payment in accordance with this clause (B) (to the extent applicable) shall constitute a default under Section 5.8(d)(ii) as if such cash payment hereunder constitutes a Net GP-Related Recontribution Amount under Section 5.8(d)(ii).

(ii) (A) In the event any Member or Withdrawn Member (a "GP-Related Defaulting Party") fails to recontribute all or any portion of such GP-Related Defaulting Party's Net GP-Related Recontribution Amount for any reason, the Company shall require all other Members and Withdrawn Members to contribute, on a pro rata basis (based on each of their respective Carried Interest Give Back Percentages in the case of Clawback Amounts, and GP-Related Profit Sharing Percentages in the case of GP-Related Giveback Amounts (as more fully described in clause (II) of Section 5.8(d)(i)(A) above)), such amounts as are necessary to fulfill the GP-Related Defaulting Party's obligation to pay such GP-Related Defaulting Party's Net GP-Related Recontribution Amount (a "GP-Related Deficiency Contribution") if the Managing Member determines in its good faith judgment that the Company (or an Other Fund GP) will be unable to collect such amount in cash from such GP-Related Defaulting Party for payment of the Clawback Amount or GP-Related Giveback Amount, as the case may be, at least 20 Business Days prior to the latest date that the Company, and the Other Fund GPs, if applicable, are permitted to pay the Clawback Amount or GP-Related Giveback Amount, as the case may be; provided, that, subject to Section 5.8(e), no Member or Withdrawn Member shall as a result of such GP-Related Deficiency Contribution be required to contribute an amount in excess of 150% of the amount of the Net GP-Related Recontribution Amount initially requested from such Member or Withdrawn Member in respect of such default. Thereafter, the Managing Member shall determine in its good faith judgment that the Company should either (1) not attempt to collect such amount in light of the costs associated therewith, the likelihood of recovery and any other factors considered relevant in the good faith judgment of the Managing Member or (2) pursue any and all remedies (at law or equity) available to the Company against the GP-Related Defaulting Party, the cost of which shall be a Company expense to the extent not ultimately reimbursed by the GP-Related Defaulting Party. It is agreed that the Company

shall have the right (effective upon such GP-Related Defaulting Party becoming a GP-Related Defaulting Party) to set-off as appropriate and apply against such GP-Related Defaulting Party's Net GP-Related Reconstitution Amount any amounts otherwise payable to the GP-Related Defaulting Party by the Company or any Affiliate thereof (including amounts unrelated to Carried Interest, such as returns of capital and profit thereon). Each Member and Withdrawn Member hereby grants to the Company a security interest, effective upon such Member or Withdrawn Member becoming a GP-Related Defaulting Party, in all accounts receivable and other rights to receive payment from any Affiliate of the Company and agrees that, upon the effectiveness of such security interest, the Company may sell, collect or otherwise realize upon such collateral. In furtherance of the foregoing, each Member and Withdrawn Member hereby appoints the Company as its true and lawful attorney-in-fact with full irrevocable power and authority, in the name of such Member or Withdrawn Member or in the name of the Company, to take any actions which may be necessary to accomplish the intent of the immediately preceding sentence. The Company shall be entitled to collect interest on the Net GP-Related Reconstitution Amount of a GP-Related Defaulting Party from the date such GP-Related Reconstitution Amount was required to be contributed to the Company at a rate equal to the Default Interest Rate.

- (B) Any Member's or Withdrawn Member's failure to make a GP-Related Deficiency Contribution shall cause such Member or Withdrawn Member to be a GP-Related Defaulting Party with respect to such amount. The Company shall first seek any remaining Trust Amounts (and Trust Income thereon) allocated to such Member or Withdrawn Member to satisfy such Member's or Withdrawn Member's obligation to make a GP-Related Deficiency Contribution before seeking cash contributions from such Member or Withdrawn Member in satisfaction of such Member's or Withdrawn Member's obligation to make a GP-Related Deficiency Contribution.

(iii) A Member's or Withdrawn Member's obligation to make contributions to the Company under this Section 5.8(d) shall survive the termination of the Company.

(e) The Members acknowledge that the Managing Member will (and is hereby authorized to) take such steps as it deems appropriate, in its good faith, to further the objective of providing for the fair and equitable treatment of all Members, including by allocating Writedowns and Losses (as defined in the BSSF II Agreements) on GP-Related BSSF II Investments that have been the subject of a Writedown and/or Losses (each, a "Loss Investment") to those Members who participated in such Loss Investments based on their Carried Interest Sharing Percentage therein to the extent that such Members receive or have received Carried Interest distributions from other GP-Related BSSF II Investments. Consequently and notwithstanding anything herein to the contrary, adjustments to Carried Interest distributions shall be made as set forth in this Section 5.8(e).

(i) At the time the Company is making Carried Interest distributions in connection with a GP-Related BSSF II Investment (the "Subject Investment") that have been reduced under the BSSF II Agreements as a result of one or more Loss Investments, the Managing Member shall calculate amounts distributable to or due from each such Member as follows:

- (A) determine each Member's share of each such Loss Investment based on his Carried Interest Sharing Percentage in each such Loss Investment (which may be zero) to the extent such Loss Investment has reduced the Carried Interest distributions otherwise available for distribution to all Members (indirectly through the Company from BSSF II) from the Subject Investment (such reduction, the "Loss Amount");

- (B) determine the amount of Carried Interest distributions otherwise distributable to such Member with respect to the Subject Investment (indirectly through the Company from BSSF II) before any reduction in respect of the amount determined in clause (A) above (the “Unadjusted Carried Interest Distributions”); and
- (C) subtract (I) the Loss Amounts relating to all Loss Investments from (II) the Unadjusted Carried Interest Distributions for such Member, to determine the amount of Carried Interest distributions to actually be paid to such Member (“Net Carried Interest Distribution”).

To the extent that the Net Carried Interest Distribution for a Member as calculated in this clause (i) is a negative number, the Managing Member shall (I) notify such Member, at or prior to the time such Carried Interest distributions are actually made to the Members, of his obligation to recontribute to the Company prior Carried Interest distributions (a “Net Carried Interest Distribution Recontribution Amount”), up to the amount of such negative Net Carried Interest Distribution, and (II) to the extent amounts recontributed pursuant to clause (I) are insufficient to satisfy such negative Net Carried Interest Distribution Amount, reduce future Carried Interest distributions otherwise due such Member, up to the amount of such remaining negative Net Carried Interest Distribution. If a Member’s (x) Net Carried Interest Distribution Recontribution Amount exceeds (y) the aggregate amount of prior Carried Interest distributions less the amount of tax thereon, calculated based on the Assumed Tax Rate (as defined in the BSSF II Agreements) in effect in the Fiscal Years of such distributions (the “Excess Tax-Related Amount”), then such Member may, in lieu of paying such Member’s Excess Tax-Related Amount, defer such amounts as set forth below. Such deferred amount shall accrue interest at the Prime Rate. Such deferred amounts shall be reduced and repaid by the amount of Carried Interest otherwise distributable to such Member in connection with future Carried Interest distributions until such balance is reduced to zero. Any deferred amounts shall be payable in full upon the earlier of (i) such time as the Clawback is determined (as provided herein) and (ii) such time as the Member becomes a Withdrawn Member.

To the extent there is an amount of negative Net Carried Interest Distribution with respect to a Member remaining after the application of this clause (i), notwithstanding clause (II) of the preceding paragraph, such remaining amount of negative Net Carried Interest Distribution shall be allocated to the other Members pro rata based on each of their Carried Interest Sharing Percentages in the Subject Investment.

A Member who fails to pay a Net Carried Interest Distribution Recontribution Amount promptly upon notice from the Managing Member (as provided above) shall be deemed a GP-Related Defaulting Party for all purposes hereof.

A Member may satisfy in part any Net Carried Interest Distribution Recontribution Amount from cash that is then subject to a Holdback, to the extent that the amounts that remain subject to a Holdback satisfy the Holdback requirements hereof as they relate to the reduced amount of aggregate Carried Interest distributions received by such Member (taking into account any Net Carried Interest Distribution Recontribution Amount contributed to the Company by such Member).

Any Net Carried Interest Distribution Recontribution Amount contributed by a Member, including amounts of cash subject to a Holdback as provided above, shall increase the amount available for distribution to the other Members as Carried Interest distributions with respect to the Subject Investment; provided, that any such amounts then subject to a Holdback may be so distributed to the other Members to the extent a Member receiving such distribution has satisfied the Holdback requirements with respect to such distribution (taken together with the other Carried Interest distributions received by such Member to date).

(ii) In the case of Clawback Amounts which are required to be contributed to the Company as otherwise provided herein, the obligation of the Members with respect to any Clawback Amount shall be adjusted by the Managing Member as follows:

- (A) determine each Member's share of any Losses in any GP-Related BSSF II Investments which gave rise to the Clawback Amount (i.e., the Losses that followed the last GP-Related BSSF II Investment with respect to which Carried Interest distributions were made), based on such Member's Carried Interest Sharing Percentage in such GP-Related BSSF II Investments;
- (B) determine each Member's obligation with respect to the Clawback Amount based on such Member's Carried Interest Give Back Percentage as otherwise provided herein; and
- (C) subtract the amount determined in clause (B) above from the amount determined in clause (A) above with respect to each Member to determine the amount of adjustment to each Member's share of the Clawback Amount (a Member's "Clawback Adjustment Amount").

A Member's share of the Clawback Amount shall for all purposes hereof be decreased by such Member's Clawback Adjustment Amount, to the extent it is a negative number (except to the extent expressly provided below). A Member's share of the Clawback Amount shall for all purposes hereof be increased by such Member's Clawback Adjustment Amount (to the extent it is a positive number); provided, that in no way shall a Member's aggregate obligation to satisfy a Clawback Amount as a result of this clause (ii) exceed the aggregate Carried Interest distributions received by such Member. To the extent a positive Clawback Adjustment Amount remains after the application of this clause (ii) with respect to a Member, such remaining Clawback Adjustment Amount shall be allocated to the Members (including any Member whose Clawback Amount was increased pursuant to this clause (ii)) pro rata based on their Carried Interest Give Back Percentages (determined without regard to this clause (ii)).

Any distribution or contribution adjustments pursuant to this Section 5.8(e) by the Managing Member shall be based on its good faith judgment, and no Member shall have any claim against the Company, the Managing Member or any other Members as a result of any adjustment made as set forth above. This Section 5.8(e) applies to all Members, including Withdrawn Members.

It is agreed and acknowledged that this Section 5.8(e) is an agreement among the Members and in no way modifies the obligations of each Member regarding the Clawback as provided in the BSSF II Agreements.

5.9. Business Expenses. The Company shall reimburse the Members for reasonable travel, entertainment and miscellaneous expenses incurred by them in the conduct of the Company's business in accordance with rules and regulations established by the Managing Member from time to time.

5.10. Tax Capital Accounts; Tax Allocations.

(a) For U.S. federal income tax purposes, there shall be established for each Member a single capital account combining such Member's Capital Commitment Capital Account and GP-Related Capital Account, with such adjustments as the Managing Member determines is appropriate so that such single capital account is maintained in compliance with the principles and requirements of Section 704(b) of the Code and the Regulations thereunder.

(b) For federal, state and local income tax purposes only, Company income, gain, loss, deduction or expense (or any item thereof) for each fiscal year shall be allocated to and among the Members in a manner corresponding to the manner in which corresponding items are allocated among the Members pursuant to clause (a) above, provided the Managing Member may in its sole discretion make such allocations for tax purposes as it determines is appropriate so that allocations have substantial economic effect or are in accordance with the interests of the Members, within the meaning of the Code and the Regulations thereunder.

ARTICLE VI

ADDITIONAL MEMBERS; WITHDRAWAL OF MEMBERS; SATISFACTION AND DISCHARGE OF COMPANY INTERESTS; TERMINATION

6.1. Additional Members. (a) Effective on the first day of any month (or on such other date as shall be determined by the Managing Member in its sole discretion), the Managing Member shall have the right to admit one or more additional persons into the Company as Regular Members or Special Members. Each such person shall make the representations with respect to itself set forth in Section 3.6. The Managing Member shall determine and negotiate with the additional Member all terms of such additional Member's participation in the Company, including the additional Member's initial GP-Related Capital Contribution, Capital Commitment-Related Capital Contribution, GP-Related Profit Sharing Percentage and Capital Commitment Profit Sharing Percentage. Each additional Member shall have such voting rights as may be determined by the Managing Member from time to time unless, upon the admission to the Company of any Special Member, the Managing Member shall designate that such Special Member shall not have such voting rights (any such Special Member being called a "Nonvoting Special Member"). Any additional Member shall, as a condition to becoming a Member, agree to become a party to, and be bound by the terms and conditions of, the Trust Agreement.

(b) The GP-Related Profit Sharing Percentages to be allocated to an additional Member as of the date such Member is admitted to the Company, together with the pro rata reduction in all other Members' GP-Related Profit Sharing Percentages as of such date, shall be established by the Managing Member pursuant to Section 5.3. The Capital Commitment Profit Sharing Percentages to be allocated to an additional Partner as of the date such Partner is admitted to the Partnership, together with the pro rata reduction in all other Partners' Capital Commitment Profit Sharing Percentages as of such date, shall be established by the General Partner.

(c) An additional Member shall be required to contribute to the Company his pro rata share of the Company's total capital, excluding capital in respect of GP-Related Investments and Capital Commitment Investments in which such Member does not acquire any interests, at such times and in such amounts as shall be determined by the Managing Member in accordance with Sections 4.1 and 7.1.

(d) The admission of an additional Member will be evidenced by (i) the execution of a counterpart copy of this Agreement by such additional Member or (ii) the execution of an amendment to this Agreement by all the Members (including the additional Member), as determined by the Managing Member. In addition, each additional Member shall sign a counterpart copy of the Trust Agreement or any other writing evidencing the intent of such person to become a party to the Trust Agreement that is accepted by the Managing Member on behalf of the Company.

6.2. Withdrawal of Members. (a) Any Member may Withdraw voluntarily from the Company on the last day of any calendar month (or on such other date as shall be determined by the Managing Member in its sole discretion), on not less than 15 days' prior written notice by such Member to the Managing Member (or on such shorter notice period as may be mutually agreed upon between such Member and the Managing Member); provided, that a Member may not voluntarily Withdraw without the consent of the Managing Member if such Withdrawal would (i) cause the Company to be in default under any of its contractual obligations or (ii) in the reasonable judgment of the Managing Member, have a material adverse effect on the Company or its business; provided further, that a Member may Withdraw from the Company with respect to such Member's GP-Related Member Interest without Withdrawing from the Company with respect to such Member's Capital Commitment Member Interest, and a Member may Withdraw from the Company with respect to such Member's Capital Commitment Member Interest without Withdrawing from the Company with respect to such Member's GP-Related Member Interest.

(b) Upon the Withdrawal of any Member, including by the occurrence of any withdrawal event under the LLC Act with respect to any Member, such Member shall thereupon cease to be a Member, except as expressly provided herein.

(c) Upon the Total Disability of a Regular Member, such Member shall thereupon cease to be a Regular Member with respect to such person's GP-Related Member Interest; provided, that the Managing Member may elect to admit such Withdrawn Member to the Company as a Nonvoting Special Member with respect to such person's GP-Related Member Interest, with such GP-Related Member Interest as the Managing Member may determine. The determination of whether any Member has suffered a Total Disability shall be made by the Managing Member in its sole discretion after consultation with a qualified medical doctor. In the absence of agreement between the Managing Member and such Member, each party shall nominate a qualified medical doctor and the two doctors shall select a third doctor, who shall make the determination as to Total Disability.

(d) If the Managing Member determines that it shall be in the best interests of the Company for any Member (including any Member who has given notice of voluntary Withdrawal pursuant to paragraph (a) above) to Withdraw from the Company (whether or not Cause exists) with respect to such person's GP-Related Member Interest and/or with respect to such person's Capital Commitment Member Interest, such Member, upon written notice by the Managing Member to such Member, shall be required to Withdraw with respect to such person's GP-Related Member Interest and/or with respect to such person's Capital Commitment Member Interest, as of a date specified in such notice, which date shall be on or after the date of such notice. If the Managing Member requires any Member to Withdraw for Cause with respect to such person's GP-Related Member Interest and/or with respect to such person's Capital Commitment Member Interest, such notice shall state that it has been given for Cause and shall describe the particulars thereof in reasonable detail.

(e) The withdrawal from the Company of any Member shall not, in and of itself, affect the obligations of the other Members to continue the Company during the remainder of its term.

6.3. GP-Related Member Interests Not Transferable. No Member may sell, assign, pledge or otherwise transfer or encumber all or any portion of such Member's GP-Related Member Interest other than as permitted by written agreement between such Member and the Company; provided, that this Section 6.3 shall not impair transfers by operation of law, transfers by will or by other testamentary instrument occurring by virtue of the death or dissolution of a Member, or transfers required by trust agreements; provided further, that a Regular Member may transfer, for estate planning purposes, up to 25% of his GP-Related Profit Sharing Percentage to any estate planning trust, limited partnership, or limited liability company with respect to which a Regular Member controls investments related to any interest in the Company held therein (an "Estate Planning Vehicle"). Each Estate Planning Vehicle will be a Nonvoting Special Member. Such Regular Member and the Nonvoting Special Member shall be jointly and severally liable for all obligations of both such Regular Member and such Nonvoting Special Member with respect to the Company (including the obligation to make additional GP-Related Capital Contributions), as the case may be. The Managing Member may at its sole option exercisable at any time require any Estate Planning Vehicle to withdraw from the Company on the terms of this Article VI. Except as provided in the second proviso to the first sentence of this Section 6.3, no assignee, legatee, distributee, heir or transferee (by conveyance, operation of law or otherwise) of the whole or any portion of any Member's GP-Related Member Interest shall have any right to be a Member without the prior written consent of the Managing Member (which consent may be withheld without giving any reason therefor). Notwithstanding the granting of a security interest in the entire Interest of any Member, such Member shall continue to be a Member of the Company.

6.4. Consequences upon Withdrawal of a Member. (a) The Withdrawal of a Regular Member shall not dissolve the Company if at the time of such Withdrawal there are one or more remaining Regular Members and any one or more of such remaining Regular Members continue the business of the Company (any and all such remaining Regular Members being hereby authorized to continue the business of the Company without dissolution and hereby agreeing to do so). Notwithstanding Section 6.4(b), if upon the Withdrawal of a Regular Member there shall be no remaining Regular Member, the Company shall be dissolved and shall be wound up unless, within 90 days after the occurrence of such Withdrawal, all remaining Special Members agree in writing to continue the business of the Company and to the appointment, effective as of the date of such Withdrawal, of one or more Regular Members.

(b) The Company shall not be dissolved, in and of itself, by the Withdrawal of any Member, but shall continue with the surviving or remaining Members as members thereof in accordance with and subject to the terms and provisions of this Agreement.

6.5. Satisfaction and Discharge of a Withdrawn Member's GP-Related Interest. (a) The terms of this Section 6.5 shall apply to the GP-Related Member Interest of a Withdrawn Member, but, except as otherwise expressly provided in this Section 6.5, shall not apply to the Capital Commitment Member Interest of a Withdrawn Member. The term "Settlement Date" means the date as of which a Withdrawn Member's GP-Related Member Interest is settled as determined under paragraph (b) below. Notwithstanding the foregoing, any Regular Member who Withdraws from the Company, and all or any portion of whose GP-Related Member Interest is retained as a Special Member, shall be considered a Withdrawn Member for all purposes hereof.

(b) Except where a later date for the settlement of a Withdrawn Member's interest in the Company may be agreed to by the Managing Member and a Withdrawn Member, a Withdrawn Member's Settlement Date shall be his Withdrawal Date; provided, that if a Withdrawn Member's Withdrawal is not the last day of a month, then the Managing Member may elect for such Withdrawn Member's Settlement Date to be the last day of the month in which his Withdrawal Date occurs. During the interval, if any, between a Withdrawn Member's Withdrawal Date and Settlement Date, such Withdrawn Member shall have the same rights and obligations with respect to capital contributions, interest on capital, allocations of Net Income (Loss) and distributions as would have applied had such Withdrawn Member remained a Member of the Company during such period.

(c) In the event of the Withdrawal of a Member, the Managing Member shall promptly after such Withdrawn Member's Settlement Date (i) determine and allocate to the Withdrawn Member's GP-Related Capital Accounts such Withdrawn Member's allocable share of the GP-Related Net Income (Loss) of the Company for the period ending on such Settlement Date in accordance with Article V and (ii) credit the Withdrawn Member's GP-Related Capital Accounts with interest in accordance with Section 5.2. In making the foregoing calculations, the Managing Member shall be entitled to establish such reserves (including reserves for taxes, bad debts, unrealized losses, actual or threatened litigation or any other expenses, contingencies or obligations) as it deems appropriate. Unless otherwise determined by the Managing Member in a particular case, a Withdrawn Member shall not be entitled to receive any GP-Related Unallocated Percentage in respect of the accounting period during which such Member Withdraws from the Company (whether or not previously awarded or allocated) or any GP-Related Unallocated Percentage in respect of prior accounting periods that have not been paid or allocated (whether or not previously awarded) as of such Withdrawn Member's Withdrawal Date.

(d) From and after the Settlement Date of the Withdrawn Member, the Withdrawn Member's GP-Related Profit Sharing Percentages shall, unless otherwise allocated by the Managing Member pursuant to Section 5.3(a), be deemed to be GP-Related Unallocated Percentages (except for GP-Related Profit Sharing Percentages with respect to GP-Related Investments as provided in paragraph (f) below).

(e) (i) Upon the Withdrawal from the Company of a Member with respect to such Member's GP-Related Member Interest, such Withdrawn Member thereafter shall not, except as expressly provided in this Section 6.5, have any rights of a Member (including voting rights) with respect to such Member's GP-Related Member Interest, and, except as expressly provided in this Section 6.5, such Withdrawn Member shall not have any interest in the Company's GP-Related Net Income (Loss), or in distributions, GP-Related Investments or other assets related to such Member's GP-Related Member Interest. If a Member Withdraws from the Company with respect to such Member's GP-Related Member Interest for any reason other than for Cause pursuant to Section 6.2, then the Withdrawn Member shall be entitled to receive, at the time or times specified in Section 6.5(i) below, in satisfaction and discharge in full of the Withdrawn Member's GP-Related Member Interest, (x) payment equal to the aggregate credit balance, if any, as of the Settlement Date of the Withdrawn Member's GP-Related Capital Accounts, (excluding any GP-Related Capital Account or portion thereof attributable to any GP-Related Investment) and (y) the Withdrawn Member's percentage interest attributable to each GP-Related Investment in which the Withdrawn Member has an interest as of the Settlement Date as provided in paragraph (f) below (which shall be settled in accordance with paragraph (f) below), subject to all the terms and conditions of paragraphs (a)-(r) of this Section 6.5. If the amount determined pursuant to clause (x) above is an aggregate negative balance, the Withdrawn Member shall pay the amount thereof to the Company upon demand by the Managing Member on or after the date of the statement referred to in paragraph (i) below; provided, that if the Withdrawn Member was solely a Special Member on his Withdrawal Date, such payment shall be required only to the extent of any amounts payable to such Withdrawn Member pursuant to this Section 6.5. Any aggregate negative balance in the GP-Related Capital Accounts of a Withdrawn Member who was solely a Special Member, upon the settlement of such Withdrawn Member's GP-Related Member Interest pursuant to this Section 6.5, shall be allocated among the other Members' GP-Related Capital Accounts in accordance with their respective GP-Related Profit Sharing Percentages in the categories of GP-Related Net Income (Loss) giving rise to such negative balance as determined by the Managing Member as of such Withdrawn Member's Settlement Date. In the settlement of any Withdrawn Member's GP-Related Member Interest in the Company, no value shall be ascribed to goodwill, the Company name or the anticipation of any value the Company or any successor thereto might have in the event the Company or any interest therein were to be sold in whole or in part.

(ii) Notwithstanding clause (i) of this Section 6.5(e), in the case of a Member whose Withdrawal with respect to such Member's GP-Related Member Interest resulted from such Member's death or Incompetence, such Member's estate or legal representative, as the case may be, may elect, at the time described below, to receive a Nonvoting Special Member GP-Related Member Interest and retain such Member's GP-Related Profit Sharing Percentage in all (but not less than all) illiquid investments of the Company in lieu of a cash payment (or Note) in settlement of that portion the Withdrawn Member's GP-Related Member Interest. The election referred to above shall be made within 60 days after the Withdrawn Member's Settlement Date, based on a statement of the settlement of such Withdrawn Member's GP-Related Member Interest in the Company pursuant to this Section 6.5.

(f) For purposes of clause (y) of paragraph (e)(i) above, a Withdrawn Member's "percentage interest" means his GP-Related Profit Sharing Percentage as of the Settlement Date in the relevant GP-Related Investment. The Withdrawn Member shall retain his percentage interest in such GP-Related Investment and shall retain his GP-Related Capital Account or portion thereof attributable to such GP-Related Investment, in which case such Withdrawn Member (a "Retaining Withdrawn Member") shall become and remain a Special Member for such purpose (and, if the Managing Member so designates, such Special Member shall be a Nonvoting Special Member). The GP-Related Member Interest of a Retaining Withdrawn Member pursuant to this paragraph (f) shall be subject to the terms and conditions applicable to GP-Related Member Interests of any kind hereunder and such other terms and conditions as are established by the Managing Member. At the option of the Managing Member in its sole discretion, the Managing Member and the Retaining Withdrawn Member may agree to have the Company acquire such GP-Related Member Interest without the approval of the other Members; provided, that the Managing Member shall reflect in the books and records of the Company the terms of any acquisition pursuant to this sentence.

(g) The Managing Member may elect, in lieu of payment in cash of any amount payable to a Withdrawn Member pursuant to paragraph (e) above, to (i) have the Company issue to the Withdrawn Member a subordinated promissory note and/or to (ii) distribute in kind to the Withdrawn Member such Withdrawn Member's pro rata share (as determined by the Managing Member) of any securities or other investments of the Company. If any securities or other investments are distributed in kind to a Withdrawn Member under this paragraph (g), the amount described in clause (x) of paragraph (e)(i) shall be reduced by the value of such distribution as valued on the latest balance sheet of the Company in accordance with generally accepted accounting principles or, if not appearing on such balance sheet, as reasonably determined by the Managing Member.

(h) [Intentionally omitted.]

(i) Within 120 days after each Settlement Date, the Managing Member shall submit to the Withdrawn Member a statement of the settlement of such Withdrawn Member's GP-Related Member Interest in the Company pursuant to this Section 6.5 together with any cash payment, subordinated promissory note and in kind distributions to be made to such Member as shall be determined by the Managing Member. The Managing Member shall submit to the Withdrawn Member supplemental statements with respect to additional amounts payable to or by the Withdrawn Member in respect of the settlement of his GP-Related Member Interest in the Company (e.g., payments in respect of GP-Related Investments pursuant to paragraph (f) above or adjustments to reserves pursuant to paragraph (j) below) promptly after such amounts are determined by the Managing Member. To the

fullest extent permitted by law, such statements and the valuations on which they are based shall be accepted by the Withdrawn Member without examination of the accounting books and records of the Company or other inquiry. Any amounts payable by the Company to a Withdrawn Member pursuant to this Section 6.5 shall be subordinate in right of payment and subject to the prior payment or provision for payment in full of claims of all present or future creditors of the Company or any successor thereto arising out of matters occurring prior to the applicable date of payment or distribution; provided, that such Withdrawn Member shall otherwise rank *pari passu* in right of payment (x) with all persons who become Withdrawn Members and whose Withdrawal Date is within one year before the Withdrawal Date of the Withdrawn Member in question and (y) with all persons who become Withdrawn Members and whose Withdrawal Date is within one year after the Withdrawal Date of the Withdrawn Member in question.

(j) If the aggregate reserves established by the Managing Member as of the Settlement Date in making the foregoing calculations should prove, in the determination of the Managing Member, to be excessive or inadequate, the Managing Member may elect, but shall not be obligated, to pay the Withdrawn Member or his estate such excess, or to charge the Withdrawn Member or his estate such deficiency, as the case may be.

(k) Any amounts owed by the Withdrawn Member to the Company at any time on or after the Settlement Date (e.g., outstanding Company loans or advances to such Withdrawn Member) shall be offset against any amounts payable or distributable by the Company to the Withdrawn Member at any time on or after the Settlement Date or shall be paid by the Withdrawn Member to the Company, in each case as determined by the Managing Member. All cash amounts payable by a Withdrawn Member to the Company under this Section 6.5 shall bear interest from the due date to the date of payment at a floating rate equal to the lesser of (x) the rate of interest publicly announced from time to time by JPMorgan Chase Bank, N.A. as its prime rate or (y) the maximum rate of interest permitted by applicable law. The “due date” of amounts payable by a Withdrawn Member pursuant to Section 6.5(i) above shall be 120 days after a Withdrawn Member’s Settlement Date. The “due date” of amounts payable to or by a Withdrawn Member in respect of GP-Related Investments for which the Withdrawn Member has retained a percentage interest in accordance with paragraph (f) above shall be 120 days after realization with respect to such GP-Related Investment. The “due date” of any other amounts payable by a Withdrawn Member shall be 60 days after the date such amounts are determined to be payable.

(l) At the time of the settlement of any Withdrawn Member’s GP-Related Member Interest in the Company pursuant to this Section 6.5, the Managing Member may, to the fullest extent permitted by applicable law, impose any restrictions it deems appropriate on the assignment, pledge, encumbrance or other transfer by such Withdrawn Member of any interest in any GP-Related Investment retained by such Withdrawn Member, any securities or other investments distributed in kind to such Withdrawn Member or such Withdrawn Member’s right to any payment from the Company.

(m) If a Member is required to Withdraw from the Company with respect to such Member’s GP-Related Member Interest for Cause pursuant to Section 6.2(d), then his GP-Related Member Interest shall be settled in accordance with paragraphs (a)-(r) of this Section 6.5; provided, that the Managing Member may elect (but shall not be required) to apply any or all the following terms and conditions to such settlement:

(i) In settling the Withdrawn Member’s interest in any GP-Related Investment in which he has an interest as of his Settlement Date, the Managing Member may elect to (A) determine the GP-Related Unrealized Net Income (Loss) attributable to each such GP-Related Investment as of the Settlement Date and allocate to the appropriate GP-Related

Capital Account of the Withdrawn Member his allocable share of such GP-Related Unrealized Net Income (Loss) for purposes of calculating the aggregate balance of such Withdrawn Member's GP-Related Capital Account pursuant to clause (x) of paragraph (e)(i) above, (B) credit or debit, as applicable, the Withdrawn Member with the balance of his GP-Related Capital Account or portion thereof attributable to each such GP-Related Investment as of his Settlement Date without giving effect to the GP-Related Unrealized Net Income (Loss) from such GP-Related Investment as of his Settlement Date, which shall be forfeited by the Withdrawn Member or (C) apply the provisions of paragraph (f) above, provided, that the maximum amount of GP-Related Net Income (Loss) allocable to such Withdrawn Member with respect to any GP-Related Investment shall equal such Member's percentage interest of the GP-Related Unrealized Net Income, if any, attributable to such GP-Related Investment as of the Settlement Date (the balance of such GP-Related Net Income (Loss), if any, shall be allocated as determined by the Managing Member). The Withdrawn Member shall not have any continuing interest in any GP-Related Investment to the extent an election is made pursuant to (A) or (B) above.

(ii) Any amounts payable by the Company to the Withdrawn Member pursuant to this Section 6.5 shall be subordinate in right of payment and subject to the prior payment in full of claims of all present or future creditors of the Company or any successor thereto arising out of matters occurring prior to or on or after the applicable date of payment or distribution.

(n) The payments to a Withdrawn Member pursuant to this Section 6.5 may be conditioned on the compliance by such Withdrawn Member with any lawful and reasonable (under the circumstances) restrictions against engaging or investing in a business competitive with that of the Company or any of its subsidiaries and Affiliates for a period not exceeding two years determined by the Managing Member. Upon written notice to the Managing Member, any Withdrawn Member who is subject to noncompetition restrictions established by the Managing Member pursuant to this paragraph (n) may elect to forfeit the principal amount payable in the final installment of his subordinated promissory note, together with interest to be accrued on such installment after the date of forfeiture, in lieu of being bound by such restrictions.

(o) In addition to the foregoing, the Managing Member shall have the right to pay a Withdrawn Member (other than the Managing Member) a discretionary additional payment in an amount and based upon such circumstances and conditions as it determines to be relevant.

(p) The provisions of this Section 6.5 shall apply to any Investor Special Member relating to a Regular Member or Special Member and to any transferee of any GP-Related Member Interest of such Member pursuant to Section 6.3 if such Member Withdraws from the Company.

(q) (i) The Company will assist a Withdrawn Member or his estate or guardian, as the case may be, in the settlement of the Withdrawn Member's GP-Related Member Interest in the Company. Third party costs incurred by the Company in providing this assistance will be borne by the Withdrawn Member or his estate.

(ii) The Company may reasonably determine in good faith to retain outside professionals to provide the assistance to Withdrawn Members or their estates or guardians, as referred to above. In such instances, the Company will obtain the prior approval of a Withdrawn Member or his estate or guardian, as the case may be, prior to engaging such professionals. If the Withdrawn Member (or his estate or guardian) declines to incur such costs, the Company will provide such reasonable assistance as and when it can so as not to interfere with the Company's day-to-day operating, financial, tax and other related responsibilities to the Company and the Members.

(r) Each Member (other than the Managing Member) hereby irrevocably appoints the Managing Member as such Member's true and lawful agent, representative and attorney-in-fact, each acting alone, in such Member's name, place and stead, to make, execute, sign and file, on behalf of such Member, any and all agreements, instruments, documents and certificates which the Managing Member deems necessary or advisable in connection with any transaction or matter contemplated by or provided for in this Section 6.5, including, without limitation, the performance of any obligation of such Member or the Company or the exercise of any right of such Member or the Company. Such power of attorney is coupled with an interest and shall survive and continue in full force and effect notwithstanding the Withdrawal from the Company of any Member for any reason and shall not be affected by the death, disability or incapacity of such Member.

6.6. Dissolution of the Company . The Managing Member may dissolve the Company prior to the expiration of its term at any time on not less than 60 days' notice of the dissolution date given to the other Members.

6.7. Certain Tax Matters . (a) All items of income, gain, loss, deduction and credit of the Company shall be allocated among the Members for Federal, state and local income tax purposes in the same manner as such items of income, gain, loss, deduction and credit shall be allocated among the Members pursuant to this Agreement, except as may otherwise be provided herein or by the Code or other applicable law. To the extent Treasury Regulations promulgated pursuant to Subchapter K of the Code (including under Sections 704(b) and (c) of the Code) or other applicable law require allocations for tax purposes that differ from the foregoing allocations, the Managing Member may determine the manner in which such tax allocations shall be made so as to comply more fully with such Treasury Regulations or other applicable law and, at the same time, preserve the economic relationships among the Members as set forth in this Agreement. In the event there is a net decrease in partnership minimum gain or partner nonrecourse debt minimum gain (determined in accordance with the principles of Regulations Sections 1.704-2(d) and 1.704-2(i)) during any taxable year of the Company, each Member shall be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to its respective share of such net decrease during such year, determined pursuant to Regulations Sections 1.704-2(g) and 1.704-2(i)(5). The items to be so allocated shall be determined in accordance with Regulations Section 1.704-2(f). In addition, this Agreement shall be considered to contain a "qualified income offset" as provided in Regulations Section 1.704-1(b)(2)(ii)(d).

(b) The Managing Member shall cause to be prepared all Federal, state and local tax returns of the Company for each year for which such returns are required to be filed and, after approval of such returns by the Managing Member, shall cause such returns to be timely filed. The Managing Member shall determine the appropriate treatment of each item of income, gain, loss, deduction and credit of the Company and the accounting methods and conventions under the tax laws of the United States, the several states and other relevant jurisdictions as to the treatment of any such item or any other method or procedure related to the preparation of such tax returns. The Managing Member may cause the Company to make or refrain from making any and all elections permitted by such tax laws. Each Member agrees that he shall not, unless he provides prior notice of such action to the Company, (i) treat, on his individual income tax returns, any item of income, gain, loss, deduction or credit relating to his interest in the Company in a manner inconsistent with the treatment of such item by the Company as reflected on the Form K-1 or other information statement furnished by the Company to such Member for use in preparing his income tax returns or (ii) file any claim for refund relating to any such item based on, or which would result in, such inconsistent treatment. In respect of an income tax audit of any tax return of the Company, the filing of any amended return or claim for refund in connection with any

item of income, gain, loss, deduction or credit reflected on any tax return of the Company, or any administrative or judicial proceedings arising out of or in connection with any such audit, amended return, claim for refund or denial of such claim, (A) the Tax Matters Member (as defined below) shall be authorized to act for, and his decision shall be final and binding upon, the Company and all Members except to the extent a Member shall properly elect to be excluded from such proceeding pursuant to the Code, (B) all expenses incurred by the Tax Matters Member in connection therewith (including, without limitation, attorneys', accountants' and other experts' fees and disbursements) shall be expenses of the Company and (C) no Member shall have the right to (1) participate in the audit of any Company tax return, (2) file any amended return or claim for refund in connection with any item of income, gain, loss, deduction or credit reflected on any tax return of the Company (unless he provides prior notice of such action to the Company as provided above), (3) participate in any administrative or judicial proceedings conducted by the Company or the Tax Matters Member arising out of or in connection with any such audit, amended return, claim for refund or denial of such claim, or (4) appeal, challenge or otherwise protest any adverse findings in any such audit conducted by the Company or the Tax Matters Member or with respect to any such amended return or claim for refund filed by the Company or the Tax Matters Member or in any such administrative or judicial proceedings conducted by the Company or the Tax Matters Member. The Company and each Member hereby designate any Member selected by the Managing Member as the "tax matters partner" for purposes of Section 6231(a)(7) of the Code (the "Tax Matters Member"). To the fullest extent permitted by applicable law, each Member agrees to indemnify and hold harmless the Company and all other Members from and against any and all liabilities, obligations, damages, deficiencies and expenses resulting from any breach or violation by such Member of the provisions of this Section 6.7 and from all actions, suits, proceedings, demands, assessments, judgments, costs and expenses, including reasonable attorneys' fees and disbursements, incident to any such breach or violation.

(c) Each individual Member shall provide to the Company copies of each Federal, state and local income tax return of such Member (including any amendment thereof) within 30 days after filing such return.

6.8. Special Basis Adjustments. In connection with any assignment or transfer of a Company interest permitted by the terms of this Agreement, the Managing Member may cause the Company, on behalf of the Members and at the time and in the manner provided in Code Regulations Section 1.754-1(b), to make an election to adjust the basis of the Company's property in the manner provided in Sections 734(b) and 743(b) of the Code.

ARTICLE VII

CAPITAL COMMITMENT INTERESTS; CAPITAL CONTRIBUTIONS; ALLOCATIONS; DISTRIBUTIONS

7.1. Capital Commitment Interests, etc.

(a) This Article VII and Article VIII hereof set forth certain terms and conditions with respect to the Capital Commitment Member Interests and the Capital Commitment BSSF II Interest and matters related to the Capital Commitment Member Interests and the Capital Commitment BSSF II Interest. Except as otherwise expressly provided in this Article VII or in Article VIII, the terms and provisions of this Article VII and Article VIII shall not apply to the GP-Related Member Interests or the GP-Related BSSF II Interest.

(b) Each Member, severally, agrees to make contributions of capital to the Company (“Capital Commitment-Related Capital Contributions”) as required to fund the Company’s capital contributions to BSSF II (or to the Capital Commitment Blackstone Entity, if applicable) in respect of the Capital Commitment BSSF II Interest, if any, and the related Capital Commitment BSSF II Commitment, if any (including, without limitation, funding all or a portion of the Blackstone Capital Commitment). No Member shall be obligated to make Capital Commitment-Related Capital Contributions to the Company in an amount in excess of such Member’s Capital Commitment-Related Commitment. The Commitment Agreements and SMD Agreements of the Members may include provisions with respect to the foregoing matters. It is understood that a Member will not necessarily participate in each Capital Commitment Investment (which may include additional amounts invested in an existing Capital Commitment Investment) nor will a Member necessarily have the same Capital Commitment Profit Sharing Percentage with respect to (i) the Company’s portion of the Blackstone Capital Commitment or (ii) the making of each Capital Commitment Investment in which such Member participates; provided, that this in no way limits the terms of any Commitment Agreement or SMD Agreement. In addition, nothing contained herein shall be construed to give any Member the right to obtain financing with respect to the purchase of any Capital Commitment Interest, and nothing contained herein shall limit or dictate the terms upon which the Company and its Affiliates may provide such financing. The acquisition of a Capital Commitment Interest by a Member shall be evidenced by receipt by the Company of funds equal to such Member’s Capital Commitment- Related Commitment then due with respect to such Capital Commitment Interest and such appropriate documentation as the Managing Member may submit to the Members from time to time.

(c) The Company or one of its Affiliates (in such capacity, the “Advancing Party”) may in its sole discretion advance to any Member (including any additional Member admitted to the Company pursuant to Section 6.1 but excluding any Members that are also executive officers of The Blackstone Group L.P. or any Affiliate thereof) all or any portion of the Capital Commitment Capital Contributions due to the Company from such Member with respect to any Capital Commitment Investment (“Firm Advances”). Each such Member shall pay interest on each Firm Advance from the date of each such Firm Advance until the repayment thereof by such Member. Each Firm Advance shall be repayable in full, including accrued interest to the date of such repayment, upon prior written notice by the Advancing Party. The making and repayment of each Firm Advance shall be recorded in the books and records of the Company, and such recording shall be conclusive evidence of each such Firm Advance, binding on the Member and the Advancing Party absent manifest error. Except as provided below, the interest rate applicable to a Firm Advance shall equal the cost of funds of the Advancing Party at the time of the making of such Firm Advance. The Advancing Party shall inform any Member of such rate upon such Member’s request; provided, that amounts that are otherwise payable to such Member pursuant to Section 7.4(a) shall be used to repay such Firm Advance (including interest thereon). The Advancing Party may, in its sole discretion, change the terms of Firm Advances (including the terms contained herein) and/or discontinue the making of Firm Advances; provided, that (i) the Advancing Party shall notify the relevant Members of any material changes to such terms and (ii) the interest rate applicable to such Firm Advances and overdue amounts thereon shall not exceed the maximum interest rate allowable by applicable law.

7.2. Capital Commitment Capital Accounts.

(a) There shall be established for each Member on the books of the Company as of the date of formation of the Company, or such later date on which such Member is admitted to the Company, and on each such other date as such Member first acquires a Capital Commitment Interest in a particular Capital Commitment Investment, a Capital Commitment Capital Account for each Capital Commitment Investment in which such Member acquires a Capital Commitment Interest on such date. Each Capital Commitment Capital Contribution of a Member shall be credited to the appropriate Capital Commitment Capital Account of such Member on the date such Capital Commitment Capital Contribution is paid to the Company. Capital Commitment Capital Accounts shall be adjusted to reflect any transfer of a Member’s interest in the Company related to his Capital Commitment Member Interest as provided in this Agreement.

(b) A Member shall not have any obligation to the Company or to any other Member to restore any negative balance in the Capital Commitment Capital Account of such Member. Until distribution of any such Member's interest in the Company with respect to a Capital Commitment Interest as a result of the disposition by the Company of the related Capital Commitment Investment and in whole upon the dissolution of the Company, neither such member's Capital Commitment Capital Accounts nor any part thereof shall be subject to withdrawal or redemption except with the consent of the Managing Member.

7.3. Allocations .

(a) Capital Commitment Net Income (Loss) of the Company for each Capital Commitment Investment shall be allocated to the related Capital Commitment Capital Accounts of all the Members (including the Managing Member) participating in such Capital Commitment Investment in proportion to their respective Capital Commitment Profit Sharing Percentages for such Capital Commitment Investment. Capital Commitment Net Income (Loss) on any Unallocated Capital Commitment Interest shall be allocated to each Member in the proportion which such Member's aggregate Capital Commitment Capital Accounts bear to the aggregate Capital Commitment Capital Accounts of all Members; provided, that if any Member makes the election provided for in Section 7.6, Capital Commitment Net Income (Loss) of the Company for each Capital Commitment Investment shall be allocated to the related Capital Commitment Capital Accounts of all the Members participating in such Capital Commitment Investment who do not make such election in proportion to their respective Capital Commitment Profit Sharing Percentages for such Capital Commitment Investment.

(b) Any special costs relating to distributions pursuant to Section 7.6 or 7.7 shall be specially allocated to the electing Member.

7.4. Distributions .

(a) Each Member's allocable portion of Capital Commitment Net Income received from his Capital Commitment Investments, distributions to such Member that constitute returns of capital, and other Capital Commitment Net Income of the Company (including, without limitation, Capital Commitment Net Income attributable to Unallocated Capital Commitment Interests) during a fiscal year of the Company will be credited to payment of the Investor Notes to the extent required below as of the last day of such fiscal year (or on such earlier date as related distributions are made in the sole discretion of the Managing Member) with any cash amount distributable to such Member pursuant to clauses (ii) and (vii) below to be distributed within 45 days after the end of each fiscal year of the Company (or in each case on such earlier date as selected by the Managing Member in its sole discretion) as follows (subject to Section 7.4(c) below):

(i) First, to the payment of interest then due on all Investor Notes (relating to Capital Commitment Investments or otherwise) of such Member (to the extent Capital Commitment Net Income and distributions or payments from Other Sources do not equal or exceed all interest payments due, the selection of those of such Member's Investor Notes upon which interest is to be paid and the division of payments among such Investor Notes to be determined by the Lender or Guarantor);

(ii) Second, to distribution to the Member of an amount equal to the Federal, state and local income taxes on income of the Company allocated to such Member for such year in respect of such Member's Capital Commitment Member Interest (the aggregate amount of any such distribution shall be determined by the Managing Member, subject to the limitation that the minimum aggregate amount of such distribution be the tax that would be payable if the taxable income of the Company related to all Members' Capital Commitment Member Interests were all allocated to an individual subject to the then-prevailing maximum Federal, New York State and New York City tax rates (taking into account the extent to which such taxable income allocated by the Company was composed of long-term capital gains and the deductibility of state and local income taxes for Federal income tax purposes)); provided, that additional amounts shall be paid to the Member pursuant to this clause (ii) to the extent that such amount reduces the amount otherwise distributable to the Member pursuant to a comparable provision in any other BCE Agreement and there are not sufficient amounts to fully satisfy such provision from the relevant partnership or other entity; provided further, that amounts paid pursuant to the provisions in such other BCE Agreements comparable to the immediately preceding proviso shall reduce those amounts otherwise distributable to the Member pursuant to provisions in such other BCE Agreements that are comparable to this clause (ii);

(iii) Third, to the payment in full of the principal amount of the Investor Note financing (A) any Capital Commitment Investment disposed of during or prior to such fiscal year or (B) any BCE Investments (other than Capital Commitment Investments) disposed of during or prior to such fiscal year, to the extent not repaid from Other Sources;

(iv) Fourth, to the return to such Member of (A) all Capital Commitment Capital Contributions made in respect of the Capital Commitment Interest to which any Capital Commitment Investment disposed of during or prior to such fiscal year relates or (B) all capital contributions made to any Blackstone Collateral Entity (other than the Company) in respect of interests therein relating to BCE Investments (other than Capital Commitment Investments) disposed of during or prior to such fiscal year (including all principal paid on the related Investor Notes), to the extent not repaid from amounts of Other Sources (other than amounts of Capital Commitment Member Carried Interest);

(v) Fifth, to the payment of principal (including any previously deferred amounts) then owing under all other Investor Notes of such Member (including those unrelated to the Company), the selection of those of such Member's Investor Notes to be repaid and the division of payments among such Investor Notes to be determined by the Lender or Guarantor;

(vi) Sixth, up to 50% of any Capital Commitment Net Income remaining after application pursuant to clauses (i) through (v) above shall be applied pro rata to prepayment of principal of all remaining Investor Notes of such Member (including those unrelated to the Company), the selection of those of such Member's Investor Notes to be repaid, the division of payments among such Investor Notes and the percentage of remaining Capital Commitment Net Income to be applied thereto to be determined by the Lender or Guarantor; and

(vii) Seventh, to such Member to the extent of any amount of Capital Commitment Net Income remaining after making the distributions in clauses (i) through (vi) above, and such amount is not otherwise required to be applied to Investor Notes pursuant to the terms thereof.

To the extent there is a partial disposition of a Capital Commitment Investment or any other BCE Investment, as applicable, the payments in clauses (iii) and (iv) above shall be based on that portion of the Capital Commitment Investment or other BCE Investment, as applicable, disposed of, and the principal amount and related interest payments of such Investor Note shall be adjusted to

reflect such partial payment so that there are equal payments over the remaining term of the related Investor Note. For a Member who is no longer an employee or officer of Holdings or its Affiliates, distributions shall be made pursuant to clauses (i) through (iii) above, and then, unless the Company or its Affiliate has exercised its rights pursuant to Section 8.1 hereof, any remaining income or other distribution in respect of such Member's Capital Commitment Member Interest shall be applied to the prepayment of the outstanding Investor Notes of such Member, until all such Member's Investor Notes have been repaid in full, with any such income or other distribution remaining thereafter distributed to such Member.

Distributions of Capital Commitment Net Income may be made at any other time at the discretion of the Managing Member. At the Managing Member's discretion, any amounts distributed to a Member in respect of such Member's Capital Commitment Member Interest will be net of any interest and principal payable on his Investor Notes for the full period in respect of which the distribution is made.

(b) [Intentionally omitted.]

(c) To the extent that the foregoing Company distributions and distributions and payments from Other Sources are insufficient to satisfy any principal and/or interest due on Investor Notes, and to the extent that the Managing Member in its sole discretion elect to apply this paragraph (e) to any individual payments due, such unpaid interest will be added to the remaining principal amount of such Investor Notes and shall be payable on the next scheduled principal payment date (along with any deferred principal and any principal and interest due on such date); provided, that such deferral shall not apply to a Member that is no longer an employee or officer of Holdings or an Affiliate thereof. All unpaid interest on such Investor Notes shall accrue interest at the interest rate then in effect for such Investor Notes.

(d) [Intentionally omitted.]

(e) The Capital Commitment Capital Account of each Member shall be reduced by the amount of any distribution to such Member pursuant to paragraph (a) of this Section 7.4.

(f) At any time that a sale, exchange, transfer or other disposition of a portion of a Capital Commitment Investment is being considered by the Company or BSSF II (a "Capital Commitment Disposable Investment"), at the election of the Managing Member each Member's Capital Commitment Interest with respect to such Capital Commitment Investment shall be vertically divided into two separate Capital Commitment Interests, a Capital Commitment Interest attributable to the Capital Commitment Disposable Investment (a Member's "Capital Commitment Class B Interest"), and a Capital Commitment Interest attributable to such Capital Commitment Investment excluding the Capital Commitment Disposable Investment (a Member's "Capital Commitment Class A Interest"). Distributions (including those resulting from a direct or indirect sale, transfer, exchange or other disposition by the Company) relating to a Capital Commitment Disposable Investment shall be made only to holders of Capital Commitment Class B Interests with respect to such Capital Commitment Investment in accordance with their respective Capital Commitment Profit Sharing Percentages relating to such Capital Commitment Class B Interests, and distributions (including those resulting from the direct or indirect sale, transfer, exchange or other disposition by the Company) relating to a Capital Commitment Investment excluding such Capital Commitment Disposable Investment shall be made only to holders of Capital Commitment Class A Interests with respect to such Capital Commitment Investment in accordance with their respective Capital Commitment Profit Sharing Percentages relating to such Capital Commitment Class A Interests.

(g) (i) If (x) the Company is obligated under the Giveback Provisions to contribute a Giveback Amount to BSSF II in respect of any Capital Commitment BSSF II Interest that may be held by the Company or (y) the Capital Commitment Blackstone Entity, if any, is obligated under the Giveback Provisions to contribute a Giveback Amount to BSSF II in respect of any Capital Commitment BSSF II Interest that may be held by the Capital Commitment Blackstone Entity and the Company is obligated to contribute any such amount to the Capital Commitment Blackstone Entity (the amount of any such obligation of the Company with respect to such a Giveback Amount in the case of either (x) or (y) being herein called a “Capital Commitment Giveback Amount”), the Company shall call for such amounts as are necessary to satisfy such obligation of the Company as determined by the Managing Member, in which case each Member shall contribute to the Company, in cash, when and as called by the Company, such an amount of prior distributions by the Company with respect to the Capital Commitment BSSF II Interest (the “Capital Commitment Recontribution Amount”) which equals such Member’s pro rata share of prior distributions in connection with (a) the Capital Commitment BSSF II Investment giving rise to the Capital Commitment Giveback Amount, (b) if the amounts contributed pursuant to clause (a) above are insufficient to satisfy such Capital Commitment Giveback Amount, Capital Commitment BSSF II Investments other than the one giving rise to such obligation, but only those amounts received by the Members with an interest in the Capital Commitment BSSF II Investment referred to in clause (a) above, and (c) if the Capital Commitment Giveback Amount pursuant to an applicable BSSF II Agreement is unrelated to a specific Capital Commitment BSSF II Investment, all Capital Commitment BSSF II Investments. Each Member shall promptly contribute to the Company upon notice thereof such Member’s Capital Commitment Recontribution Amount. Prior to such time, the Company may, at the Managing Member’s discretion (but shall be under no obligation to), provide notice that in the Managing Member’s judgment, the potential obligations in respect of the Capital Commitment Giveback Amount will probably materialize (and an estimate of the aggregate amount of such obligations).

(ii) (A) In the event any Member (a “Capital Commitment Defaulting Party”) fails to recontribute all or any portion of such Capital Commitment Defaulting Party’s Capital Commitment Recontribution Amount for any reason, the Company shall require all other Members and Withdrawn Members to contribute, on a pro rata basis (based on each of their respective Capital Commitment Profit Sharing Percentages), such amounts as are necessary to fulfill the Capital Commitment Defaulting Party’s obligation to pay such Capital Commitment Defaulting Party’s Capital Commitment Recontribution Amount (a “Capital Commitment Deficiency Contribution”) if the Managing Member determines in its good faith judgment that the Company will be unable to collect such amount in cash from such Capital Commitment Defaulting Party for payment of the Capital Commitment Giveback Amount at least 20 Business Days prior to the latest date that the Company is permitted to pay the Capital Commitment Giveback Amount; provided, that no Member shall as a result of such Capital Commitment Deficiency Contribution be required to contribute an amount in excess of 150% of the amount of the Capital Commitment Recontribution Amount initially requested from such Member in respect of such default. Thereafter, the Managing Member shall determine in its good faith judgment that the Company should either (1) not attempt to collect such amount in light of the costs associated therewith, the likelihood of recovery and any other factors considered relevant in the good faith judgment of the Managing Member or (2) pursue any and all remedies (at law or equity) available to the Company against the Capital Commitment Defaulting Party, the cost of which shall be a Company expense to the extent not ultimately reimbursed by the Capital Commitment Defaulting Party. It is agreed that the Company shall have the right (effective upon such Capital Commitment Defaulting Party becoming a Capital Commitment Defaulting Party) to set-off as appropriate and apply against such Capital Commitment Defaulting Party’s Capital Commitment Recontribution Amount any amounts otherwise payable to the Capital Commitment Defaulting Party by the Company or any Affiliate thereof. Each Member hereby grants to the

Company a security interest, effective upon such Member becoming a Capital Commitment Defaulting Party, in all accounts receivable and other rights to receive payment from the Company or any Affiliate of the Company and agrees that, upon the effectiveness of such security interest, the Company may sell, collect or otherwise realize upon such collateral. In furtherance of the foregoing, each Member hereby appoints the Company as its true and lawful attorney-in-fact with full irrevocable power and authority, in the name of such Member or in the name of the Company, to take any actions which may be necessary to accomplish the intent of the immediately preceding sentence. The Company shall be entitled to collect interest on the Capital Commitment Recontribution Amount of a Capital Commitment Defaulting Party from the date such Capital Commitment Recontribution Amount was required to be contributed to the Company at a rate equal to the Default Interest Rate.

(B) Any Member's failure to make a Capital Commitment Deficiency Contribution shall cause such Member to be a Capital Commitment Defaulting Party with respect to such amount.

(iii) A Member's obligation to make contributions to the Company under this Section 7.4(g) shall survive the termination of the Company.

7.5. Valuations. Capital Commitment Investments shall be valued annually as of the end of each year (and at such other times as deemed appropriate by the Managing Member) in accordance with the principles utilized by the Company (or any Affiliate of the Company that is a general partner of BSSF II) in valuing investments of BSSF II or, in the case of investments not held by BSSF II, in the good faith judgment of the Managing Member, subject in each case to the second proviso of the immediately succeeding sentence. The value of any Capital Commitment Interest as of any date (the "Capital Commitment Value") shall be based on the value of the underlying Capital Commitment Investment as set forth above; provided, that the Capital Commitment Value may be determined as of an earlier date if determined appropriate by the Managing Member in good faith; provided further, that such value may be adjusted by the Managing Member to take into account factors relating solely to the value of a Capital Commitment Interest (as compared to the value of the underlying Capital Commitment Investment), such as restrictions on transferability, the lack of a market for such Capital Commitment Interest and lack of control of the underlying Capital Commitment Investment. To the full extent permitted by applicable law such valuations shall be final and binding on all Members; provided further, that the immediately preceding proviso shall not apply to any Capital Commitment Interests held by a person who is or was at any time a direct Member of the Company.

7.6. Disposition Election.

(a) At any time prior to the date of the Company's execution of a definitive agreement to dispose of a Capital Commitment Investment, the Managing Member may in its sole discretion permit a Member to retain all or any portion of its pro rata share of such Capital Commitment Investment (as measured by such Member's Capital Commitment Profit Sharing Percentage in such Capital Commitment Investment). If the Managing Member so permits, such Member shall instruct the Managing Member in writing prior to such date (i) not to dispose of all or any portion of such Member's pro rata share of such Capital Commitment Investment (the "Retained Portion") and (ii) either to (A) distribute such Retained Portion to such Member on the closing date of such disposition or (B) retain such Retained Portion in the Company on behalf of such Member until such time as such Member shall instruct the Managing Member upon 5 days notice to distribute such Retained Portion to such Member. Such Member's Capital Commitment Capital Account shall not be adjusted in any way to reflect the retention in the Company of such Retained Portion or the Company's disposition of other Members' pro rata shares of such Capital Commitment Investment; provided, that such Member's Capital Commitment Capital Account shall be adjusted upon distribution of such Retained Portion to such Member or upon distribution of proceeds with respect to a subsequent disposition thereof by the Company.

(b) No distribution of such Retained Portion shall occur unless any Investor Notes relating thereto shall have been paid in full prior to or simultaneously with such distribution.

7.7. Capital Commitment Special Distribution Election.

(a) From time to time during the term of this Agreement, the Managing Member may in its sole discretion, upon receipt of a written request from a Member, distribute to such Member any portion of its pro rata share of a Capital Commitment Investment (as measured by such Member's Capital Commitment Profit Sharing Percentage in such Capital Commitment Investment) (a "Capital Commitment Special Distribution"). Such Member's Capital Commitment Capital Account shall be adjusted upon distribution of such Capital Commitment Special Distribution.

(b) No Capital Commitment Special Distributions shall occur unless any Investor Notes relating thereto shall have been paid in full prior to or simultaneously with such Capital Commitment Special Distribution.

ARTICLE VIII

WITHDRAWAL, ADMISSION OF NEW MEMBERS

8.1. Member Withdrawal; Repurchase of Capital Commitment Interests.

(a) Capital Commitment Interests (or a portion thereof) that were financed by Investor Notes will be treated as not subject to repurchase for purposes hereof based upon the proportion of (a) the sum of Capital Commitment Capital Contributions not financed by an Investor Note with respect to each Capital Commitment Interest and principal payments on the related Investor Note to (b) the sum of the Capital Commitment Capital Contributions not financed by an Investor Note with respect to such Capital Commitment Interest, the original principal amount of such Investor Note and all deferred amounts of interest which from time to time comprise part of the principal amount of the Investor Note. A Member may prepay a portion of any outstanding principal on the Investor Notes; provided, that in the event that a Member prepays all or any portion of the principal amount of the Investor Notes within nine months prior to the date on which such Member is no longer an employee or officer of Holdings or an Affiliate thereof, the Company (or its designee) shall have the right, in its sole discretion, to purchase the Capital Commitment Interest that became Non-Contingent as a result of such prepayment; provided further, that the purchase price for such Capital Commitment Interest shall be determined in accordance with the determination of the purchase price of a Member's Contingent Capital Commitment Interests as set forth in paragraph (b) below. Prepayments made by a Member shall apply pro rata against all of such Member's Investor Notes; provided, that such Member may request that such prepayments be applied only to Investor Notes related to BCE Investments that are related to one or more Blackstone Collateral Entities specified by such Member. Except as expressly provided herein, Capital Commitment Interests that were not financed in any respect with Investor Notes shall be treated as Non-Contingent Capital Commitment Interests.

(b) Upon a Member ceasing to be an officer or employee of the Company or any of its Affiliates, other than as a result of such Member dying or suffering a Total Disability, such Member (the "Withdrawn Member") and the Company or any other person designated by the Managing Member shall each have the right (exercisable by the Withdrawn Member within 30 days and by the Company or its designee(s) within 45 days of such Member's ceasing to be such an officer or employee) or any time

thereafter, upon 30 days notice, but not the obligation, to require the Company, subject to the LLC Act, to buy (in the case of exercise of such right by such Withdrawn Member) or the Withdrawn Member to sell (in the case of exercise of such right by the Company or its designee(s)) all (but not less than all) such Withdrawn Member's Contingent Capital Commitment Interests. The purchase price for each such Contingent Capital Commitment Interest will be an amount equal to (i) the outstanding principal amount of the related Investor Note plus accrued interest thereon to the date of purchase (such portion of the purchase price to be made in cash) and (ii) an additional amount (the "Adjustment Amount") equal to (x) all interest paid by the Member on the portion of the principal amount of the Investor Note relating to the portion of the related Capital Commitment Interest remaining Contingent plus (y) all Capital Commitment Net Losses allocated to the Withdrawn Member on the Contingent portion of such Capital Commitment Interest minus (z) all Capital Commitment Net Income allocated to the Withdrawn Member on the Contingent portion of such Capital Commitment Interest; provided, that, if the Withdrawn Member was terminated from employment or his position as an officer for Cause, the amounts referred to in clause (x) or (y) of the Adjustment Amount, in the Managing Member's sole discretion, may be deemed to equal zero. The Adjustment Amount shall, if positive, be payable by the holders of the purchased Capital Commitment Interests to the Withdrawn Member from the next Capital Commitment Net Income received by such holders on the Contingent portion of such Withdrawn Member's Capital Commitment Interests at the time such Capital Commitment Net Income is received. If the Adjustment Amount resulting from an exchange is negative, it shall be payable to the holders of the purchased Capital Commitment Interest by the Withdrawn Member at the time such Capital Commitment Net Income is received by the Withdrawn Member from the next Capital Commitment Net Income on the Non-Contingent portion of the Withdrawn Member's Capital Commitment Interests or, if the Company or its designee(s) elect to purchase such Withdrawn Member's Non-Contingent Capital Commitment Interests, in cash by the Withdrawn Member at the time of such purchase; provided, that the Company and its Affiliates may offset any amounts otherwise owing to a Withdrawn Member against any Adjustment Amount owed by such Withdrawn Member. Until so paid, such remaining Adjustment Amount will not itself bear interest. At the time of such purchase of the Withdrawn Member's Contingent Capital Commitment Interests, his related Investor Note shall be payable in full. If neither the Withdrawn Member nor the Company nor its designee(s) exercise the right to require repurchase of such Contingent Capital Commitment Interests, then the Withdrawn Member shall retain the Contingent portion of his Capital Commitment Interests and the Investor Notes shall remain outstanding, shall become fully recourse to the Withdrawn Member in his individual capacity, shall be payable in accordance with their remaining original maturity schedules and shall be prepayable at any time by the Withdrawn Member at his option, and the Company shall apply such prepayments against outstanding Investor Notes on a pro rata basis. To the extent that another Member purchases a portion of a Capital Commitment Interest of a Withdrawn Member, the purchasing Member's Capital Commitment Capital Account and Capital Commitment Profit Sharing Percentage for such Capital Commitment Investment shall be correspondingly increased.

(c) Upon the occurrence of a Final Event with respect to any Member, such Member shall thereupon cease to be a Member with respect to such Member's Capital Commitment Member Interest. If such a Final Event shall occur, no Successor in Interest to any such Member shall for any purpose hereof become or be deemed to become a Member. The sole right, as against the Company and the remaining Members, acquired hereunder by, or resulting hereunder to, a Successor in Interest to any Member shall be to receive any distributions and allocations with respect to such Member's Capital Commitment Member Interest pursuant to Article VII and this Article VIII, subject to the right of the Company to purchase the Capital Commitment Interests of such former Member pursuant to Section 8.1(b) or Section 8.1(d)) to the extent, at the time, in the manner and in the amount otherwise payable to such Member had such a Final Event not occurred, and no other right shall be acquired hereunder by, or shall result hereunder to, a Successor in Interest to such Member, whether by operation of law or otherwise. Until distribution of any such Member's interest in the Company upon the dissolution of the

Company as provided in Section 9.2, neither his Capital Commitment Capital Accounts nor any part thereof shall be subject to withdrawal or redemption without the consent of the Managing Member. The Company shall be entitled to treat any Successor in Interest to such Member as the only person entitled to receive distributions and allocations hereunder with respect to such Member's Capital Commitment Member Interest.

(d) If a Member dies or suffers a Total Disability, all Contingent Capital Commitment Interests of such Member shall be purchased by the Company or its designee (within 30 days of the first date on which the Company knows or has reason to know of such Member's death or Total Disability) as provided in Section 8.1(b) (except that any Adjustment Amount shall be payable by or to the estate or personal representative in cash) and any Investor Notes financing such Contingent Capital Commitment Interests shall thereupon be prepaid as provided in Section 8.1(b). In addition, in the case of the death or Total Disability of a Member, if the estate or personal representative of such Member so requests in writing within 180 days of the Member's death or ceasing to be an employee or member (directly or indirectly) of the Company or any of its Affiliates by reason of Total Disability (such requests shall not exceed one per calendar year), the Company or its designee may but is not obligated to purchase for cash all (but not less than all) Non-Contingent Capital Commitment Interests of such Member as of the last day of the Company's then current fiscal year at a price equal to the Capital Commitment Value thereof. Each Member shall be required to include appropriate provisions in his will to reflect such provisions of this Agreement. In addition, the Company may, in the sole discretion of the Managing Member, upon notice to the estate or personal representative of such Member within 30 days of the first date on which the Company knows or has reason to know of such Member's death or Total Disability, determine either (i) to distribute Securities or other property to the estate or personal representative in exchange for such Non-Contingent Capital Commitment Interests as provided in Section 8.1(e) or (ii) to require sale of such Non-Contingent Capital Commitment Interests to the Company or its designee as of the last day of any fiscal year of the Company (or earlier period, as determined by the Managing Member in its sole discretion) for an amount in cash equal to the Capital Commitment Value thereof.

(e) In lieu of retaining a Withdrawn Member as a Member with respect to any Non-Contingent Capital Commitment Interests, the Managing Member may, in its sole discretion, by notice to such Withdrawn Member within 45 days of his ceasing to be an employee or officer of the Company or any of its Affiliates, or at any time thereafter, upon 30 days written notice, determine (1) to distribute to such Withdrawn Member the pro rata portion of the Securities or other property underlying such Withdrawn Member's Non-Contingent Capital Commitment Interests, subject to any restrictions on distributions associated with the Securities or other property, in satisfaction of his Non-Contingent Capital Commitment Interests in the Company or (2) to cause, as of the last day of any fiscal year of the Company (or earlier period, as determined by the Managing Member in its sole discretion), the Company or another person designated by the Managing Member (who may be itself another Member or another Affiliate of the Company) to purchase all (but not less than all) of such Withdrawn Member's Non-Contingent Capital Commitment Interests for a price equal to the Capital Commitment Value thereof. The Managing Member shall condition any distribution or purchase of voting Securities pursuant to paragraph (d) above or this paragraph (e) upon the Withdrawn Member's execution and delivery to the Company of an appropriate irrevocable proxy, in favor of the Company or its nominee, relating to such Securities.

(f) The Company may subsequently transfer any Unallocated Capital Commitment Interest or portion thereof which is purchased by it as described above to any other person approved by the Managing Member. In connection with such purchase or transfer or the purchase of a Capital Commitment Interest or portion thereof by the Company's designee(s), Holdings may loan all or a portion of the purchase price of the transferred or purchased Capital Commitment Interest to the

Company, the transferee or the designee-purchaser(s), as applicable. To the extent that a Withdrawn Member's Capital Commitment Interests (or portions thereof) are repurchased by the Company and not transferred to or purchased by another person, all or any portion of such repurchased Capital Commitment Interests may, in the sole discretion of the Managing Member, (i) be allocated to each Member already participating in the Capital Commitment Investment to which the repurchased Capital Commitment Interest relates, (ii) be allocated to each Member in the Company, whether or not already participating in such Capital Commitment Investment, and/or (iii) continue to be held by the Company itself as an unallocated Capital Commitment Investment (such Capital Commitment Interests being herein called "Unallocated Capital Commitment Interests"). To the extent that a Capital Commitment Interest is allocated to Members as provided in clause (i) and/or (ii) above, any indebtedness incurred by the Company to finance such repurchase shall also be allocated to such Members. All such Capital Commitment Interests allocated to Members shall be deemed to be Contingent and shall become Non-Contingent as and to the extent that the principal amount of such related indebtedness is repaid. The Members receiving such allocations shall be responsible for such related indebtedness only on a nonrecourse basis to the extent appropriate as provided in this Agreement, except as such Members and the Managing Member shall otherwise agree. If the indebtedness financing such repurchased interests is not so limited, the Company may require an assumption by the Members of such indebtedness on the terms thereof as a precondition to allocation of the related Capital Commitment Interests to such Members; provided, that a Member shall not, except as set forth in his Investor Note, be obligated to accept any personally recourse obligation unless his prior consent is obtained. So long as the Company itself retains the Unallocated Capital Commitment Interests pursuant to clause (iii) above, such Unallocated Capital Commitment Interests shall belong to the Company and any indebtedness financing the Unallocated Capital Commitment Interests shall be an obligation of the Company to which all income of the Company is subject except as otherwise agreed by the lender of such indebtedness. Any Capital Commitment Net Income (Loss) on an Unallocated Capital Commitment Interest shall be allocated to each Member in the proportion his aggregate Capital Commitment Capital Accounts bear to the aggregate Capital Commitment Capital Accounts of all Members; debt service on such related financing will be an expense of the Company allocable to all Members in such proportions.

(g) If a Member is required to Withdraw from the Company with respect to such Member's Capital Commitment Member Interest for Cause, then his Capital Commitment Interest shall be settled in accordance with paragraphs (a)-(f) and (j) of this Section 8.1; provided, that if such Member was not at any time a direct Regular Member of the Company, the Managing Member may elect (but shall not be required) to apply any or all the following terms and conditions to such settlement:

(i) purchase for cash all of such Withdrawn Member's Non-Contingent Capital Commitment Interests. The purchase price for each such Non-Contingent Capital Commitment Interest shall be the lower of (A) the original cost of such Non-Contingent Capital Commitment Interest or (B) an amount equal to the Capital Commitment Value thereof;

(ii) allow the Withdrawn Member to retain such Non-Contingent Capital Commitment Interests; provided, that the maximum amount of Capital Commitment Net Income allocable to such Withdrawn Member with respect to any Capital Commitment Investment shall equal the amount of Capital Commitment Net Income that would have been allocated to such Withdrawn Member if such Capital Commitment Investment had been sold as of the Settlement Date at the then prevailing Capital Commitment Value thereof; or

(iii) in lieu of cash, purchase such Non-Contingent Capital Commitment Interests by providing the Withdrawn Member with a promissory note in the amount determined in (i) above. Such promissory note shall have a maximum term of ten (10) years with interest at the Federal Funds Rate.

(h) The Company will assist a Withdrawn Member or his estate or guardian, as the case may be, in the settlement of the Withdrawn Member's Capital Commitment Member Interest in the Company. Third party costs incurred by the Company in providing this assistance will be borne by the Withdrawn Member or his estate.

(i) The Company may reasonably determine in good faith to retain outside professionals to provide the assistance to Withdrawn Members or their estates or guardians, as referred to above. In such instances, the Company will obtain the prior approval of a Withdrawn Member or his estate or guardian, as the case may be, prior to engaging such professionals. If the Withdrawn Member (or his estate or guardian) declines to incur such costs, the Company will provide such reasonable assistance as and when it can so as not to interfere with the Company's day-to-day operating, financial, tax and other related responsibilities to the Company and the Members.

(j) Each Member hereby irrevocably appoints the Managing Member as such Member's true and lawful agent, representative and attorney-in-fact, each acting alone, in such Member's name, place and stead, to make, execute, sign and file, on behalf of such Member, any and all agreements, instruments, documents and certificates which such Managing Member deems necessary or advisable in connection with any transaction or matter contemplated by or provided for in this Section 8.1, including, without limitation, the performance of any obligation of such Member or the Company or the exercise of any right of such Member or the Company. Such power of attorney is coupled with an interest and shall survive and continue in full force and effect notwithstanding the Withdrawal from the Company of any Member for any reason and shall not be affected by the death, disability or incapacity of such Member.

8.2. Transfer of Member's Capital Commitment Interest. Except as otherwise agreed by the Managing Member, no Member or former Member shall have the right to sell, assign, mortgage, pledge or otherwise dispose of or transfer (" Transfer ") all or part of any such Member's Capital Commitment Member Interest in the Company; provided, that this Section 8.2 shall in no way impair Transfers (i) as permitted in Section 8.1 above, in the case of the purchase of a Withdrawn Member's or deceased or Totally Disabled Member's Capital Commitment Interests, (ii) Transfers by a Member to another Member of Non- Contingent Capital Commitment Interests, (iii) Transfers of up to 25% of a Regular Member's Capital Commitment Member Interest to an Estate Planning Vehicle and (iv) with the prior written consent of the Managing Member (which consent may be withheld without giving any reason therefor). No person acquiring an interest in the Company pursuant to this Section 8.2 shall become a Member of the Company, or acquire such Member's right to participate in the affairs of the Company, unless such person shall be admitted as a Member pursuant to Section 6.1. A Member shall not cease to be a Member of the Company upon the collateral assignment of, or the pledging or granting of a security interest in, its entire Interest in the Company in accordance with the provisions of this Agreement.

8.3. Compliance with Law. Notwithstanding any provision hereof to the contrary, no sale or Transfer of a Capital Commitment Interest in the Company may be made except in compliance with all Federal, state and other applicable laws, including Federal and state securities laws.

ARTICLE IX
DISSOLUTION

9.1. Dissolution. The Company shall be dissolved and subsequently terminated:

- (a) pursuant to Section 6.6; or
- (b) upon the expiration of the Term.

9.2. Final Distribution. Upon the dissolution of the Company, and following the payment of creditors of the Company and the making of provisions for the payment of any contingent, conditional or unmatured claims known to the Company as required under the LLC Act:

(a) The Members' respective interests in the Company shall be valued and settled in accordance with the procedures set forth in Section 6.5 which provide for allocations to the GP-Related Capital Accounts of the Members and distributions in accordance with the GP-Related Capital Account balances of the Members; and

(b) With respect to each Member's Capital Commitment Member Interest, an amount shall be paid to such Member in cash or Securities in an amount equal to such Member's respective Capital Commitment Liquidating Share for each Capital Commitment Investment; provided, that if the remaining assets relating to any Capital Commitment Investment shall not be equal to or exceed the aggregate Capital Commitment Liquidating Shares for such Capital Commitment Investment, to each Member in proportion to its Capital Commitment Liquidating Share for such Capital Commitment Investment; and the remaining assets of the Company related to the Members' Capital Commitment Member Interests shall be paid to the Members in cash or Securities in proportion to their respective Capital Commitment Profit Sharing Percentages for each Capital Commitment Investment from which such cash or Securities are derived.

The Managing Member shall be the liquidator. In the event that the Managing Member is unable to serve as liquidator, a liquidating trustee shall be chosen by the affirmative vote of a Majority in Interest of the Members voting at a meeting of Members (excluding Nonvoting Special Members).

9.3. Amounts Reserved Related to Capital Commitment Member Interests.

(a) If there are any Securities or other property or other investments or securities related to the Members' Capital Commitment Member Interests which, in the judgment of the liquidator, cannot be sold, or properly distributed in kind in the case of dissolution, without sacrificing a significant portion of the value thereof, the value of a Member's interest in each such Security or other investment or security may be excluded from the amount distributed to the Members participating in the related Capital Commitment Investment pursuant to clause (ii) of Section 9.2(b). Any interest of a Member, including his pro rata interest in any gains, losses or distributions, in Securities or other property or other investments or securities so excluded shall not be paid or distributed until such time as the liquidator shall determine.

(b) If there is any pending transaction, contingent liability or claim by or against the Company related to the Members' Capital Commitment Member Interests as to which the interest or obligation of any Member therein cannot, in the judgment of the liquidator, be then ascertained, the value thereof or probable loss therefrom may be deducted from the amount distributable to such Member pursuant to clause (ii) of Section 9.2(b). No amount shall be paid or charged to any such

Member on account of any such transaction or claim until its final settlement or such earlier time as the liquidator shall determine. The Company may meanwhile retain from other sums due such Member in respect of such Member's Capital Commitment Member Interest an amount which the liquidator estimates to be sufficient to cover the share of such Member in any probable loss or liability on account of such transaction or claim.

(c) Upon determination by the liquidator that circumstances no longer require the exclusion of any Securities or other property or retention of sums as provided in paragraphs (a) and (b) of this Section 9.3, the liquidator shall, at the earliest practicable time, distribute as provided in clause (ii) of Section 9.2(b) such sums or such Securities or other property or the proceeds realized from the sale of such Securities or other property to each Member from whom such sums or Securities or other property were withheld.

ARTICLE X

MISCELLANEOUS

10.1. Submission to Jurisdiction; Waiver of Jury Trial.

(a) Any and all disputes which cannot be settled amicably, including any ancillary claims of any party, arising out of, relating to or in connection with the validity, negotiation, execution, interpretation, performance or non-performance of this Agreement (including the validity, scope and enforceability of this arbitration provision) shall be finally settled by arbitration conducted by a single arbitrator in New York in accordance with the then-existing Rules of Arbitration of the International Chamber of Commerce. If the parties to the dispute fail to agree on the selection of an arbitrator within thirty (30) days of the receipt of the request for arbitration, the International Chamber of Commerce shall make the appointment. The arbitrator shall be a lawyer and shall conduct the proceedings in the English language. Performance under this Agreement shall continue if reasonably possible during any arbitration proceedings.

(b) Notwithstanding the provisions of paragraph (a), the Managing Member may bring, or may cause the Company to bring, on behalf of the Managing Member or the Company or on behalf of one or more Members, an action or special proceeding in any court of competent jurisdiction for the purpose of compelling a party to arbitrate, seeking temporary or preliminary relief in aid of an arbitration hereunder, and/or enforcing an arbitration award and, for the purposes of this paragraph (b), each Member (i) expressly consents to the application of paragraph (c) of this Section 10.1 to any such action or proceeding, (ii) agrees that proof shall not be required that monetary damages for breach of the provisions of this Agreement would be difficult to calculate and that remedies at law would be inadequate, and (iii) irrevocably appoints the Managing Member as such Member's agent for service of process in connection with any such action or proceeding and agrees that service of process upon any such agent, who shall promptly advise such Member of any such service of process, shall be deemed in every respect effective service of process upon the Member in any such action or proceeding.

(c) (i) EACH MEMBER HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF COURTS LOCATED IN NEW YORK, NEW YORK FOR THE PURPOSE OF ANY JUDICIAL PROCEEDING BROUGHT IN ACCORDANCE WITH THE PROVISIONS OF THIS SECTION 10.1, OR ANY JUDICIAL PROCEEDING ANCILLARY TO AN ARBITRATION OR CONTEMPLATED ARBITRATION ARISING OUT OF OR RELATING TO OR CONCERNING THIS AGREEMENT. Such ancillary judicial proceedings include any suit, action or proceeding to compel arbitration, to obtain temporary or preliminary judicial relief in aid of arbitration, or to confirm an arbitration award. The parties acknowledge that the forum(s) designated by this paragraph (c) have a reasonable relation to this Agreement, and to the parties' relationship with one another.

(ii) The parties hereby waive, to the fullest extent permitted by applicable law, any objection which they now or hereafter may have to personal jurisdiction or to the laying of venue of any such ancillary suit, action or proceeding brought in any court referred to in paragraph (c)(i) of this Section 10.1 and such parties agree not to plead or claim the same.

(d) Notwithstanding any provision of this Agreement to the contrary, this Section 10.1 shall be construed to the maximum extent possible to comply with the laws of the State of Delaware, including the Delaware Uniform Arbitration Act (10 Del. C. § 5701 et seq.) (the “Delaware Arbitration Act”). If, nevertheless, it shall be determined by a court of competent jurisdiction that any provision or wording of this Section 10.1, including any rules of the International Chamber of Commerce, shall be invalid or unenforceable under the Delaware Arbitration Act, or other applicable law, such invalidity shall not invalidate all of this Section 10.1. In that case, this Section 10.1 shall be construed so as to limit any term or provision so as to make it valid or enforceable within the requirements of the Delaware Arbitration Act or other applicable law, and, in the event such term or provision cannot be so limited, this Section 10.1 shall be construed to omit such invalid or unenforceable provision.

10.2. Ownership and Use of the Blackstone Name. The Company acknowledges that Blackstone TM L.L.C. (“TM”), a Delaware limited liability company with a principal place of business at 345 Park Avenue, New York, New York 10154, (or its successors or assigns) is the sole and exclusive owner of the mark and name BLACKSTONE and that the ownership of, and the right to use, sell or otherwise dispose of, the firm name or any abbreviation or modification thereof which consists of or includes BLACKSTONE, shall belong exclusively to TM. The Company shall not be permitted to use the BLACKSTONE name and service mark without the prior written consent of TM. To the extent the Company is permitted to use the BLACKSTONE name and service mark, all services rendered by the Company under the BLACKSTONE mark and name will be rendered in a manner and with quality levels that are consistent with the high reputation heretofore developed for the BLACKSTONE mark by TM and its Affiliates and licensees. The Company understands that, to the extent TM hereinafter permits the Company to use the BLACKSTONE name and service mark, TM may thereafter terminate the Company’s right to use BLACKSTONE at any time in TM’s sole discretion by giving the Company written notice of termination. Promptly following any such termination, the Company will take all steps necessary to change its company name to one which does not include BLACKSTONE or any confusingly similar term and cease all use of BLACKSTONE or any term confusingly similar thereto as a service mark or otherwise.

10.3. Written Consent. Any action required or permitted to be taken by a vote of Members at a meeting may be taken without a meeting if a Majority in Interest of the Members consent thereto in writing.

10.4. Letter Agreements; Schedules. The Managing Member may, or may cause the Company to, enter into separate letter agreements with individual Members, officers or employees with respect to GP-Related Profit Sharing Percentages, Capital Commitment Profit Sharing Percentages, benefits or any other matter, in each case on terms and conditions not inconsistent with this Agreement. The Managing Member may from time to time execute and deliver to the Members schedules which set forth the then current capital balances, GP-Related Profit Sharing Percentages and Capital Commitment Profit Sharing Percentages of the Members and any other matters deemed appropriate by the Managing Member. Such schedules shall be for information purposes only and shall not be deemed to be part of this Agreement for any purpose whatsoever; provided, that this in no way limits the effectiveness of any Commitment Agreement.

10.5. Governing Law; Separability of Provisions. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to principles of conflict of laws. In particular, the Company has been formed pursuant to the LLC Act, and the rights and liabilities of the Members shall be as provided therein, except as herein otherwise expressly provided. If any provision of this Agreement shall be held to be invalid, such provision shall be given its meaning to the maximum extent permitted by law and the remainder of this Agreement shall not be affected thereby.

10.6. Successors and Assigns. This Agreement shall be binding upon and shall, subject to the penultimate sentence of Section 6.3(a), inure to the benefit of the parties hereto, their respective heirs and personal representatives, and any successor to a trustee of a trust which is or becomes a party hereto; provided, that no person claiming by, through or under a Member (whether such Member's heir, personal representative or otherwise), as distinct from such Member itself, shall have any rights as, or in respect to, a Member (including the right to approve or vote on any matter or to notice thereof) except the right to receive only those distributions expressly payable to such person pursuant to Articles VI and VIII. Any Member or Withdrawn Member shall remain liable for the obligations under this Agreement (including any Net GP-Related Recontribution Amounts and any Capital Commitment Recontribution Amount) of any transferee of all or any portion of such Member's or Withdrawn Member's interest in the Company, unless waived by the Managing Member. The Company shall, if the Managing Member determine, in its good faith judgment, based on the standards set forth in Sections 5.8(d)(ii)(A) and 7.4(g), to pursue such transferee, pursue payment (including any Net GP-Related Recontribution Amounts and/or Capital Commitment Recontribution Amounts) from the transferee with respect to any such obligations. Nothing in this Agreement is intended, nor shall anything herein be construed, to confer any rights, legal or equitable, on any person other than the Members and their respective legal representatives, heirs, successors and permitted assigns. Notwithstanding the foregoing, solely to the extent required by the BSSF II Agreements, (x) the limited partners in BSSF II shall be third-party beneficiaries of the provisions of Sections 5.8(d)(i)(A) and 5.8(d)(ii)(A) (and the definitions relating thereto), solely as they relate to any Clawback Amount (for purpose of this sentence, as defined in paragraph 9.2.8(b) of the BSSF II Partnership Agreement), and (y) the amendment of the provisions of Sections 5.8(d)(i)(A) and 5.8(d)(ii)(A) (and the definitions relating thereto), solely as they relate to any Clawback Amount (for purpose of this sentence, as defined in paragraph 9.2.8(b) of the BSSF II Partnership Agreement), shall be effective against such limited partners only with the Combined Limited Partner Consent (as such term is used in the BSSF II Partnership Agreement).

10.7. Confidentiality. By executing this Agreement, each Member expressly agrees, at all times during the term of the Company and thereafter and whether or not at the time a Member of the Company, to maintain the confidentiality of, and not to disclose to any person other than the Company, another Member or a person designated by the Company, any information relating to the business, financial structure, financial position or financial results, clients or affairs of the Company that shall not be generally known to the public or the securities industry, except as otherwise required by law or by any regulatory or self-regulatory organization having jurisdiction; provided, that any corporate Member may disclose any such information it is required by law, rule, regulation or custom to disclose. Notwithstanding anything in this Agreement to the contrary, to comply with Treasury Regulation Section 1.6011-4(b)(3)(i), each Member (and any employee, representative or other agent of such Member) may disclose to any and all persons, without limitation of any kind, the U.S. federal income tax treatment and tax structure of the Company, it being understood and agreed, for this purpose, (1) the name of, or any other identifying information regarding (a) the Members or any existing or future investor (or any Affiliate thereof) in any of the Members, or (b) any investment or transaction entered into by the

Members; (2) any performance information relating to any of the Members or their investments; and (3) any performance or other information relating to previous funds or investments sponsored by any of the Members, does not constitute such tax treatment or tax structure information.

10.8. Notices. Whenever notice is required or permitted by this Agreement to be given, such notice shall be in writing (including telecopy or similar writing) and shall be given to any Member at its address or telecopy number shown in the Company's books and records or, if given to the Managing Member, at the address of the Company provided herein. Each such notice shall be effective (i) if given by telecopy, upon dispatch, and (ii) if given by hand delivery, when delivered to the address of such Member or Managing Member specified as aforesaid.

10.9. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute a single instrument.

10.10. Power of Attorney. Each Member hereby irrevocably appoints the Managing Member as such Member's true and lawful representative and attorney-in-fact, each acting alone, in such Member's name, place and stead, to make, execute, sign and file all instruments, documents and certificates which, from time to time, may be required to set forth any amendment to this Agreement or may be required by this Agreement or by the laws of the United States of America, the State of Delaware or any other state in which the Company shall determine to do business, or any political subdivision or agency thereof, to execute, implement and continue the valid and subsisting existence of the Company. Such power of attorney is coupled with an interest and shall survive and continue in full force and effect notwithstanding the subsequent Withdrawal from the Company of any Member for any reason and shall not be affected by the subsequent disability or incapacity of such Member.

10.11. Member's Will. Each Member and Withdrawn Member shall include in his or her will a provision that addresses certain matters in respect of his or her obligations relating to the Company that is satisfactory to the Managing Member and each such Member and Withdrawn Member shall confirm annually to the Company, in writing, that such provision remains in his current will. Where applicable, any estate planning trust of such Member or Withdrawn Member to which a portion of such Member's or Withdrawn Member's Interest is transferred shall include a provision substantially similar to such provision and the trustee of such trust shall confirm annually to the Company, in writing, that such provision or its substantial equivalent remains in such trust. In the event any Member or Withdrawn Member fails to comply with the provisions of this Section 10.11 after the Company has notified such Member or Withdrawn Member of his failure to so comply and such failure to so comply is not cured within 30 days of such notice, the Company may withhold any and all distributions to such Member until the time at which such party complies with the requirements of this Section 10.11.

10.12. Cumulative Remedies. Rights and remedies under this Agreement are cumulative and do not preclude use of other rights and remedies available under applicable law.

10.13. Legal Fees. Except as more specifically provided herein, in the event of a legal dispute (including litigation, arbitration or mediation) between any Member or Withdrawn Member and the Company, arising in connection with any party seeking to enforce Section 4.1 (d) or any other provision of this Agreement relating to the Holdback, the Clawback Amount, the GP-Related Giveback Amount, the Capital Commitment Giveback Amount, the Net GP-Related Recontribution Amount or the Capital Commitment Recontribution Amount, the "losing" party to such dispute shall promptly reimburse the "victorious party" for all reasonable legal fees and expenses incurred in connection with such dispute (such determination to be made by the relevant adjudicator). Any amounts due under this Section 10.13 shall be paid within 30 days of the date upon which such amounts are due to be paid and such amounts remaining unpaid after such date shall accrue interest at the Default Interest Rate.

10.14. Entire Agreement. This Agreement embodies the entire agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants or undertakings, other than those expressly set forth or referred to herein. Subject to Section 10.4, this Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the day and year first above written. In the event that it is impracticable to obtain the signature of any of the Members to this Agreement, this Agreement shall be binding among the other Members executing the same.

MANAGING MEMBER:

BLACKSTONE HOLDINGS II L.P.

By: Blackstone Holdings I/II GP Inc.,
its General Partner

By: /s/ Robert L. Friedman

Name: Robert L. Friedman

Title: Chief Legal Officer and Secretary

MEMBERS:

All Members now and hereafter admitted pursuant to
powers of attorney now and hereafter granted to
Blackstone Holdings II L.P.

BLACKSTONE HOLDINGS II L.P.,
As Attorney-in-Fact

By: Blackstone Holdings I/II GP Inc.,
its General Partner

By: /s/ Robert L. Friedman

Name: Robert L. Friedman

Title: Chief Legal Officer and Secretary

BLACKSTONE REAL ESTATE SPECIAL SITUATIONS MANAGEMENT ASSOCIATES EUROPE L.P.

AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP

Dated as of June 30, 2009

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BLACKSTONE REAL ESTATE SPECIAL SITUATIONS MANAGEMENT ASSOCIATES EUROPE L.P.

AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP of Blackstone Real Estate Special Situations Management Associates Europe L.P. (the “*Partnership*”) dated as of June 30, 2009, by and between Blackstone Real Estate Special Situations Europe GP L.P., a Delaware limited partnership (“*BSSF Europe GP Delaware*”), Blackstone Real Estate Special Situations Europe (Cayman) Ltd., a Cayman Islands exempted limited company (“*BSSF Europe (Cayman)*,” and together with BSSF Europe GP Delaware, the “*General Partners*” or, collectively, the “*General Partner*”), and the limited partners listed as Limited Partners in the books and records of the Partnership, as limited partners.

PRELIMINARY STATEMENT

The Partnership was formed under the laws of Alberta, Canada pursuant to a Certificate of Limited Partnership, dated as of May 19, 2009, which was filed with the Registrar of Corporations (Alberta).

The original partnership agreement of the Partnership was executed as of May 19, 2009 (the “*Original Agreement*”).

The parties hereto now wish to amend and restate the Original Agreement in its entirety as of the date hereof and as hereinafter set forth and to reflect the withdrawal of the Initial Limited Partner.

Accordingly, the parties agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. Unless the context otherwise requires, the following terms shall have the following meanings for purposes of this Agreement:

“*Advancing Party*” has the meaning set forth in Section 7.1(b).

“*Affiliate*” when used with reference to another person means any person (other than the Partnership), directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with, such other person.

“*Agreement*” means this Amended and Restated Agreement of Limited Partnership, as it may be further amended, supplemented or otherwise modified from time to time.

“*Alternative Vehicle*” means any investment vehicle or structure formed pursuant to paragraph 2.7.1 of the agreements referred to in clause (i) of the definition of “BSSF Europe Agreement” in this Article I, or any other “Alternative Vehicle” (as defined in any other BSSF Europe Agreement).

“*Applicable Collateral Percentage*,” with respect to any Firm Collateral or Special Firm Collateral, has the meaning set forth in the books and records of the Partnership with respect thereto.

“*Associates*” means Blackstone Real Estate Special Situations Associates Europe L.P., a Delaware limited partnership and the general partner of BSSF Europe.

“*Bankruptcy*” means, with respect to any person, the occurrence of any of the following events: (i) the filing of an application by such person for, or a consent to, the appointment of a trustee or custodian of his assets; (ii) the filing by such person of a voluntary petition in Bankruptcy or the seeking of relief under Title 11 of the United States Code, as now constituted or hereafter amended, or the filing of a pleading in any court of record admitting in writing his inability to pay his debts as they become due; (iii) the failure of such person to pay his debts as such debts become due; (iv) the making by such person of a general assignment for the benefit of creditors; (v) the filing by such person of an answer admitting the material allegations of, or his consenting to, or defaulting in answering, a Bankruptcy petition filed against him in any Bankruptcy proceeding or petition seeking relief under Title 11 of the United States Code, as now constituted or as hereafter amended; or (vi) the entry of an order, judgment or decree by any court of competent jurisdiction adjudicating such person a bankrupt or insolvent or for relief in respect of such person or appointing a trustee or custodian of his assets and the continuance of such order, judgment or decree unstayed and in effect for a period of 60 consecutive days.

“*BCE Agreement*” means the limited partnership agreement, limited liability company agreement or other governing document of any limited partnership, limited liability company or other entity named or referred to in the definition of any of “BFREP,” “BFIP,” “BFMEZP,” “BFCOMP” or “Other Blackstone Collateral Entity,” as such limited partnership agreement, limited liability company agreement or other governing document may be amended, supplemented, restated or otherwise modified to date, and as such limited partnership agreement, limited liability company agreement or other governing document may be further amended, supplemented, restated or otherwise modified from time to time, and any other Blackstone Collateral Entity limited partnership agreement, limited liability company agreement or other governing document.

“*BCE Investment*” means any direct or indirect investment by any Blackstone Collateral Entity.

“*BCOM*” means the collective reference to (i) Blackstone Communications Partners I L.P., a Delaware limited partnership, and (ii) any other investment vehicle established pursuant to Article 2 of the partnership agreement for the partnership referred to in clause (i) above.

“*BCP VI*” is the collective reference to (i) Blackstone Capital Partners VI L.P., a Delaware limited partnership, (ii) Blackstone Capital Partners VI-Executive Fund L.P., a Delaware limited partnership, and (iii) any alternative investment vehicle relating thereto and any parallel fund.

“*BFCOMP*” means Blackstone Family Communications Partnership I L.P., Blackstone Family Communications Partnership I-SMD L.P. and any other entity that is an Affiliate thereof and has terms substantially similar to those of the foregoing partnerships and is formed in connection with the participation by one or more partners thereof directly or indirectly in investments in securities also purchased by BCOM or any other funds with substantially similar investment objectives to BCOM and that are sponsored or managed by an Affiliate of the General Partner (which includes serving as general partner of such funds).

“*BFIP*” means Blackstone Capital Associates II L.P., Blackstone Capital Associates III L.P., Blackstone Family Investment Partnership II L.P., Blackstone Family Investment Partnership III L.P., Blackstone Family Investment Partnership IV-A L.P., Blackstone Family Investment Partnership IV-A -SMD L.P., Blackstone Family Investment Partnership V L.P., Blackstone Family Investment Partnership V- SMD L.P., Blackstone Family Investment Partnership VI L.P., Blackstone Family Investment Partnership VI-SMD L.P., and any other entity that is an Affiliate thereof and has terms similar to those of the foregoing partnerships and is formed in connection with the participation by one or more of the partners thereof in investments in securities also purchased by BCP VI or any other fund with substantially similar investment objectives to BCP VI and that are sponsored or managed by an Affiliate of the General Partner (which includes serving as general partner of such funds).

“*BFMEZP*” means Blackstone Family Mezzanine Partnership-SMD L.P., Blackstone Family Mezzanine Partnership II-SMD L.P., Blackstone Mezzanine Holdings L.P., Blackstone Mezzanine Holdings II L.P., any entity formed to invest side-by-side with any GSO Fund and any other entity that is an Affiliate thereof and that has terms substantially similar to those of the foregoing partnerships or other entities and is formed in connection with the participation by one or more partners or other equity owners thereof directly or indirectly in investments in securities also purchased by BMEZP I, BMEZP II, any GSO Fund or any other funds with substantially similar investment objectives to BMEZP I, BMEZP II or any GSO Fund and that are sponsored or managed by an Affiliate of the General Partner (which includes serving as general partner of such funds).

“*BFREP*” means Blackstone Real Estate Capital Associates L.P., Blackstone Real Estate Capital Associates II L.P., Blackstone Real Estate Capital Associates III L.P., Blackstone Family Real Estate Partnership L.P., Blackstone Family Real Estate Partnership II L.P., Blackstone Family Real Estate Partnership III L.P., Blackstone Family Real Estate Partnership International-A-SMD L.P., Blackstone Family Real Estate Partnership IV-SMD L.P., Blackstone Family Real Estate Partnership International II-SMD L.P., Blackstone Family Real Estate Partnership V-SMD L.P., Blackstone Family Real Estate Partnership VI-SMD L.P., Blackstone Family Real Estate Partnership Europe III-SMD L.P., Blackstone Family Real Estate Special Situations Partnership - SMD L.P., , Blackstone Family Real Estate Special Situations Partnership Europe - SMD L.P., Blackstone Real Estate Holdings L.P., Blackstone Real Estate Holdings II L.P., Blackstone Real Estate Holdings III L.P., Blackstone Real Estate Holdings International - A L.P., Blackstone Real Estate Holdings IV L.P., Blackstone Real Estate Holdings International II L.P., Blackstone Real Estate Holdings V L.P., Blackstone Real Estate Holdings VI L.P., Blackstone Real Estate Holdings Europe III L.P., Blackstone Real Estate Special Situations Holdings II L.P., Blackstone Real Estate Special Situations Holdings Europe L.P. and any other entity that is an Affiliate thereof and that has terms substantially similar to those of the foregoing partnerships and is formed in connection with the participation by one or more partners thereof in real estate and real estate-related investments also purchased by BREP VI, BSSFF II or BSSFF Europe and any other funds with substantially similar investment objectives to BREP VI, BSSFF II or BSSFF Europe and that are sponsored or managed by an Affiliate of the General Partner (which includes serving as general partner of such funds).

“*Blackstone*” means collectively, The Blackstone Group L.P., a Delaware limited partnership, and any Affiliate thereof (excluding any natural persons and any portfolio companies of any Blackstone-sponsored fund).

“*Blackstone Co-Investment Rights*” has the meaning set forth in the BSSF Europe Agreement.

“*Blackstone Collateral Entity*” means any limited partnership, limited liability company or other entity named or referred to in the definition of any of “BFREP,” “BFIP,” “BFMEZP,” “BFCOMP” or “Other Blackstone Collateral Entity.”

“*Blackstone Commitment*” has the meaning set forth in the BSSF Europe Agreement.

“*Blackstone Entity*” means any partnership, limited liability company or other entity (excluding any natural persons and any portfolio companies of any Blackstone – sponsored fund) that is an Affiliate of The Blackstone Group L.P.

“*BMEZP I*” means (i) Blackstone Mezzanine Partners L.P., a Delaware limited partnership, and (ii) any other investment vehicle established pursuant to Article 2 of the partnership agreement for the partnership referred to in clause (i) above.

“*BMEZP II*” means (i) Blackstone Mezzanine Partners II L.P., a Delaware limited partnership, and (ii) any other investment vehicle established pursuant to Article 2 of the partnership agreement for the partnership referred to in clause (i) above.

“*BREP VI*” means (i) Blackstone Real Estate Partners VI L.P., Blackstone Real Estate Partners VI.TE.1 L.P., Blackstone Real Estate Partners VI.TE.2 L.P. and Blackstone Real Estate Partners VI.F L.P., each a Delaware limited partnership, (ii) any other Parallel Funds or other Supplemental Capital Vehicles (each as defined in the respective partnership agreements for the partnerships referred to in clause (i) above), or (iii) any other investment vehicle established pursuant to Article 2 of the respective partnership agreements for any of the partnerships referred to in clause (i) above.

“*BSSF Europe*” means (i) Blackstone Real Estate Special Situations Europe L.P., Blackstone Real Estate Special Situations Europe.1 L.P. and Blackstone Real Estate Special Situations Europe.2 L.P., each a limited partnership formed or to be formed under the laws of the United Kingdom pursuant to the Limited Partnerships Act 1907 of the United Kingdom, (ii) any Alternative Vehicle, Parallel Fund or other investment vehicle established pursuant to Article 2 of the partnership agreements for the partnerships referred to in clause (i) above, and (iii) any investment vehicle formed to co-invest with any of the partnerships referred to in clause (i) above using third party capital and that potentially pays Carried Interest Distributions (as such term is used in such partnership agreements).

“*BSSF Europe Agreement*” or “*BSSF Europe Agreements*” means (i) the Amended and Restated Agreements of Limited Partnership dated as of the respective dates set forth therein, of each of the partnerships referred to in clause (i) of the definition of “BSSF Europe” in this Article I, as such agreement may be amended supplemented or otherwise modified from time to time, and (ii) any other BSSF Europe partnership agreement.

“*BSSF Europe (Cayman)*” means Blackstone Real Estate Special Situations Europe (Cayman) Ltd., a Cayman Islands exempted limited company and a general partner of the Partnership.

“*BSSF Europe GP Delaware*” means Blackstone Real Estate Special Situations Europe GP L.P., a Delaware limited partnership and a general partner of the Partnership.

“ *BSSF II* ” means (i) Blackstone Real Estate Special Situations Fund II L.P., a Delaware limited partnership, (ii) Blackstone Real Estate Special Situations Fund II.1 L.P., a Delaware limited partnership, and (iii) Blackstone Real Estate Special Situations Fund II.2 L.P., a Delaware limited partnership, and any alternative vehicles thereof or parallel funds formed in connection therewith.

“ *Capital Commitment Associates Partner Interest* ” means the Partnership’s interest in Associates with respect to the Capital Commitment BSSF Europe Interest.

“ *Capital Commitment BSSF Europe Commitment* ” means Associates’ Commitment (as defined in the BSSF Europe Agreement) to BSSF Europe that relates solely to the Capital Commitment BSSF Europe Interest.

“ *Capital Commitment BSSF Europe Interest* ” means the Interest (as defined in the BSSF Europe Agreement) of Associates, if any, as a capital partner in BSSF Europe.

“ *Capital Commitment BSSF Europe Investment* ” means the Partnership’s indirect interest in Associates’ indirect interest in a specific investment of BSSF Europe pursuant to the BSSF Europe Agreements in Associates’ capacity as a capital partner of BSSF Europe, but does not include any GP-Related Investment.

“ *Capital Commitment Capital Account* ” means, with respect to each Capital Commitment Investment for each Partner, the account maintained for such Partner to which are credited such Partner’s contributions to the Partnership with respect to such Capital Commitment Investment and any net income allocated to such Partner pursuant to Section 7.3 with respect to such Capital Commitment Investment and from which are debited any distributions with respect to such Capital Commitment Investment to such Partner and any net losses allocated to such Partner with respect to such Capital Commitment Investment pursuant to Section 7.3. In the case of any such distribution in kind, the Capital Commitment Capital Accounts for the related Capital Commitment Investment shall be adjusted as if the asset distributed had been sold in a taxable transaction and the proceeds distributed in cash, and any resulting gain or loss on such sale shall be allocated to the Partners participating in such Capital Commitment Investment pursuant to Section 7.3.

“ *Capital Commitment Class A Interest* ” has the meaning set forth in Section 7.4(f).

“ *Capital Commitment Class B Interest* ” has the meaning set forth in Section 7.4(f).

“ *Capital Commitment Defaulting Party* ” has the meaning specified in Section 7.4(g).

“ *Capital Commitment Deficiency Contribution* ” has the meaning specified in Section 7.4(g).

“ *Capital Commitment Disposable Investment* ” has the meaning set forth in Section 7.4(f).

“ *Capital Commitment Distributions* ” means, with respect to each Capital Commitment Investment, all amounts of distributions, received by the Partnership with respect to such Capital Commitment Investment solely in respect of the Partnership’s Capital Commitment Associates Partner Interest, less any costs, fees and expenses of the Partnership with respect thereto and less reasonable reserves for payment of costs, fees and expenses of the Partnership that are anticipated with respect thereto, in each case which the General Partner may allocate to all or any portion of such Capital Commitment Investment as it may determine in good faith is appropriate.

“ *Capital Commitment Giveback Amount* ” has the meaning set forth in Section 7.4(g).

“ *Capital Commitment Interest* ” means the interest of a Partner in a specific Capital Commitment Investment as provided herein.

“ *Capital Commitment Investment* ” means any Capital Commitment BSSF Europe Investment, but shall exclude any GP-Related Investment. The General Partner shall determine who may participate in such Capital Commitment Investment.

“ *Capital Commitment Liquidating Share* ” with respect to each Capital Commitment Investment means, in the case of dissolution of the Partnership, the related Capital Commitment Capital Account of a Partner (less amounts reserved in accordance with Section 9.3) as of the close of business on the effective date of dissolution.

“ *Capital Commitment Net Income (Loss)* ” with respect to each Capital Commitment Investment means all amounts of income received by the Partnership with respect to such Capital Commitment Investment, including without limitation gain or loss in respect of the disposition, in whole or in part, of such Capital Commitment Investment, less any costs, fees and expenses of the Partnership allocated thereto and less reasonable reserves for payment of costs, fees and expenses of the Partnership anticipated to be allocated thereto; provided, that any income received in respect of the Partnership’s Capital Commitment Associates Partner Interest that is unrelated to any Capital Commitment Investment (as determined by the General Partner in its sole discretion) shall be allocated to the Partners in accordance with their Capital Commitment Profit Sharing Percentages.

“ *Capital Commitment Partner Interest* ” means a Partner’s interest in the Partnership with respect to the Partnership’s Capital Commitment Associates Partner Interest.

“ *Capital Commitment Profit Sharing Percentage* ” with respect to each Capital Commitment Investment means the percentage interest of a Partner in Capital Commitment Net Income (Loss) from such Capital Commitment Investment set forth in the books and records of the Partnership.

“ *Capital Commitment Recontribution Amount* ” has the meaning set forth in Section 7.4(g).

“ *Capital Commitment-Related Capital Contributions* ” has the meaning set forth in Section 7.1(a).

“ *Capital Commitment-Related Commitment* ”, with respect to any Partner, means such Partner’s commitment to the Partnership relating to such Partner’s Capital Commitment Partner Interest, as set forth in the books and records of the Partnership, including any such commitment set forth in such Partner’s Commitment Agreement.

“ *Capital Commitment Special Distribution* ” has the meaning set forth in Section 7.7(a).

“ *Capital Commitment Value* ” has the meaning set forth in Section 7.5.

“*Carried Interest*” means (i) “Carried Interest Distributions” (as defined in the BSSF Europe Agreements), and (ii) any other carried interest payable pursuant to any BSSF Europe Agreement. In the case of each of (i) and (ii) above, the amount shall be less any costs, fees and expenses of the Partnership with respect thereto and less reasonable reserves for payment of costs, fees and expenses of the Partnership that are anticipated with respect thereto (in each case which the General Partner may allocate among all or any portion of the GP-Related Investments as it determines in good faith is appropriate).

“*Carried Interest Give Back Percentage*” means, for any Partner or Withdrawn Partner, subject to Section 5.8(e), the percentage determined by dividing (A) the aggregate amount of distributions received by such Partner or Withdrawn Partner from the Partnership, any Other Fund GPs or their Affiliates (other than Holdings), in respect of Carried Interest by (B) the aggregate amount of distributions made to all Partners, Withdrawn Partners or any other person by the Partnership, any Other Fund GP or their Affiliates (other than Holdings) (in any capacity), in respect of Carried Interest. For purposes of determining any “Carried Interest Give Back Percentage” hereunder, all Trust Amounts contributed to the Trust by the Partnership, Other Fund GPs or their Affiliates (other than Holdings) on behalf of a Partner or Withdrawn Partner (but not the Trust Income thereon) shall be deemed to have been initially distributed or paid to the Partners and Withdrawn Partners as Partners or partners of the Partnership, any of the Other Fund GPs or their Affiliates (other than Holdings).

“*Carried Interest Sharing Percentage*” means, with respect to each GP-Related Investment, the percentage interest of a Partner in Carried Interest from such GP-Related Investment set forth in the books and records of the Partnership.

“*Cause*” means the occurrence or existence of any of the following with respect to any Partner, as determined fairly, reasonably, on an informed basis and in good faith by the General Partner: (i) (w) any breach by any Partner of any provision of any non-competition agreement, (x) any material breach of this Agreement or any rules or regulations applicable to such Partner that are established by the General Partner, (y) such Partner’s deliberate failure to perform his or her duties to the Partnership, or (z) such Partner’s committing to or engaging in any conduct or behavior that is or may be harmful to the Partnership in a material way as determined by the General Partner; provided, that in the case of any of the foregoing clauses (w), (x), (y) and (z), the General Partner has given such Partner written notice (a “*Notice of Breach*”) within fifteen days after the General Partner becomes aware of such action and such Partner fails to cure such breach, failure to perform or conduct or behavior within fifteen days after receipt of such Notice of Breach from the General Partner (or such longer period, not to exceed an additional fifteen days, as shall be reasonably required for such cure, provided that such Partner is diligently pursuing such cure); (ii) any act of fraud, misappropriation, dishonesty, embezzlement or similar conduct against the Partnership; or (iii) conviction (on the basis of a trial or by an accepted plea of guilty or nolo contendere) of a felony or crime (including any misdemeanor charge involving moral turpitude, false statements or misleading omissions, forgery, wrongful taking, embezzlement, extortion or bribery), or a determination by a court of competent jurisdiction, by a regulatory body or by a self-regulatory body having authority with respect to securities laws, rules or regulations of the applicable securities industry, that such Partner individually has violated any applicable securities laws or any rules or regulations thereunder, or any rules of any such self-regulatory body (including, without limitation, any licensing requirement), if such conviction or determination has a material adverse effect on (A) such Partner’s ability to function as a Partner of the Partnership, taking into account the services required of such Partner and the nature of the Partnership.

“ *CC Carried Interest* ” means, with respect to any Limited Partner, the aggregate amount of distributions or payments received by such Limited Partner (in any capacity) from Affiliates of the Partnership in respect of or relating to “carried interest”, including the amount of any bonuses received by a Limited Partner as an employee of an Affiliate of the Partnership that relate to the amount of “carried interest” received by an Affiliate of the Partnership. “CC Carried Interest” includes any amount initially received by an Affiliate of the Partnership from any fund (including BSSF Europe, any similar funds formed prior to or after the date hereof, and any other private equity merchant banking, real estate or debt funds, whether or not in existence as of the date hereof) to which such Affiliate serves as general partner (or other similar capacity) that exceeds such Affiliate’s pro rata share of distributions from such fund based upon capital contributions thereto (or the capital contributions to make the investment of such fund giving rise to such “carried interest”).

“ *Clawback Adjustment Amount* ” has the meaning set forth in Section 5.8(e).

“ *Clawback Amount* ” means the “Clawback Amount” and the “Interim Clawback Amount,” both as set forth in Article One of the BSSF Europe Agreement, and any other clawback amount payable to the limited partners of or investors in BSSF Europe pursuant to any BSSF Europe Agreement, as applicable.

“ *Clawback Provisions* ” means paragraphs 4.2.9 and 9.2.7 of the BSSF Europe Agreement and any other similar provisions in any BSSF Europe Agreement existing heretofore or hereafter entered into.

“ *Code* ” means the United States Internal Revenue Code of 1986, as amended from time to time, or any successor statute. Any reference herein to a particular provision of the Code means, where appropriate, the corresponding provision in any successor statute.

“ *Commitment Agreement* ” means a commitment agreement, pursuant to which a Partner has committed to fund certain amounts with respect to the GP-Related BSSF Europe Investments, the Capital Commitment BSSF Europe Investments and certain expenses of BSSF Europe.

“ *Contingent* ” means subject to repurchase rights and/or other requirements.

“ *Covered Person* ” has the meaning set forth in Section 3.6(a).

The term “ *control* ” when used with reference to any person means the power to direct the management and policies of such person, directly or indirectly, by or through stock or other equity ownership, agency or otherwise, or pursuant to or in connection with an agreement, arrangement or understanding (written or oral) with one or more other persons by or through stock ownership, agency or otherwise; and the terms “ *controlling* ” and “ *controlled* ” shall have meanings correlative to the foregoing.

“ *Controlled Entity* ” when used with reference to another person means any person controlled by such other person.

“ *Deceased Partner* ” means any Partner or Withdrawn Partner who has died or who suffers from Incompetence. For purposes hereof, references to a Deceased Partner shall refer collectively to the Deceased Partner and the estate and heirs or legal representative of such Deceased Partner, as the case may be, that have received such Deceased Partner’s interest in the Partnership.

“ *Default Rate* ” means the lower of (i) the sum of (a) the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A. as its prime rate and (b) 5%, or (ii) the highest rate of interest permitted under applicable law.

“ *Delaware LLC GP* ” means Blackstone Real Estate Special Situations Europe GP L.L.C., a Delaware limited liability company.

“ *Disabling Event* ” means (a) the withdrawal of a General Partner, other than in accordance with Section 6.2(b)(ii), (b) the incapacity of a General Partner, (c) a General Partner (i) makes an assignment for the benefit of its creditors, (ii) files a voluntary petition in bankruptcy, (iii) is adjudged a bankrupt or insolvent or has entered against it an order for relief in any bankruptcy or insolvency proceeding, (iv) files a petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation, (v) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against it in proceeding described in clause (iv), or (v) seeks, consents to, or acquiesces in, the appointment of a trustee, receiver or liquidator of the General Partner or of all or substantially all of its properties, or (d) any other event that causes the General Partner to cease to be a general partner of the Partnership as provided in the Partnership Act.

“ *Estate Planning Vehicle* ” has the meaning set forth in Section 6.3(a).

“ *Excess Holdback* ” has the meaning set forth in Section 4.1(d).

“ *Excess Holdback Percentage* ” has the meaning set forth in Section 4.1(d).

“ *Excess Tax-Related Amount* ” has the meaning set forth in Section 5.8(e).

“ *Existing Partner* ” means any Partner who is neither a Retaining Withdrawn Partner nor a Deceased Partner.

“ *Feeder Vehicle* ” means any Limited Partner formed to serve as a collective investment vehicle for real estate-related investments in the United Kingdom which invests all or a portion of its investable resources in the Partnership.

“ *Final Event* ” means the death, Total Disability, Incompetence, Bankruptcy, liquidation, dissolution or withdrawal from the Partnership of any person who is a Partner.

“ *Firm Advances* ” has the meaning set forth in Section 7.1.

“ *Firm Collateral* ” means a Partner’s or Withdrawn Partner’s interest in one or more partnerships or limited liability companies, in either case affiliated with the Partnership, and certain other assets of such Partner or Withdrawn Partner, in each case that has been pledged or made available to the Trustee(s) to satisfy all or any portion of the Excess Holdback of such Partner or Withdrawn Partner as more fully described in the books and records of the Partnership; provided, that for all purposes hereof (and any other agreement (e.g., the Trust Agreement) that incorporates the meaning of the term “Firm Collateral” by reference), references to “Firm Collateral” shall include “Special Firm Collateral”, excluding references to “Firm Collateral” in Section 4.1(d)(v) and Section 4.1(d)(viii).

“ *Firm Collateral Realization* ” has the meaning set forth in Section 4.1(d)(v)(B) with respect to Firm Collateral, and Section 4.1(d)(v)(B) with respect to Special Firm Collateral.

“ *Fiscal Year* ” means a calendar year, or any other period chosen by the General Partner.

“ *Fund GP* ” means the Partnership (only with respect to the Partnership’s GP-Related Associates Partner Interest) and the Other Fund GPs.

“ *GAAP* ” means U.S. generally accepted accounting principles.

“ *General Partner* ” or “ *General Partners* ” means BSSF Europe (Cayman) and BSSF Europe GP Delaware and any person admitted to the Partnership as an additional General Partner in accordance with the provisions of this Agreement (until such time as such person ceases to be a general partner of the Partnership as provided herein or in the Partnership Act), subject to the provisions of Section 3.4.

“ *Giveback* ” means an “Investment Specific Giveback,” as such term is defined in the BSSF Europe Agreement.

“ *Giveback Amount* ” means an “Investment Specific Giveback Amount,” as such term is defined in the BSSF Europe Agreement.

“ *Giveback Provisions* ” means paragraph 3.4.3 of the BSSF Europe Agreement and any other similar provisions in any BSSF Europe Agreement existing heretofore or hereafter entered into.

“ *GP-Related Associates Partner Interest* ” means the Partnership’s interest in Associates with respect to the GP-Related BSSF Europe Interest.

“ *GP-Related BSSF Europe Interest* ” means the interest of Associates in BSSF Europe as general partner of BSSF Europe, excluding any Capital Commitment BSSF Europe Interest.

“ *GP-Related BSSF Europe Investment* ” means the Partnership’s indirect interest in Associates’ indirect interest in an Investment (for purposes of this definition, as defined in the BSSF Europe Partnership Agreement) in Associates’ capacity as the general partner of BSSF Europe, but does not include any Capital Commitment Investment.

“ *GP-Related Capital Account* ” has the meaning set forth in Section 5.2.

“ *GP-Related Capital Contributions* ” means capital contributions to the Partnership as are necessary to fund the amounts required to satisfy the Partnership’s obligations to make capital contributions to Associates to satisfy Associates’ obligations to make capital contributions to BSSF Europe in respect of the GP-Related BSSF Europe Interest, as determined by the General Partner from time to time.

“ *GP-Related Class A Interest* ” has the meaning set forth in Section 5.8(a).

“ *GP-Related Class B Interest* ” has the meaning set forth in Section 5.8(a).

“ *GP-Related Commitment* ”, with respect to any Partner, means such Partner’s commitment to the Partnership relating to such Partner’s GP-Related Partner Interest, as set forth in the books and records of the Partnership, including, without limitation, any such commitment that may be set forth in such Partner’s Commitment Agreement or SMD Agreement, if any.

“ *GP-Related Defaulting Party* ” has the meaning set forth in Section 5.8(d).

“ *GP-Related Deficiency Contribution* ” has the meaning set forth in Section 5.8(d).

“ *GP-Related Disposable Investment* ” has the meaning set forth in Section 5.8(a).

“ *GP-Related Giveback Amount* ” has the meaning set forth in Section 5.8(d).

“ *GP-Related Investment* ” means any investment (direct or indirect) of the Partnership in respect of the Partnership’s GP-Related Associates Partner Interest (including, without limitation, any GP-Related BSSF Europe Investment but excluding any Capital Commitment Investment).

“ *GP-Related Net Income (Loss)* ” has the meaning set forth in Section 5.1(b).

“ *GP-Related Partner Interest* ” of a Partner means all interests of such Partner in the Partnership (other than such Partner’s Capital Commitment Partner Interest), including, without limitation, such Partner’s interest in the Partnership with respect to the Partnership’s GP-Related Associates Partner Interest and with respect to all GP-Related Investments.

“ *GP-Related Profit Sharing Percentage* ” means the “Carried Interest Sharing Percentage” and “Non-Carried Interest Sharing Percentage” of each Partner; provided that any reference in this Agreement to any GP-Related Profit Sharing Percentage that specifically refers to GP-Related Net Income unrelated to BSSF Europe shall continue to refer to the amount of each Partner’s percentage interest in a category of GP-Related Net Income (Loss) established by the General Partner from time to time pursuant to Section 5.3; provided further that, the term “GP-Related Profit Sharing Percentage” shall not include any Capital Commitment Profit Sharing Percentage.

“ *GP-Related Recontribution Amount* ” has the meaning set forth in Section 5.8(d).

“ *GP-Related Required Amounts* ” means amounts equal to the Partnership’s portion of the required capital contribution in respect of any GP-Related BSSF Europe Investment to be made by the general partner of BSSF Europe (including, without limitation, Associates), as determined by the General Partner from time to time, which amounts shall be used by the Partnership to fund capital contributions to the general partner of BSSF Europe (including, without limitation, Associates).

“ *GP-Related Unallocated Percentage* ” has the meaning set forth in Section 5.3(b).

“ *GP-Related Unrealized Net Income (Loss)* ” attributable to any GP-Related BSSF Europe Investment as of any date means the GP-Related Net Income (Loss) that would be realized by the Partnership with respect to such GP-Related BSSF Europe Investment if BSSF Europe’s entire portfolio of investments were sold on such date for cash in an amount equal to their aggregate value on such date (determined in accordance with Section 5.1(e)) and all distributions payable by BSSF Europe to the Partnership (indirectly through the general partner of

BSSF Europe) pursuant to the BSSF Europe Agreement with respect to such GP-Related BSSF Europe Investment were made on such date. “GP-Related Unrealized Net Income (Loss)” attributable to any other GP-Related Investment (other than any Capital Commitment Investment) as of any date means the GP-Related Net Income (Loss) that would be realized by the Partnership with respect to such GP-Related Investment if such GP-Related Investment were sold on such date for cash in an amount equal to its value on such date (determined in accordance with Section 5.1(e)).

“*GSO Fund*” means (i) any of GSO Capital Opportunities Fund LP, GSO Capital Opportunities Overseas Fund L.P., GSO Capital Opportunities Overseas Master Fund L.P., GSO Liquidity Partners LP, GSO Liquidity Overseas Partners LP, Blackstone / GSO Capital Solutions Fund LP, Blackstone / GSO Capital Solutions Overseas Fund L.P. and Blackstone / GSO Capital Solutions Overseas Master Fund L.P., or (ii) any alternative vehicle or parallel fund relating to any of the partnerships referred to in clause (i) above.

“*Holdback*” has the meaning set forth in Section 4.1(d).

“*Holdback Percentage*” has the meaning set forth in Section 4.1(d).

“*Holdback Vote*” has the meaning set forth in Section 4.1(d).

“*Holdings*” means Blackstone Holdings IV L.P., a *société en commandite* organized in Québec.

“*Incompetence*” means, with respect to any Partner, the determination by the General Partner in its sole discretion, after consultation with a qualified medical doctor, that such Partner is incompetent to manage his person or his property.

“*Inflation Index*” means (i) the GNP deflator, which is the fixed-weighted price index representing the average change in the United States gross national product as published in the Survey of Current Business by the National Income and Wealth Division of the Bureau of Economic Analysis of the U.S. Department of Commerce, or (ii) such other index measuring changes in economic prices in the United States as shall be selected by the General Partner.

“*Initial Holdback Percentages*” has the meaning set forth in Section 4.1(d).

“*Initial Limited Partner*” means Christopher J. James.

“*Interest*” means a Partner’s interest in the Partnership, including such Partner’s GP-Related Partner Interest (including, without limitation, that which is held by a Retaining Withdrawn Partner) and Capital Commitment Partner Interest.

“*Investment*” means any investment (direct or indirect) of the Partnership designated by the General Partner from time to time as an investment in which the Partners’ respective interests shall be established and accounted for on a basis separate from the Partnership’s other businesses, activities and investments, including (a) GP-Related Investments, and (b) Capital Commitment Investments.

“*Investor Limited Partner*” means any Limited Partner so designated at the time of its admission as a partner of the Partnership.

“*Investor Note*” means a promissory note of a Partner evidencing indebtedness incurred by such Partner to purchase a Capital Commitment Interest, the terms of which were or are approved by the General Partner and which is secured by such Capital Commitment Interest, all other Capital Commitment Interests of such Partner and all other interests of such Partner in Blackstone Collateral Entities; provided, that such promissory note may also evidence indebtedness relating to other interests of such Partner in Blackstone Collateral Entities, and such indebtedness shall be prepayable with Capital Commitment Net Income (whether or not such indebtedness relates to Capital Commitment Investments) as set forth in this Agreement, the Investor Note, the other BCE Agreements and any documentation relating to Other Sources; provided further, that references to “Investor Notes” herein refer to multiple loans made pursuant to such note, whether made with respect to Capital Commitment Investments or other BCE Investments, and references to an “Investor Note” refer to one such loan as the context requires. In no way shall any indebtedness incurred to acquire Capital Commitment Interests or other interests in Blackstone Collateral Entities be considered part of the Investor Notes for purposes hereof if the Lender or Guarantor is not the lender or guarantor with respect thereto.

“*Issuer*” means the issuer of any Security comprising part of an Investment.

“*L/C*” has the meaning set forth in Section 4.1(d).

“*L/C Partner*” has the meaning set forth in Section 4.1(d).

“*Lender or Guarantor*” means Blackstone, in its capacity as lender or guarantor under the Investor Notes, including any Affiliate of the General Partner that makes or guarantees loans to enable a Partner to acquire Capital Commitment Interests or other interests in Blackstone Collateral Entities.

“*Limited Partner*” means any of the persons who is shown on the books and records of the Partnership as a Limited Partner of the Partnership, including any Special Limited Partner, any Investor Limited Partner and any Nonvoting Limited Partner.

“*Loss Amount*” has the meaning set forth in Section 5.8(e).

“*Loss Investment*” has the meaning set forth in Section 5.8(e).

“*Majority in Interest of the Partners*” on any date (a “*vote date*”) means one or more persons who are Partners (including the General Partner and the Special Limited Partners but excluding Nonvoting Limited Partners) on the vote date and who, as of the last day of the most recent accounting period ending on or prior to the vote date (or as of such later date on or prior to the vote date selected by the General Partner as of which the Partners’ GP-Related Capital Account balances can be determined), have aggregate GP-Related Capital Account balances representing at least a majority in amount of the total GP-Related Capital Account balances of all the persons who are Partners (including the General Partner and the Special Limited Partners but excluding Nonvoting Limited Partners) on the vote date.

“*Moody’s*” means Moody’s Investor Services, Inc., or any successor thereto.

“*Net Carried Interest Distribution*” has the meaning set forth in Section 5.8(e).

“*Net Carried Interest Distribution Recontribution Amount*” has the meaning set forth in Section 5.8(e).

“ *Net GP-Related Recontribution Amount* ” has the meaning set forth in Section 5.8(d).

“ *Non-Carried Interest* ” means, with respect to each GP-Related Investment (including any GP-Related BSSF Europe Investment), all amounts of distributions, other than Carried Interest and other than Capital Commitment Distributions, received by the Partnership with respect to such GP-Related Investment (including any GP-Related BSSF Europe Investment), less any costs, fees and expenses of the Partnership with respect thereto and less reasonable reserves for payment of costs, fees and expenses of the Partnership that are anticipated with respect thereto, in each case which the General Partner may allocate to all or any portion of the GP-Related Investments (including any GP-Related BSSF Europe Investment) as it may determine in good faith is appropriate.

“ *Non-Carried Interest Sharing Percentage* ” means, with respect to each GP-Related Investment (including GP-Related BSSF Europe Investments), the percentage interest of a Partner in Non-Carried Interest from such GP-Related Investment (including GP-Related BSSF Europe Investments) set forth in the books and records of the Partnership.

“ *Non-Contingent* ” means generally not subject to repurchase rights or other requirements.

“ *Nonvoting Limited Partner* ” has the meaning set forth in Section 6.1(a).

“ *Original Agreement* ” has the meaning set forth in the Preamble.

“ *Other Blackstone Collateral Entity* ” means any Blackstone Entity (other than any limited partnership, limited liability company or other entity named or referred to in the definition of any of “BFREP,” “BFIP,” “BFMEZP” or “BFCOMP”) in which any limited partner interest, limited liability company interest, unit or other interest is pledged to secure any Investor Note.

“ *Other Fund GPs* ” means BSSF Europe GP Delaware, the Delaware LLC GP, Associates (only with respect to Associates’ GP-Related BSSF Europe Interest) and any other entity (other than the Partnership) through which any Partner, Withdrawn Partner or any other person directly receives any amounts of Carried Interest, and any successor thereto; provided, that this includes any other entity which has in its organizational documents a provision which indicates that it is a “Fund GP” or an “Other Fund GP”; provided further, that notwithstanding the foregoing, none of Holdings, any estate planning vehicles established for the benefit of family members of any Partner or of any member or partner of any Other Fund GP shall be considered an “Other Fund GP” for purposes hereof; provided further, that the foregoing exclusion of such estate planning vehicles shall in no way limit such Partners’ obligations pursuant to Section 5.8(d).

“ *Other Sources* ” means (i) distributions or payments of CC Carried Interest (which shall include amounts of CC Carried Interest which are not distributed or paid to a Limited Partner but are instead contributed to a trust (or similar arrangement) to satisfy any “holdback” obligation with respect thereto), (ii) bonuses paid by Blackstone to a Limited Partner (not covered by clause (i) above) and (iii) distributions from Blackstone Collateral Entities (other than the Partnership) to such Limited Partner.

“ *Parallel Fund* ” means any additional collective investment vehicles (or other similar arrangements) formed pursuant to paragraph 2.8 of the BSSF Europe Agreements.

“ *Partner* ” means any person who is a partner of the Partnership, whether a General Partner or a Limited Partner in whatsoever Partner Category.

“ *Partner Category* ” means the Existing Partners, Retaining Withdrawn Partners or Deceased Partners, each referred to as a group for purposes hereof.

“ *Partnership* ” means Blackstone Real Estate Special Situations Management Associates Europe L.P., an Alberta, Canada limited partnership.

“ *Partnership Act* ” means the Partnership Act (Revised Statutes of Alberta, 2000, C, P.-3, *et seq.*) , as it may be amended from time to time, and any successor to such statute.

“ *Pledgable Blackstone Interests* ” has the meaning set forth in Section 4.1(a).

“ *Prime Rate* ” means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A. as its prime rate.

“ *Qualifying Fund* ” means any fund designated by the General Partner as a “Qualifying Fund.”

“ *Required Rating* ” has the meaning set forth in Section 4.1(d).

“ *Repurchase Period* ” has the meaning set forth in Section 5.8(c).

“ *Retained Portion* ” has the meaning set forth in Section 7.7.

“ *Retaining Withdrawn Partner* ” means a Withdrawn Partner who has retained a GP-Related Partner Interest in the Partnership, pursuant to Section 6.5(f) or otherwise. A Retaining Withdrawn Partner shall be considered a Partner for all purposes hereof.

“ *Securities* ” means any debt or equity securities of an issuer and its subsidiaries and other Controlled Entities constituting part of an Investment, including without limitation common and preferred stock, interests in limited partnerships and interests in limited liability companies (including warrants, rights, put and call options and other options relating thereto or any combination thereof), notes, bonds, debentures, trust receipts and other obligations, instruments or evidences of indebtedness, choses in action, other property or interests commonly regarded as securities, interests in real property, whether improved or unimproved, interests in oil and gas properties and mineral properties, short-term investments commonly regarded as money-market investments, bank deposits and interests in personal property of all kinds, whether tangible or intangible.

“ *Settlement Date* ” has the meaning set forth in Section 6.5(a).

“ *SMD Agreements* ” means the agreements between the Partnership and/or one or more of its Affiliates and certain of the Partners, pursuant to which each such Partner undertakes certain obligations with respect to the Partnership and/or its Affiliates. The SMD Agreements are hereby incorporated by reference as between the Partnership and the relevant Partner.

“ *Special Firm Collateral* ” means interests in a Qualifying Fund that have been pledged to the Trustee(s) to satisfy all or any portion of a Partner’s or Withdrawn Partner’s Holdback obligation (excluding any Excess Holdback) as more fully described in the books and records of the Partnership.

“ *Special Firm Collateral Realization* ” has the meaning set forth in Section 4.1(d).

“ *Special Limited Partner* ” means any of the persons shown in the books and records of the Partnership as a Special Limited Partner and any person admitted to the Partnership as an additional Special Limited Partner in accordance with the provisions of this Agreement.

“ *S&P* ” means Standard & Poor’s Ratings Group, and any successor thereto.

“ *Subject Investment* ” has the meaning set forth in Section 5.8(e).

“ *Subject Partner* ” has the meaning set forth in Section 4.1(d).

“ *Successor in Interest* ” means any (i) shareholder of; (ii) trustee, custodian, receiver or other person acting in any Bankruptcy or reorganization proceeding with respect to; (iii) assignee for the benefit of the creditors of; (iv) officer, director or partner of; (v) trustee or receiver, or former officer, director or partner, or other fiduciary acting for or with respect to the dissolution, liquidation or termination of; or (vi) other executor, administrator, committee, legal representative or other successor or assign of, any Partner, whether by operation of law or otherwise.

“ *Tax Matters Partner* ” has the meaning set forth in Section 6.7(b).

“ *TM* ” has the meaning set forth in Section 10.2

“ *Total Disability* ” means the inability of a Limited Partner substantially to perform the obligations required of such Limited Partner (in its capacity as such or in any other capacity with respect to any Affiliate of the Partnership) for a period of six consecutive months by reason of physical or mental illness or incapacity and whether arising out of sickness, accident or otherwise.

“ *Transfer* ” has the meaning set forth in Section 8.2.

“ *Trust Account* ” has the meaning set forth in the Trust Agreement.

“ *Trust Agreement* ” means the Trust Agreement dated as of the date set forth therein, as amended to date, among the Partners, the Trustee(s) and certain other persons that may receive distributions in respect of or relating to Carried Interest from time to time.

“ *Trust Amount* ” has the meaning set forth in the Trust Agreement.

“ *Trust Income* ” has the meaning set forth in the Trust Agreement.

“ *Trustee(s)* ” has the meaning set forth in the Trust Agreement.

“ *Unadjusted Carried Interest Distributions* ” has the meaning set forth in Section 5.8(e).

“ *Unallocated Capital Commitment Interests* ” has the meaning set forth in Section 8.1(f).

“ *Unfunded Capital Commitment-Related Commitment* ” has the meaning set forth in Section 7.1(ii).

“ *Unfunded Commitment* ” has the meaning set forth in Section 7.1(ii).

“ *Withdraw* ” or “ *Withdrawal* ” with respect to a Partner means a Partner ceasing to be a partner of the Partnership (except as a Retaining Withdrawn Partner) for any reason (including death, disability, removal, resignation or retirement, whether such is voluntary or involuntary), unless the context shall limit the type of withdrawal to a specific reason and subject to any written agreements between a Partner and the Partnership or any Affiliate thereof, and “Withdrawn” with respect to a Partner means, as aforesaid, a Partner who has ceased to be a partner of the Partnership.

“ *Withdrawal Date* ” means the date of the Withdrawal from the Partnership of a Withdrawn Partner.

“ *Withdrawn Partner* ” means a Limited Partner whose Interest in the Partnership has been terminated for any reason, including the occurrence of an event specified in Section 6.2, and shall include, unless the context requires otherwise, the estate or legal representative of any such Partner.

“ *W-8BEN* ” has the meaning set forth in Section 3.8.

“ *W-8IMY* ” has the meaning set forth in Section 3.8.

“ *W-9* ” has the meaning set forth in Section 3.8.

Section 1.2. Terms Generally . The definitions in Section 1.1 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The term “ *person* ” includes individuals, partnerships (including limited liability partnerships), companies (including limited liability companies), joint ventures, corporations, trusts, governments (or agencies or political subdivisions thereof) and other associations and entities. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”.

ARTICLE II

GENERAL PROVISIONS

Section 2.1. General Partner and Limited Partners . The Partners may be General Partners or Limited Partners. The General Partners are BSSF Europe (Cayman) and BSSF Europe GP Delaware. The Limited Partners shall be as shown on the books and records of the Partnership. The books and records of the Partnership contain the GP-Related Profit Sharing Percentage and GP-Related Commitment of each Partner (including, without limitation, BSSF Europe GP Delaware) with respect to the GP-Related Investments of the Partnership as of the date hereof. The books and records of the Partnership contain the Capital Commitment Profit Sharing Percentage and Capital Commitment-Related Commitment of each Partner (including, without limitation, BSSF Europe GP Delaware) with respect to the Capital Commitment Investments of the Partnership as of the date hereof. The books and records of the Partnership shall be amended by the General Partner from time to time to reflect additional

GP-Related Investments, additional Capital Commitment Investments, dispositions by the Partnership of GP-Related Investments, dispositions by the Partnership of Capital Commitment Investments, the GP-Related Profit Sharing Percentages of the Partners (including, without limitation, BSSF Europe GP Delaware) as modified from time to time, the Capital Commitment Profit Sharing Percentages of the Partners (including, without limitation, BSSF Europe GP Delaware) as modified from time to time, the admission of additional Partners, the withdrawal of Partners and the transfer or assignment of interests in the Partnership pursuant to the terms of this Agreement. At the time of admission of each additional Partner, the General Partner shall determine in its sole discretion the GP-Related Investments and Capital Commitment Investments in which such Partner shall participate and such Partner's GP-Related Commitment, Capital Commitment-Related Commitment, GP-Related Profit Sharing Percentage with respect to each such GP-Related Investment and Capital Commitment Profit Sharing Percentage with respect to each such Capital Commitment Investment.

Section 2.2. Formation; Name. The Partnership was formed upon the filing and recording of a Certificate with the Registrar of Corporations on May 29, 2009 (L.P. No. 14717193) and is hereby continued as a limited partnership pursuant to the Partnership Act and shall conduct its activities under the name of Blackstone Real Estate Special Situations Management Associates Europe L.P.

Section 2.3. Term. The term of the Partnership shall continue until December 31, 2059, unless earlier dissolved and terminated in accordance with this Agreement.

Section 2.4. Purpose; Powers. (a) The purpose and character of the business of the Partnership shall be, directly or indirectly through subsidiaries or Affiliates,

(i) to serve as a limited partner of Associates or of any Other Fund GP and perform the obligations of a limited partner specified in such entities' respective partnership or similar agreements,

(ii) to invest in GP-Related Investments, Capital Commitment Investments and other Investments and to acquire and invest in Securities or other property (directly or indirectly),

(iii) to serve as a member of Blackstone Real Estate Special Situations Associates Europe (Delaware) L.L.C. and perform the obligations of a member specified in such entity's respective limited liability company agreement,

(iv) to serve as general partner or limited partner of other partnerships and/or a member of limited liability companies, and hold interests in partnerships, companies, corporations and other entities,

(v) to carry on such other businesses for profit, perform such other services and make such other investments for profit as are deemed desirable by the General Partner,

(vi) any other lawful purpose, and

(vii) to do all things necessary and incidental thereto.

(b) In furtherance of its purposes, the Partnership shall have all powers necessary, suitable or convenient for the accomplishment of its purposes, alone or with others, as principal or agent, including the following:

(i) to be and become a general or limited partner of partnerships, a member of limited liability companies, a holder of common and preferred stock of corporations and/or an investor in the foregoing entities or other entities, in connection with the making of Investments or the acquisition, holding or disposition of Securities or other property or as otherwise deemed appropriate by the General Partner in the conduct of the Partnership's business, and to take any action in connection therewith;

(ii) to acquire and invest in general or limited partner interests, in limited liability company interests, in common and preferred stock of corporations and/or in other interests in or obligations of the foregoing entities or other entities and in Investments and Securities or other property or direct or indirect interests therein, whether such Investments and Securities or other property are readily marketable or not, and to receive, hold, sell, dispose of or otherwise transfer any such partner interests, limited liability company interests, stock, interests, obligations, Investments or Securities or other property and any dividends and distributions thereon and to purchase and sell, on margin, and be long or short, futures contracts and to purchase and sell, and be long or short, options on futures contracts;

(iii) to buy, sell and otherwise acquire investments, whether such investments are readily marketable or not;

(iv) to invest and reinvest the cash assets of the Partnership in money-market or other short-term investments;

(v) to hold, receive, mortgage, pledge, lease, transfer, exchange or otherwise dispose of, grant options with respect to, and otherwise deal in and exercise all rights, powers, privileges and other incidents of ownership or possession with respect to, all property held or owned by the Partnership;

(vi) to borrow or raise money from time to time and to issue promissory notes, drafts, bills of exchange, warrants, bonds, debentures and other negotiable and non-negotiable instruments and evidences of indebtedness, to secure payment of the principal of any such indebtedness and the interest thereon by mortgage, pledge, conveyance or assignment in trust of, or the granting of a security interest in, the whole or any part of the property of the Partnership, whether at the time owned or thereafter acquired, to guarantee the obligations of others and to buy, sell, pledge or otherwise dispose of any such instrument or evidence of indebtedness;

(vii) to lend any of its property or funds, either with or without security, at any legal rate of interest or without interest;

(viii) to have and maintain one or more offices within or without the Province of Alberta, Canada, and in connection therewith, to rent or acquire office space, engage personnel and compensate them and do such other acts and things as may be advisable or necessary in connection with the maintenance of such office or offices;

(ix) to open, maintain and close accounts, including margin accounts, with brokers;

(x) to open, maintain and close bank accounts and draw checks and other orders for the payment of moneys;

(xi) to engage accountants, auditors, custodians, investment advisers, attorneys and any and all other agents and assistants, both professional and nonprofessional, and to compensate them as may be necessary or advisable;

(xii) to form or cause to be formed and to own the stock of one or more corporations, whether foreign or domestic, to form or cause to be formed and to participate in partnerships and joint ventures, whether foreign or domestic, and to form or cause to be formed and be a member or manager or both of one or more limited liability companies;

(xiii) to enter into, make and perform all contracts, agreements and other undertakings as may be necessary, convenient or advisable or incident to carrying out its purposes;

(xiv) to sue and be sued, to prosecute, settle or compromise all claims against third parties, to compromise, settle or accept judgment to claims against the Partnership, and to execute all documents and make all representations, admissions and waivers in connection therewith;

(xv) to distribute, subject to the terms of this Agreement, at any time and from time to time to Partners cash or investments or other property of the Partnership, or any combination thereof; and

(xvi) to take such other actions necessary or incidental thereto and to engage in such other businesses as may be permitted under applicable law.

Section 2.5. Place of Business. The Partnership shall maintain an office and principal place of business at 345 Park Avenue, New York, New York 10154 U.S.A., or such other place or places as may from time to time be designated by the General Partner.

Section 2.6. Feeder Vehicle. (a) The Interest of the Feeder Vehicle shall be treated as Interests held by more than one Limited Partner for purposes of determining the appropriate treatment of the Feeder Vehicle in connection herewith, in light of the multiple interest holders in the Feeder Vehicle. This shall include (i) reflecting on the books and records of the Partnership a separate Interest held by the Feeder Vehicle with respect to each interest holder therein and (ii) applying the provisions of Article IV as though the interest holder were a direct Limited Partner in the Partnership.

(b) If any interest holder of the Feeder Vehicle fails to make a Capital Contribution to the Feeder Vehicle, the Feeder Vehicle may be treated as a Defaulting Limited Partner in accordance with the provisions hereof, but solely with respect to such interest holder's indirect interest in the Partnership.

(c) In the case of any vote of Limited Partners under this Agreement or any law, the Feeder Vehicle shall vote its Interest in proportion to the votes on such matter of the interest holders thereof, based on their pro rata interest therein, that are unaffiliated with the General Partner.

(d) The General Partner may make any adjustments to the Interest of the Feeder Vehicle to accomplish the overall objectives of this Section 2.6; provided, that such adjustments shall in no way have a materially adverse effect on the Interests of any other Partner.

ARTICLE III
MANAGEMENT

Section 3.1. General Partners. BSSF Europe (Cayman) and BSSF Europe GP Delaware shall be the “General Partners,” subject to Section 3.4. A General Partner may not be removed without its consent. The management of the business and affairs of the Partnership shall be vested in the General Partners as provided in Section 3.4.

Section 3.2. Limitations on Limited Partners. Except as may be expressly required or permitted by the Partnership Act, Limited Partners as such shall have no right to, and shall not, take part in the control of the Partnership’s business or act for or bind the Partnership, and shall have only the rights and powers of a limited partner as provided in both the Partnership Act and this Agreement.

Section 3.3. Partner Voting. (a) To the extent a Partner is entitled to vote with respect to any matter relating to the Partnership, such Partner shall not be obligated to abstain from voting on any matter (or vote in any particular manner) because of any interest (or conflict of interest) of such Partner (or any Affiliate thereof) in such matter.

(b) Meetings of the Partners may be held only when called by the General Partner.

Section 3.4. Management. (a) The full management, control and operation of the Partnership and the formulation and execution of business and investment policy shall be vested in the General Partners, and the General Partners shall have full control over the business and affairs of the Partnership; provided that, except as otherwise required by applicable law, (i) BSSF Europe (Cayman) shall have exclusive power, authority, management, control and operation with respect to the voting of securities of portfolio companies of BSSF Europe, (ii) BSSF Europe GP Delaware shall have exclusive power, authority, management, control and operation with respect to all matters of any kind except the voting of securities of portfolio companies of BSSF Europe, and (iii) each reference to the “General Partner” in this Agreement means BSSF Europe GP Delaware, unless such reference relates to the voting of securities of portfolio companies of BSSF Europe, in which case, such reference means BSSF Europe (Cayman). Subject to the proviso to the immediately preceding sentence, the General Partners shall, in the General Partners’ discretion, exercise all powers necessary and convenient for the purposes of the Partnership, including, without limitation, those enumerated in Section 2.4, on behalf and in the name of the Partnership. All decisions and determinations (howsoever described herein) to be made by the General Partners pursuant to this Agreement shall be made in the General Partners’ discretion, subject only to the express terms and conditions of this Agreement.

(b) All outside business or investment activities of the Partners (including outside directorships or trusteeships) shall be subject to such rules and regulations as are established by the General Partner from time to time.

Section 3.5. Responsibilities of Partners. The General Partner may from time to time establish such rules and regulations applicable to Partners as the General Partner deems appropriate.

Section 3.6. Exculpation and Indemnification. (a) Liability to Partners. Notwithstanding any other provision of this Agreement, whether express or implied, to the fullest extent permitted by law, no Partner nor any of such Partner’s representatives, agents or advisors nor any partner, member, officer, employee, representative, agent or advisor of the Partnership or any of its Affiliates (individually, a “*Covered Person*” and collectively, the “*Covered Persons*”) shall be liable to the

Partnership or any other Partner for any act or omission (in relation to the Partnership, this Agreement, any related document or any transaction or investment contemplated hereby or thereby) taken or omitted by a Covered Person (other than any act or omission constituting Cause), unless there is a final and non-appealable judicial determination and/or determination of an arbitrator that such Covered Person did not act in good faith and in what such Covered Person reasonably believed to be in, or not opposed to, the best interests of the Partnership and within the authority granted to such Covered Person by this Agreement, and, with respect to any criminal act or proceeding, had reasonable cause to believe that such Covered Person's conduct was unlawful. Each Covered Person shall be entitled to rely in good faith on the advice of legal counsel to the Partnership, accountants and other experts or professional advisors, and no action taken by any Covered Person in reliance on such advice shall in any event subject such person to any liability to any Partner or the Partnership. To the extent that, at law or in equity, a Partner has duties (including fiduciary duties) and liabilities relating thereto to the Partnership or to another Partner, to the fullest extent permitted by law, such Partner acting under this Agreement shall not be liable to the Partnership or to any such other Partner for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they expand or restrict the duties and liabilities of a Partner otherwise existing at law or in equity, are agreed by the Partners, to the fullest extent permitted by law, to modify to that extent such other duties and liabilities of such Partner.

(b) Indemnification . To the fullest extent permitted by law, the Partnership shall indemnify and hold harmless (but only to the extent of the Partnership's assets (including, without limitation, the remaining GP-Related Commitments and Capital Commitment - Related Commitments of the Partners) each Covered Person from and against any and all claims, damages, losses, costs, expenses and liabilities (including, without limitation, amounts paid in satisfaction of judgments, in compromises and settlements, as fines and penalties and legal or other costs and reasonable expenses of investigating or defending against any claim or alleged claim), joint and several, of any nature whatsoever, known or unknown, liquidated or unliquidated (collectively, for purposes of this Section 3.6, "*Losses*"), arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, in which the Covered Person may be involved, or threatened to be involved, as a party or otherwise, by reason of such Covered Person's management of the affairs of the Partnership or which relate to or arise out of or in connection with the Partnership, its property, its business or affairs (other than claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, arising out of any act or omission of such Covered Person constituting Cause); provided, that a Covered Person shall not be entitled to indemnification under this Section with respect to any claim, issue or matter if there is a final and non-appealable judicial determination and/or determination of an arbitrator that such Covered Person did not act in good faith and in what such Covered Person reasonably believed to be in, or not opposed to, the best interest of the Partnership and within the authority granted to such Covered Person by this Agreement, and, with respect to any criminal act or proceeding, had reasonable cause to believe that such Covered Person's conduct was unlawful; provided further, that if such Covered Person is a Partner or a Withdrawn Partner, such Covered Person shall bear its share of such Losses in accordance with such Covered Person's GP-Related Profit Sharing Percentage in the Partnership as of the time of the actions or omissions that gave rise to such Losses. To the fullest extent permitted by law, expenses (including legal fees) incurred by a Covered Person (including, without limitation, the General Partner) in defending any claim, demand, action, suit or proceeding may, with the approval of the General Partner, from time to time, be advanced by the Partnership prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Partnership of a written undertaking by or on behalf of the Covered Person to repay such amount to the extent that it shall be subsequently determined that the Covered Person is not entitled to be indemnified as authorized in this Section, and the Partnership and its Affiliates shall have a continuing right of offset against such Covered Person's interests/investments in the Partnership and such Affiliates and shall have the right to withhold amounts

otherwise distributable to such Covered Person to satisfy such repayment obligation. If a Partner institutes litigation against a Covered Person which gives rise to an indemnity obligation hereunder, such Partner shall be responsible, up to the amount of such Partner's Interests and remaining GP-Related Commitment and Capital Commitment - Related Commitment, for such Partner's pro rata share of the Partnership's expenses related to such indemnity obligation, as determined by the General Partner. The Partnership may purchase insurance, to the extent available at reasonable cost, to cover losses, claims, damages or liabilities covered by the foregoing indemnification provisions. Partners will not be personally obligated with respect to indemnification pursuant to this Section.

Section 3.7. Representations of Limited Partners.

(a) Each Limited Partner by execution of this Agreement (or by otherwise becoming bound by the terms and conditions hereof as provided herein or in the Partnership Act) represents and warrants to every other Partner and to the Partnership, except as may be waived by the General Partner, that such Limited Partner is acquiring each of such Limited Partner's Interests for such Limited Partner's own account for investment and not with a view to resell or distribute the same or any part hereof, and that no other person has any interest in any such Interest or in the rights of such Limited Partner hereunder. Each Limited Partner represents and warrants that such Limited Partner understands that the Interests have not been registered under the Securities Act of 1933 and therefore such Interests may not be resold without registration under such Act or exemption from such registration, and that accordingly such Limited Partner must bear the economic risk of an investment in the Partnership for an indefinite period of time. Each Limited Partner represents that such Limited Partner has such knowledge and experience in financial and business matters that such Limited Partner is capable of evaluating the merits and risks of an investment in the Partnership, and that such Limited Partner is able to bear the economic risk of such investment. Each Limited Partner represents that such Limited Partner's overall commitment to the Partnership and other investments which are not readily marketable is not disproportionate to the Limited Partner's net worth and the Limited Partner has no need for liquidity in the Limited Partner's investment in Interests. Each Limited Partner represents that to the full satisfaction of the Limited Partner, the Limited Partner has been furnished any materials that such Limited Partner has requested relating to the Partnership, any Investment and the offering of Interests and has been afforded the opportunity to ask questions of representatives of the Partnership concerning the terms and conditions of the offering of Interests and any matters pertaining to each Investment and to obtain any other additional information relating thereto. Each Limited Partner represents that the Limited Partner has consulted to the extent deemed appropriate by the Limited Partner with the Limited Partner's own advisers as to the financial, tax, legal and related matters concerning an investment in Interests and on that basis believes that an investment in the Interests is suitable and appropriate for the Limited Partner.

(b) Each Partner agrees that the representations and warranties contained in paragraph (a) above shall be true and correct as of any date that such Partner (1) makes a capital contribution to the Partnership (whether as a result of Firm Advances made to such Partner or otherwise) with respect to any Investment, and such Partner hereby agrees that such capital contribution shall serve as confirmation thereof and/or (2) repays any portion of the principal amount of a Firm Advance, and such Partner hereby agrees that such repayment shall serve as confirmation thereof.

Section 3.8. Tax Representation. Each Limited Partner certifies that (A) if the Limited Partner is a United States person (as defined in the Code) (x) (i) the Limited Partner's name, social security number (or, if applicable, employer identification number) and address provided to the Partnership and its Affiliates pursuant to an IRS Form W-9, Payer's Request for Taxpayer Identification Number Certification ("W-9") or otherwise are correct and (ii) the Limited Partner will complete and return a W-9, and (y) (i) the Limited Partner is a United States person (as defined in the Code) and (ii) the

Limited Partner will notify the Partnership within 60 days of a change to foreign (non-United States) status or (B) if the Limited Partner is not a United States person (as defined in the Code) (x) (i) the information on the completed IRS Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding (“*W-8BEN*”) or other applicable form, including but not limited to IRS Form W-8IMY, Certificate of Foreign Intermediary, Foreign Partnership, or Certain U.S. Branches for United States Tax Withholding (“*W-8IMY*”), or otherwise is correct and (ii) the Limited Partner will complete and return the applicable IRS form, including but not limited to a W-8BEN or W-8IMY, and (y) (i) the Limited Partner is not a United States person (as defined in the Code) and (ii) the Limited Partner will notify the Partnership within 60 days of any change of such status. The Limited Partner agrees to properly execute and provide to the Partnership in a timely manner any tax documentation that may be reasonably required by the General Partner.

ARTICLE IV

CAPITAL OF THE PARTNERSHIP

Section 4.1. Capital Contributions by Partners. (a) Each Partner (other than BSSF Europe (Cayman)) may be required to make GP-Related Capital Contributions to the Partnership at such times and in such amounts as are required to fund the GP-Related Required Amounts, as determined by the General Partner from time to time; provided, that (i) such GP-Related Capital Contributions may be made pro rata among the Partners (other than BSSF Europe (Cayman)) based upon the allocation of the Carried Interest in each GP-Related BSSF Europe Investment by the General Partner and (ii) additional GP-Related Capital Contributions in excess of GP-Related Required Amounts which are to be used for ongoing business operations (as distinct from financing legal or other specific liabilities of the Partnership) (including those specifically set forth in Sections 4.1(d) and 5.8(d)) shall be determined by the General Partner; provided further, that the General Partner may excuse any Partner from making GP-Related Capital Contributions to fund GP-Related Required Amounts as provided in the books and records of the Partnership. Limited Partners (other than Special Limited Partners or any Affiliates thereof) shall not be required to make additional GP-Related Capital Contributions to the Partnership except (i) as a condition of an increase in such Limited Partner’s GP-Related Profit Sharing Percentage, or (ii) as specifically set forth in this Agreement; provided, however, that the General Partner and any Partner (other than BSSF Europe (Cayman)) may agree from time to time that such Partner shall make an additional GP-Related Capital Contribution to the Partnership; and provided further that each Investor Limited Partner shall maintain its GP-Related Capital Account at a level equal to the product of (i) its GP-Related Profit Sharing Percentage from time to time and (ii) the total capital of the Partnership related to the Partnership’s GP-Related Associates Partner Interest; provided further, that the foregoing in no way limits any other provision of this Agreement (including without limitation, Sections 5.8(d) and (e) and 6.5) or of any written agreement between a Partner and the Partnership or an Affiliate thereof which requires the making of any such additional GP-Related Capital Contribution; provided further, that if required by applicable law, the maximum amount of capital a Partner is obligated to contribute to the Partnership at any time in respect of such Partner’s GP-Related Partner Interest shall be disclosed in a Certificate filed in accordance with the Partnership Act; and provided further, that, any provision of this Agreement to the contrary notwithstanding, BSSF Europe (Cayman) shall be required to make a maximum capital contribution of (U.S.)\$10. Notwithstanding the foregoing, the unfunded amount of the commitment of any Partner (other than BSSF Europe (Cayman)) to make GP-Related Capital Contributions to the Partnership (such Partner’s “*Unfunded Commitment*”) may be determined and redetermined by the General Partner from time to time (including, without limitation, any redetermination that results in a reduction in such Partner’s Unfunded Commitment, which reduction may be retroactive); provided that each Partner (other than BSSF Europe (Cayman)) agrees to make GP-Related Capital

Contributions in the full amount of such Partner's Unfunded Commitment at any time, on condition that the General Partner does not thereafter make a redetermination that results in a reduction in such Partner's Unfunded Commitment and subject to all other terms and conditions set forth herein and/or in any other agreement relating thereto; and provided further, that, following an initial determination of the commitment of a Partner (other than BSSF Europe (Cayman)), such Partner's Unfunded Commitment shall not be increased without the consent of such Partner. Any provision of this Agreement to the contrary notwithstanding, no GP-Related Capital Contribution shall become due and payable or be required to be made by any Partner, unless and until it shall be called by the General Partner for the purposes set forth herein or in the Commitment Agreement of such Partner.

(b) The General Partner may elect on a case by case basis to (i) cause the Partnership to loan any Partner (including any additional Partner admitted to the Partnership pursuant to Section 6.1 but excluding any Partners that are also executive officers of Blackstone) the amount of any GP-Related Capital Contribution required to be made by such Partner or (ii) permit any Partner (including any additional Partner admitted to the Partnership pursuant to Section 6.1) to make a required GP-Related Capital Contribution to the Partnership in installments, in each case on terms determined by the General Partner in accordance with Section 5.2.

(c) Each GP-Related Capital Contribution by a Partner shall be credited to the appropriate GP-Related Capital Account of such Partner in accordance with Section 5.2.

(d) (i) The Partners and the Withdrawn Partners have entered into the Trust Agreement, pursuant to which certain amounts of the distributions relating to the Carried Interest will be paid to the Trustee(s) for deposit in the Trust Account (such amounts to be paid to the Trustee(s) for deposit in the Trust Account constituting a "*Holdback*"). The General Partner shall determine, as set forth below, the percentage of each distribution of Carried Interest that shall be withheld for BSSF Europe GP Delaware and each Partner Category (such withheld percentage constituting BSSF Europe GP Delaware's and such Partner Category's "*Holdback Percentage*"). The applicable Holdback Percentages initially shall be 0% for BSSF Europe GP Delaware, 15% for Existing Partners (other than BSSF Europe GP Delaware), 21% for Retaining Withdrawn Partners (other than BSSF Europe GP Delaware) and 24% for Deceased Partners (the "*Initial Holdback Percentages*"). Any provision of this Agreement to the contrary notwithstanding, the Holdback Percentage for BSSF Europe GP Delaware shall not be subject to change pursuant to clause (ii), (iii) or (iv) of this Section 4.1(d).

(ii) The Holdback Percentage may not be reduced for any individual Partner as compared to the other Partners in his Partner Category (except as provided in clause (iv) below). The General Partner may only reduce the Holdback Percentages among the Partner Categories on a proportionate basis. For example, if the Holdback Percentage for Existing Partners is decreased to 12.5%, the Holdback Percentage for Retaining Withdrawn Partners and Deceased Partners shall be reduced to 17.5% and 20%, respectively. Any reduction in the Holdback Percentage for any Partner shall apply only to distributions relating to Carried Interest made after the date of such reduction.

(iii) The Holdback Percentage may not be increased for any individual Partner as compared to the other Partners in his Partner Category (except as provided in clause (iv) below). The General Partner may not increase the Retaining Withdrawn Partners' Holdback Percentage beyond 21% unless the General Partner concurrently increases the Existing Partners' Holdback Percentage to 21%. The General Partner may not increase the Deceased Partners' Holdback Percentage beyond 24% unless the General Partner increases the Holdback Percentage for both Existing Partners and Retaining Withdrawn Partners to 24%. The General Partner may

not increase the Holdback Percentage of any Partner Category beyond 24% unless such increase applies equally to all Partner Categories. Any increase in the Holdback Percentage for any Partner shall apply only to distributions relating to Carried Interest made after the date of such increase. The foregoing shall in no way prevent the General Partner from proportionately increasing the Holdback Percentage of any Partner Category (following a reduction of the Holdback Percentages below the Initial Holdback Percentages), if the resulting Holdback Percentages are consistent with the above. For example, if the General Partner reduces the Holdback Percentages for Existing Partners, Retaining Withdrawn Partners and Deceased Partners to 12.5%, 17.5% and 20%, respectively, the General Partner shall have the right to subsequently increase the Holdback Percentages to the Initial Holdback Percentages.

(iv) (A) Notwithstanding anything contained herein to the contrary, the Partnership may increase or decrease the Holdback Percentage for any Partner in any Partner Category (in such capacity, the “*Subject Partner*”) pursuant to a majority vote of the Special Limited Partners and BSSF Europe GP Delaware (a “*Holdback Vote*”); provided, that a Subject Partner’s Holdback Percentage shall not be (I) increased prior to such time as such Subject Partner (x) is notified by the Partnership of the decision to increase such Subject Partner’s Holdback Percentage and (y) has, if requested by such Subject Partner, been given 30 days to gather and provide information to the Partnership for consideration before a second Holdback Vote (requested by the Subject Partner) and (II) decreased unless such decrease occurs subsequent to an increase in a Subject Partner’s Holdback Percentage pursuant to a Holdback Vote under this clause (iv); provided further, that such decrease shall not exceed an amount such that such Subject Partner’s Holdback Percentage is less than the prevailing Holdback Percentage for such Subject Partner’s Partner Category; provided further, that a Partner shall not vote to increase a Subject Partner’s Holdback Percentage unless such voting partner determines, in his good faith judgment, that the facts and circumstances indicate that it is reasonably likely that such Subject Partner, or any of his successors or assigns (including his estate or heirs) who at the time of such vote holds the Partnership interest or otherwise has the right to receive distributions relating thereto, will not be capable of satisfying any GP-Related Recontribution Amounts that may become due.

(B) A Holdback Vote shall take place at a Partnership meeting. Each of the Special Limited Partners and BSSF Europe GP Delaware shall be entitled to cast one vote with respect to the Holdback Vote regardless of such Partner’s interest in the Partnership. Such vote may be cast by any such Partner in person or by proxy.

(C) If the result of the second Holdback Vote is an increase in a Subject Partner’s Holdback Percentage, such Subject Partner may submit the decision to an arbitrator, the identity of which is mutually agreed upon by both the Subject Partner and the Partnership; provided, that if the Partnership and the Subject Partner cannot agree upon a mutually satisfactory arbitrator within 10 days of the second Holdback Vote, each of the Partnership and the Subject Partner shall request its candidate for arbitrator to select a third arbitrator satisfactory to such candidates; provided further, that if such candidates fail to agree upon a mutually satisfactory arbitrator within 30 days of such request, the then sitting President of the American Arbitration Association shall unilaterally select the arbitrator. Each Subject Partner that submits the decision of the Partnership pursuant to the second Holdback Vote to arbitration and the Partnership shall estimate their reasonably projected out-of-pocket expenses relating thereto and each such party shall, to the satisfaction of the arbitrator and prior to any determination being made by the arbitrator, pay the total of such estimated expenses (i.e., both the Subject Partner’s

and the Partnership's expenses) into an escrow account to be controlled by Simpson Thacher & Bartlett, as escrow agent (or such other comparable law firm as the Partnership and Subject Partner shall agree). The arbitrator shall direct the escrow agent to pay out of such escrow account all expenses associated with such arbitration (including costs leading thereto) and to return to the "victorious" party the entire amount of funds such party paid into such escrow account. If the amount contributed to the escrow account by the losing party is insufficient to cover the expenses of such arbitration, such "losing" party shall then provide any additional funds necessary to cover such costs to such "victorious" party. For purposes hereof, the "victorious" party shall be the Partnership, if the Holdback Percentage ultimately determined by the arbitrator is closer to the percentage determined in the second Holdback Vote than it is to the prevailing Holdback Percentage for the Subject Partner's Partner Category; otherwise, the Subject Partner shall be the "victorious" party. The party that is not the "victorious" party shall be the "losing" party.

(D) In the event of a decrease in a Subject Partner's Holdback Percentage (1) pursuant to a Holdback Vote under this clause (iv) or (2) pursuant to a decision of an arbitrator under paragraph (C) of this clause (iv), the Partnership shall release and distribute to such Subject Partner any Trust Amounts (and the Trust Income thereon (except as expressly provided herein with respect to using Trust Income as Firm Collateral)) which exceed the required Holdback of such Subject Partner (in accordance with such Subject Partner's reduced Holdback Percentage) as though such reduced Holdback Percentage had applied since the increase of the Subject Partner's Holdback Percentage pursuant to a previous Holdback Vote under this clause (iv).

(v) (A) If a Partner's Holdback Percentage exceeds 15% (such percentage in excess of 15% constituting the "*Excess Holdback Percentage*"), such Partner may satisfy the portion of his Holdback obligation in respect of his Excess Holdback Percentage (such portion constituting such Partner's "*Excess Holdback*"), and such Partner (or a Withdrawn Partner with respect to amounts contributed to the Trust Account while he was a Partner), to the extent his Excess Holdback obligation has previously been satisfied in cash, may obtain the release of the Trust Amounts (but not the Trust Income thereon which shall remain in the Trust Account and allocated to such Partner or Withdrawn Partner) satisfying such Partner's or Withdrawn Partner's Excess Holdback obligation, by pledging or otherwise making available to the Partnership, on a first priority basis (except as provided below), all or any portion of his Firm Collateral in satisfaction of his Excess Holdback obligation. Any Partner seeking to satisfy all or any portion of the Excess Holdback utilizing Firm Collateral shall sign such documents and otherwise take such other action as is necessary or appropriate (in the good faith judgment of the General Partner) to perfect a first priority security interest in, and otherwise assure the ability of the Partnership to realize on (if required), such Firm Collateral; provided, that in the case of entities listed in the books and records of the Partnership, in which Partners/members are permitted to pledge their interests therein to finance all or a portion of their capital contributions thereof ("*Pledgable Blackstone Interests*"), to the extent a first priority security interest is unavailable because of an existing lien on such Firm Collateral, the Partner or Withdrawn Partner seeking to utilize such Firm Collateral shall grant the Partnership a second priority security interest therein in the manner provided above; provided further, that (x) to the extent that neither a first priority nor a second priority security interest in Pledgable Blackstone Interests is available, or (y) if the General Partner otherwise determines in its good faith judgment that a security interest in Firm Collateral (and the corresponding documents and actions) are not necessary or appropriate, the

Partner or Withdrawn Partner shall (in the case of either clause (x) or (y) above) irrevocably instruct in writing the relevant partnership, limited liability company or other entity listed on Exhibit A to remit any and all net proceeds resulting from a Firm Collateral Realization on such Firm Collateral to the Trustee(s) as more fully provided in clause (B) below. The Partnership shall, at the request of any Partner or Withdrawn Partner, assist such Partner or Withdrawn Partner in taking such action as is necessary to enable such Partner or Withdrawn Partner to use Firm Collateral as provided hereunder.

(B) If upon a sale or other realization of all or any portion of any Firm Collateral (a “*Firm Collateral Realization*”), the remaining Firm Collateral is insufficient to cover any Partner’s or Withdrawn Partner’s Excess Holdback requirement, then up to 100% of the net proceeds otherwise distributable to such Partner or Withdrawn Partner from such Firm Collateral Realization (including distributions subject to the repayment of financing sources as in the case of Pledgable Blackstone Interests) shall be paid into the Trust Account to fully satisfy such Excess Holdback requirement (allocated to such Partner or Withdrawn Partner) and shall be deemed to be Trust Amounts for purposes hereunder. Any net proceeds from such Firm Collateral Realization in excess of the amount necessary to satisfy such Excess Holdback requirement shall be distributed to such Partner or Withdrawn Partner.

(C) Upon any valuation or revaluation of Firm Collateral that results in a decreased valuation of such Firm Collateral so that such Firm Collateral is insufficient to cover any Partner’s or Withdrawn Partner’s Excess Holdback requirement (including upon a Firm Collateral Realization, if net proceeds therefrom and the remaining Firm Collateral are insufficient to cover any Partner’s or Withdrawn Partner’s Excess Holdback requirement), the Partnership shall provide notice of the foregoing to such Partner or Withdrawn Partner and such Partner or Withdrawn Partner shall, within 30 days of receiving such notice, contribute cash (or additional Firm Collateral) to the Trust Account in an amount necessary to satisfy his Excess Holdback requirement. If any such Partner or Withdrawn Partner defaults upon his obligations under this clause (C), then Section 5.8(d)(ii) shall apply thereto; provided, that the first sentence of Section 5.8(d)(ii) shall be deemed inapplicable to a default under this clause (C); provided further, that for purposes of applying Section 5.8(d)(ii) to a default under this clause (C): (1) the term “GP-Related Defaulting Party” where such term appears in such Section 5.8(d)(ii) shall be construed as “defaulting party” for purposes hereof and (2) the terms “Net GP-Related Recontribution Amount” and “GP-Related Recontribution Amount” where such terms appear in such Section 5.8(d)(ii) shall be construed as the amount due pursuant to this clause (C).

(vi) Any Partner or Withdrawn Partner may (i) obtain the release of any Trust Amounts (but not the Trust Income thereon which shall remain in the Trust Account and allocated to such Partner or Withdrawn Partner) or Firm Collateral, in each case, held in the Trust Account for the benefit of such Partner or Withdrawn Partner or (ii) require the Partnership to distribute all or any portion of amounts otherwise required to be placed in the Trust Account (whether cash or Firm Collateral), by obtaining a letter of credit for the benefit of the Trustee(s) (an “*L/C*”) in such amounts. Any Partner or Withdrawn Partner choosing to furnish an L/C to the Trustee(s) (in such capacity, an “*L/C Partner*”) shall deliver to the Trustee(s) an unconditional and irrevocable L/C from a commercial bank whose (A) short-term deposits are rated at least A-1 by S&P and P-1 by Moody’s (if the L/C is for a term of 1 year or less), or (B) long-term deposits are rated at least A+ by S&P or A1 by Moody’s (if the L/C is for a term of 1 year or more) (each

a “ *Required Rating* ”). If the relevant rating of the commercial bank issuing such L/C drops below the relevant Required Rating, the L/C Partner shall supply to the Trustee(s), within 30 days of such occurrence, a new L/C from a commercial bank whose relevant rating is at least equal to the relevant Required Rating, in lieu of the insufficient L/C. In addition, if the L/C has a term expiring on a date earlier than the latest possible termination date of BSSF Europe, the Trustee(s) shall be permitted to drawdown on such L/C if the L/C Partner fails to provide a new L/C from a commercial bank whose relevant rating is at least equal to the relevant Required Rating, at least 30 days prior to the stated expiration date of such existing L/C. The Trustee(s) shall notify an L/C Partner 10 days prior to drawing on any L/C. The Trustee(s) may (as directed by the Partnership in the case of clause (1) below) draw down on an L/C only if (1) such a drawdown is necessary to satisfy an L/C Partner’s obligation relating to the Partnership’s obligations under the Clawback Provisions or (2) an L/C Partner has not provided a new L/C from a commercial bank whose relevant rating is at least equal to the relevant Required Rating (or the requisite amount of cash and/or Firm Collateral (to the extent permitted hereunder)), at least 30 days prior to the stated expiration of an existing L/C in accordance with this clause (vi). The Trustee(s), as directed by the Partnership, shall return to any L/C Partner his L/C upon (1) termination of the Trust Account and satisfaction of the Partnership’s obligations, if any, in respect of the Clawback Provisions, (2) an L/C Partner satisfying his entire Holdback obligation in cash and Firm Collateral (to the extent permitted hereunder), or (3) the release, by the Trustee(s), as directed by the Partnership, of all amounts in the Trust Account to Partners or Withdrawn Partners. If an L/C Partner satisfies a portion of his Holdback obligation in cash and/or Firm Collateral (to the extent permitted hereunder) or if the Trustee(s), as directed by the Partnership, release a portion of the amounts in the Trust Account to the Partners or Withdrawn Partners in the Partner Category of such L/C Partner, an L/C Partner’s L/C may be reduced by an amount corresponding to such portion satisfied in cash and/or Firm Collateral (to the extent permitted hereunder) or such portion released by the Trustee(s), as directed by the Partnership; provided, that in no way shall the general release of any Trust Income cause an L/C Partner to be permitted to reduce the amount of an L/C by any amount.

(vii) (A) Any in-kind distributions by the Partnership relating to Carried Interest shall be made in accordance herewith as though such distributions consisted of cash. The Partnership may direct the Trustee(s) to dispose of any in-kind distributions held in the Trust Account at any time. The net proceeds therefrom shall be treated as though initially contributed to the Trust Account.

(B) In lieu of the foregoing, any Existing Partner may pledge with respect to any in-kind distribution the Special Firm Collateral referred to in the applicable books and records of the Partnership; provided, that the initial contribution of such Special Firm Collateral shall initially equal 130% of the required Holdback Amount for a period of 90 days, and thereafter shall equal at least 115% of the required Holdback Amount. Paragraphs 4.1(d)(viii)(C) and (D) shall apply to such Special Firm Collateral. To the extent such Special Firm Collateral exceeds the applicable minimum percentage of the required Holdback Amount specified in the first sentence of this clause (vii)(B), the related Partner may obtain a release of such excess amount from the Trust Account.

(viii) (A) Any Partner or Withdrawn Partner may satisfy all or any portion of his Holdback (excluding any Excess Holdback), and such Partner or a Withdrawn Partner may, to the extent his Holdback (excluding any Excess Holdback) has been previously satisfied in cash or by the use of an L/C as provided herein, obtain a release of Trust Amounts (but not the Trust Income thereon which shall remain in the Trust Account and allocated to such Partner or

Withdrawn Partner) that satisfy such Partner's or Withdrawn Partner's Holdback (excluding any Excess Holdback) by pledging to the Trustee(s) on a first priority basis all of his Special Firm Collateral in a particular Qualifying Fund, which at all times must equal or exceed the amount of the Holdback distributed to the Partner or Withdrawn Partner (as more fully set forth below). Any Partner seeking to satisfy such Partner's Holdback utilizing Special Firm Collateral shall sign such documents and otherwise take such other action as is necessary or appropriate (in the good faith judgment of the General Partner) to perfect a first priority security interest in, and otherwise assure the ability of the Trustee(s) to realize on (if required), such Special Firm Collateral.

(B) If upon a distribution, withdrawal, sale, liquidation or other realization of all or any portion of any Special Firm Collateral (a "*Special Firm Collateral Realization*"), the remaining Special Firm Collateral (which shall not include the amount of Firm Collateral that consists of a Qualifying Fund and is being used in connection with an Excess Holdback) is insufficient to cover any Partner's or Withdrawn Partner's Holdback (when taken together with other means of satisfying the Holdback as provided herein (i.e., cash contributed to the Trust Account or an L/C in the Trust Account)), then up to 100% of the net proceeds otherwise distributable to such Partner or Withdrawn Partner from such Special Firm Collateral Realization (which shall not include the amount of Firm Collateral that consists of a Qualifying Fund and is being used in connection with an Excess Holdback) shall be paid into the Trust (and allocated to such Partner or Withdrawn Partner) to fully satisfy such Holdback and shall be deemed thereafter to be Trust Amounts for purposes hereunder. Any net proceeds from such Special Firm Collateral Realization in excess of the amount necessary to satisfy such Holdback (excluding any Excess Holdback) shall be distributed to such Partner or Withdrawn Partner. To the extent a Qualifying Fund distributes Securities to a Partner or Withdrawn Partner in connection with a Special Firm Collateral Realization, such Partner or Withdrawn Partner shall be required to promptly fund such Partner's or Withdrawn Partner's deficiency with respect to his Holdback in cash or an L/C.

(C) Upon any valuation or revaluation of the Special Firm Collateral and/or any adjustment in the Applicable Collateral Percentage applicable to a Qualifying Fund (as provided in the books and records of the Partnership), if such Partner's or Withdrawn Partner's Special Firm Collateral valued at less than such Partner's Holdback (excluding any Excess Holdback) as provided in the books and records of the Partnership, taking into account other permitted means of satisfying the Holdback hereunder, the Partnership shall provide notice of the foregoing to such Partner or Withdrawn Partner and, within 10 business days of receiving such notice, such Partner or Withdrawn Partner shall contribute cash or additional Special Firm Collateral to the Trust Account in an amount necessary to make up such deficiency. If any such Partner or Withdrawn Partner defaults upon his obligations under this clause (C), then Section 5.8(d)(ii) shall apply thereto; provided, that clause (A) of the first sentence of Section 5.8(d)(ii) shall be deemed inapplicable to such default; provided further, that for purposes of applying Section 5.8(d)(ii) to a default under this clause (C): (I) the term "GP-Related Defaulting Party" where such term appears in such Section 5.8(d)(ii) shall be construed as "defaulting party" for purposes hereof and (II) the terms "GP-Related Net Recontribution Amount" and "GP-Related Recontribution Amount" where such terms appear in such Section 5.8(d)(ii) shall be construed as the amount due pursuant to this clause (C).

(D) Upon a Partner becoming a Withdrawn Partner, at any time thereafter the General Partner may revoke the ability of such Withdrawn Partner to use Special Firm Collateral as set forth in this Section 4.1(d)(viii), notwithstanding anything else in this Section 4.1(d)(viii). In that case the provisions of clause (C) above shall apply to the Withdrawn Partner's obligation to satisfy the Holdback (except that 30 days' notice of such revocation shall be given), given that the Special Firm Collateral is no longer available to satisfy any portion of the Holdback (excluding any Excess Holdback).

(E) Nothing in this Section 4.1(d)(viii) shall prevent any Partner or Withdrawn Partner from using any amount of such Partner's interest in a Qualifying Fund as Firm Collateral; provided that at all times Section 4.1(d)(v) and this Section 4.1(d)(viii) are each satisfied.

Section 4.2. Interest. Interest on the balances of the Partners' capital (excluding capital invested in GP-Related Investments and, if deemed appropriate by the General Partner, capital invested in any other investment of the Partnership) shall be credited to the Partners' GP-Related Capital Accounts at the end of each accounting period pursuant to Section 5.2, or at any other time as determined by the General Partner, at rates determined by the General Partner from time to time, and shall be charged as an expense of the Partnership.

Section 4.3. Withdrawals of Capital. The Partners may not withdraw capital related to such Partner's GP-Related Partner Interest from the Partnership except (i) for distributions of cash or other property pursuant to Section 5.8, (ii) as otherwise expressly provided in this Agreement, or (iii) as determined by the General Partner.

ARTICLE V

PARTICIPATION IN PROFITS AND LOSSES

Section 5.1. General Accounting Matters. (a) GP-Related Net Income (Loss) shall be determined by the General Partner at the end of each accounting period and shall be allocated as described in Section 5.4.

(b) "GP-Related Net Income (Loss)" from any activity of the Partnership related to the Partnership's GP-Related Associates Interest for any accounting period (other than GP-Related Net Income (Loss) from GP-Related Investments described below) means (i) the gross income realized by the Partnership from such activity during such accounting period less (ii) all expenses of the Partnership, and all other items that are deductible from gross income, for such accounting period that are allocable to such activity (determined as provided below).

"GP-Related Net Income (Loss)" from any GP-Related Investment for any accounting period in which such GP-Related Investment has not been sold or otherwise disposed of means (i) the gross amount of dividends, interest or other income received by the Partnership from such GP-Related Investment during such accounting period less (ii) all expenses of the Partnership for such accounting period that are allocable to such GP-Related Investment (determined as provided below).

"GP-Related Net Income (Loss)" from any GP-Related Investment for the accounting period in which such GP-Related Investment is sold or otherwise disposed of means (i) the sum of the gross proceeds from the sale or other disposition of such GP-Related Investment and the gross amount of dividends,

interest or other income received by the Partnership from such GP-Related Investment during such accounting period less (ii) the sum of the cost or other basis to the Partnership of such GP-Related Investment and all expenses of the Partnership for such accounting period that are allocable to such GP-Related Investment.

GP-Related Net Income (Loss) shall be determined in accordance with the accounting method used by the Partnership for U.S. Federal income tax purposes with the following adjustments: (i) any income of the Partnership that is exempt from U.S. federal income taxation and not otherwise taken into account in computing GP-Related Net Income (Loss) shall be added to such taxable income or loss; (ii) if any asset has a value on the books of the Partnership that differs from its adjusted tax basis for U.S. federal income tax purposes, any depreciation, amortization or gain resulting from a disposition of such asset shall be calculated with reference to such value; (iii) upon an adjustment to the value of any asset on the books of the Partnership pursuant to Regulation Section 1.704-1(b)(2), the amount of the adjustment shall be included as gain or loss in computing such taxable income or loss; (iv) any expenditures of the Partnership not deductible in computing taxable income or loss, not properly capitalizable and not otherwise taken into account in computing GP-Related Net Income (Loss) pursuant to this definition shall be treated as deductible items; (v) any income from a GP-Related Investment that is payable to Partnership employees in respect of “phantom interests” in such GP-Related Investment awarded by the General Partner to employees shall be included as an expense in the calculation of GP-Related Net Income (Loss) from such GP-Related Investment, and (vi) items of income and expense (including interest income and overhead and other indirect expenses) of the Partnership and Affiliates of the Partnership shall be allocated among the Partnership and such Affiliates, among various Partnership activities and GP-Related Investments and between accounting periods, in each case as determined by the General Partner. The General Partner may adjust GP-Related Net Income (Loss) as it deems appropriate from time to time, including adjustments for items of income accrued but not yet received, unrealized gains, items of expense accrued but not yet paid, unrealized losses, reserves (including reserves for taxes, bad debts, actual or threatened litigation, or any other expenses, contingencies or obligations) and other appropriate items, and any such adjustment, if made, shall be made in accordance with GAAP; (provided, that the General Partner shall not be required to make any such adjustment).

(c) An accounting period shall be a Fiscal Year except that, at the option of the General Partner, an accounting period will terminate and a new accounting period will begin on the admission date of an additional Partner or the Settlement Date of a Withdrawn Partner, if any such date is not the first day of a Fiscal Year. If any event referred to in the preceding sentence occurs and the General Partner does not elect to terminate an accounting period and begin a new accounting period, then the General Partner may make such adjustments as it deems appropriate to the Partners’ GP-Related Profit Sharing Percentages for the accounting period in which such event occurs (prior to any allocations of GP-Related Unallocated Percentages or adjustments to GP-Related Profit Sharing Percentages pursuant to Section 5.3) to reflect the Partners’ average GP-Related Profit Sharing Percentages during such accounting period; provided, that the GP-Related Profit Sharing Percentages of Partners in GP-Related Net Income (Loss) from GP-Related Investments acquired during such accounting period will be based on GP-Related Profit Sharing Percentages in effect when each such GP-Related Investment was acquired.

(d) In establishing GP-Related Profit Sharing Percentages and allocating GP-Related Unallocated Percentages pursuant to Section 5.3, the General Partner may consider such factors as it deems appropriate.

(e) All determinations, valuations and other matters of judgment required to be made for accounting purposes under this Agreement shall be made by the General Partner and approved by the Partnership’s independent accountants. Such approved determinations, valuations and other accounting

matters shall be conclusive and binding on all Partners, all Withdrawn Partners, their successors, heirs, estates or legal representatives and any other person, and to the fullest extent permitted by law no such person shall have the right to an accounting or an appraisal of the assets of the Partnership or any successor thereto.

Section 5.2. Capital Accounts. (a) There shall be established for each Partner on the books of the Partnership, to the extent and at such times as may be appropriate, one or more capital accounts as the General Partner may deem to be appropriate for purposes of accounting for such Partner's interests in the capital in respect of such Partner's GP-Related Partner Interest and GP-Related Net Income (Loss) of the Partnership (each a "*GP-Related Capital Account*").

(b) As of the end of each accounting period or, in the case of a contribution to the Partnership by one or more of the Partners in respect of such Partner or Partners' GP-Related Partner Interests or a distribution by the Partnership to one or more of the Partners in respect of such Partner or Partners' GP-Related Partner Interests, at the time of such contribution or distribution, (i) the appropriate GP-Related Capital Accounts of each Partner shall be credited with the following amounts: (A) the amount of cash and the value of any property contributed by such Partner to the capital of the Partnership in respect of such Partner's GP-Related Partner Interest during such accounting period, (B) the GP-Related Net Income allocated to such Partner for such accounting period and (C) the interest credited on the balance of such Partner's capital in respect of such Partner's GP-Related Partner Interest for such accounting period pursuant to Section 4.2; and (ii) the appropriate GP-Related Capital Accounts of each Partner shall be debited with the following amounts: (x) the amount of cash, the principal amount of any subordinated promissory note of the Partnership referred to in Section 6.5 (as such amount is paid) and the value of any property distributed to such Partner in respect of such Partner's GP-Related Partner Interest during such accounting period and (y) the GP-Related Net Loss allocated to such Partner for such accounting period.

Section 5.3. GP-Related Profit Sharing Percentages. (a) Prior to the beginning of each annual accounting period, the General Partner shall (i) establish the profit sharing percentage (the "*GP-Related Profit Sharing Percentage*") of each Partner in each category of GP-Related Net Income (Loss) for such annual accounting period pursuant to Section 5.1(a) taking into account such factors as the General Partner deems appropriate, including those referred to in Section 5.1(d), and (ii) disclose such GP-Related Profit Sharing Percentages as required by the Partnership Act; provided, however, that (i) the General Partner may elect to establish GP-Related Profit Sharing Percentages in GP-Related Net Income (Loss) from any GP-Related Investment acquired by the Partnership during such accounting period at the time such GP-Related Investment is acquired in accordance with paragraph (d) below and (ii) GP-Related Net Income (Loss) for such accounting period from any GP-Related Investment shall be allocated in accordance with the GP-Related Profit Sharing Percentages in such GP-Related Investment established in accordance with paragraph (d) below. The General Partner may establish different GP-Related Profit Sharing Percentages for any Partner in different categories of GP-Related Net Income (Loss). In the case of the Withdrawal of a Partner, such former Partner's GP-Related Profit Sharing Percentages shall be allocated by the General Partner to one or more of the remaining Partners as the General Partner shall determine. In the case of the admission of any Partner to the Partnership as an additional Partner, the GP-Related Profit Sharing Percentages of the other Partners shall be reduced by an amount equal to the GP-Related Profit Sharing Percentage allocated to such new Partner pursuant to Section 6.1 (b); such reduction of each other Partner's GP-Related Profit Sharing Percentage shall be pro rata based upon such Partner's GP-Related Profit Sharing Percentage as in effect immediately prior to the admission of the new Partner. Notwithstanding the foregoing, the General Partner may also adjust the GP-Related Profit Sharing Percentage of any Partner for any annual accounting period at the end of such annual accounting period.

(b) The General Partner may elect to allocate to the Partners less than 100% of the GP-Related Profit Sharing Percentages of any category for any annual accounting period at the time specified in Section 5.3(a) for the annual fixing of GP-Related Profit Sharing Percentages (any remainder of such GP-Related Profit Sharing Percentages being called a “*GP-Related Unallocated Percentage*”); provided, that any GP-Related Unallocated Percentage in any category of GP-Related Net Income (Loss) for any annual accounting period that is not allocated by the General Partner within 90 days after the end of such accounting period shall be deemed to be allocated among all the Partners (including BSSF Europe GP Delaware) in the manner determined by the General Partner in its sole discretion.

(c) Unless otherwise determined by the General Partner in a particular case, (i) GP-Related Profit Sharing Percentages in GP-Related Net Income (Loss) from any GP-Related Investment shall be allocated in proportion to the Partners’ respective GP-Related Capital Contributions in respect of such GP-Related Investment and (ii) GP-Related Profit Sharing Percentages in GP-Related Net Income (Loss) from each GP-Related Investment shall be fixed at the time such GP-Related Investment is acquired and shall not thereafter change, subject to any repurchase rights or other requirements established by the General Partner pursuant to Section 5.7. BSSF Europe (Cayman) shall have no GP-Related Profit Sharing Percentage in GP-Related Net Income (Loss) from any GP-Related Investment, but shall receive its pro rata share, based on its capital contribution, of earnings on short-term and temporary investments of the Partnership.

Section 5.4. Allocations of GP-Related Net Income (Loss). (a) Except as provided in Sections 5.4(d), GP-Related Net Income for each GP-Related BSSF Europe Investment shall be allocated to the GP-Related Capital Accounts related to such GP-Related BSSF Europe Investment of all the Partners participating in such GP-Related BSSF Europe Investment: first, in proportion to and to the extent of the amount of Non-Carried Interest (other than amounts representing a return of GP-Related Capital Contributions) or Carried Interest distributed to the Partners, second, to Partners that received Non-Carried Interest (other than amounts representing a return of GP-Related Capital Contributions) or Carried Interest in years prior to the years such GP-Related Net Income is being allocated to the extent such Non-Carried Interest (other than amounts representing a return of GP-Related Capital Contributions) or Carried Interest exceeded GP-Related Net Income allocated to such Partners in such earlier years; and third, to the Partners in the same manner that such Non-Carried Interest (other than amounts representing a return of GP-Related Capital Contributions) or Carried Interest would have been distributed if cash were available to distribute with respect thereto.

(b) GP-Related Net Loss of the Partnership shall be allocated as follows: (i) GP-Related Net Loss relating to realized losses suffered by BSSF Europe and allocated (indirectly) to the Partnership with respect to its pro rata share thereof (based on GP-Related Capital Contributions made (indirectly) to BSSF Europe) shall be allocated to the Partners in accordance with each Partner’s Non-Carried Interest Sharing Percentage with respect to the GP-Related Investment giving rise to such loss suffered by BSSF Europe and (ii) GP-Related Net Loss relating to realized losses suffered by BSSF Europe and allocated (indirectly) to the Partnership with respect to the Carried Interest shall be allocated in accordance with a Partner’s (including Withdrawn Partner’s) Carried Interest Give Back Percentage (as of the date of such loss) (subject to adjustment pursuant to Section 5.8(e));

(c) Notwithstanding Section 5.4(a) above, GP-Related Net Income relating to Carried Interest allocated after the allocation of a GP-Related Net Loss pursuant to clause (ii) of Section 5.4(b) shall be allocated in accordance with such Carried Interest Give Back Percentages until such time as the Partners have been allocated GP-Related Net Income relating to Carried Interest equal to the aggregate amount of GP-Related Net Loss previously allocated in accordance with clause (ii) of Section 5.4(b). Withdrawn Partners shall remain Partners for purposes of allocating such GP-Related Net Loss with respect to Carried Interest.

(d) To the extent the Partnership has any GP-Related Net Income (Loss) for any accounting period unrelated to BSSF Europe, such GP-Related Net Income (Loss) will be allocated in accordance with GP-Related Profit Sharing Percentages prevailing at the beginning of such accounting period.

(e) The General Partner may authorize from time to time advances to Partners (including any additional Partner admitted to the Partnership pursuant to Section 6.1 but excluding any Partners that are also executive officers of Blackstone) against their allocable shares of GP-Related Net Income (Loss).

Section 5.5. Liability of General Partners. General Partners shall have unlimited liability for the satisfaction and discharge of all losses, liabilities and expenses of the Partnership.

Section 5.6. Liability of Limited Partners. Each Limited Partner (including each Special Limited Partner) and former Limited Partner shall be liable for the satisfaction and discharge of all losses, liabilities and expenses of the Partnership allocable to him pursuant to Section 5.4, but only to the extent of his aggregate capital contributions to the Partnership pursuant to this Agreement. Except as otherwise provided in the following sentence, in no event shall any Limited Partner (including any Special Limited Partner) or former Limited Partner be obligated to make any additional capital contributions to the Partnership in excess of his aggregate GP-Related Capital Contribution and Capital Commitment – Related Capital Contribution to the Partnership pursuant to Sections 4.1 and 7.1, or have any liability in excess of such aggregate GP-Related Capital Contribution and Capital Commitment—Related Capital Contribution for the satisfaction and discharge of the losses, liabilities and expenses of the Partnership. In no way does any of the foregoing limit any Partner's obligations under Section 4.1(d) or 5.8(d) or otherwise to make GP-Related Capital Contributions as provided hereunder. Notwithstanding anything contained herein, each Partner agrees that the exercise of any right or power provided in this Agreement shall not make any Limited Partner liable as a general partner.

Section 5.7. Repurchase Rights, etc. The General Partner may from time to time establish such repurchase rights and/or requirements with respect to the Partners' interests in partnership assets (including GP-Related BSSF Europe Investments) as the General Partner may determine. The General Partner shall, prior to the dissolution of the Partnership, have authority to (a) withhold any distribution otherwise payable to any Partner until any such repurchase rights have lapsed or any such requirements have been satisfied, (b) pay any distribution to any Partner that is Contingent as of the distribution date and require the refund of any portion of such distribution that is Contingent as of the Withdrawal Date of such Partner, (c) amend any previously established repurchase rights or other requirements from time to time and (d) make such exceptions thereto as it may determine on a case by case basis.

Section 5.8. Distributions. (a) (i) The Partnership shall make distributions of available cash (subject to reserves and adjustments established by the General Partner as provided in Section 5.1) or other property to Partners in respect of such Partners' GP-Related Partner Interests at such times and in such amounts as are determined by the General Partner. The General Partner shall determine the availability for distribution of, and shall distribute, cash or other property separately for each category of GP-Related Net Income (Loss) established pursuant to Section 5.1(a). Distributions of cash or other property with respect to Non-Carried Interest shall be made among the Partners in accordance with their respective Non-Carried Interest Sharing Percentages, and, subject to Sections 4.1(d) and 5.8(e), distributions of cash or other property with respect to Carried Interest shall be made among Partners in accordance with their respective Carried Interest Sharing Percentages.

(ii) At any time that a sale, exchange, transfer or other disposition by BSSF Europe of a portion of a GP-Related Investment is being considered by the Partnership (a “*GP-Related Disposable Investment*”), at the election of the General Partner each Partner’s GP-Related Partner Interest with respect to such GP-Related Investment shall be vertically divided into two separate GP-Related Partner Interests, a GP-Related Partner Interest attributable to the GP-Related Disposable Investment (a Partner’s “*GP-Related Class B Interest*”), and a GP-Related Partner Interest attributable to such GP-Related Investment excluding the GP-Related Disposable Investment (a Partner’s “*GP-Related Class A Interest*”). Distributions (including those resulting from a sale, transfer, exchange or other disposition by BSSF Europe) relating to a GP-Related Disposable Investment (with respect to both Carried Interest and Non-Carried Interest) shall be made only to holders of GP-Related Class B Interests with respect to such GP-Related Investment in accordance with their GP-Related Profit Sharing Percentages relating to such GP-Related Class B Interests, and distributions (including those resulting from the sale, transfer, exchange or the disposition by BSSF Europe) relating to a GP-Related Investment excluding such GP-Related Disposable Investment (with respect to both Carried Interest and Non-Carried Interest) shall be made only to holders of GP-Related Class A Interests with respect to such GP-Related Investment in accordance with their respective GP-Related Profit Sharing Percentages relating to such GP-Related Class A Interests. Except as provided above, distributions of cash or other property with respect to each category of GP-Related Net Income (Loss) shall be allocated among the Partners in the same proportions as the allocations of GP-Related Net Income (Loss) of each such category.

(b) Subject to the Partnership’s having sufficient available cash in the reasonable judgment of the General Partner, the Partnership shall make cash distributions to each Partner with respect to each Fiscal Year of the Partnership in an aggregate amount at least equal to the total U.S. Federal, New York State and New York City income and other taxes that would be payable by such Partner with respect to all categories of GP-Related Net Income (Loss) allocated to such Partner for such Fiscal Year, the amount of which shall be calculated (i) on the assumption that each Partner is an individual subject to the then prevailing maximum U.S. Federal, New York State and New York City income tax rates, (ii) taking into account the deductibility of state and local income and other taxes for U.S. Federal income tax purposes and (iii) taking into account any differential in applicable rates due to the type and character of GP-Related Net Income (Loss) allocated to such Partner. Notwithstanding the provisions of the foregoing sentence, the General Partner may refrain from making any distribution if, in the reasonable judgment of the General Partner, such distribution is prohibited by or in violation of the Partnership Act.

(c) The General Partner may provide that a Partner’s or employee of the Partnership’s right to distributions and investments of the Partnership in respect of such Partner’s GP-Related Partner Interest may be subject to repurchase by the Partnership during such period as the General Partner shall determine (a “*Repurchase Period*”). Any Contingent distributions from investments in respect of such Partner’s GP-Related Partner Interest that are subject to repurchase rights will be withheld by the Partnership and will be distributed to the recipient thereof (together with interest thereon at rates determined by the General Partner from time to time) as the recipient’s rights to such distributions become Non-Contingent (by virtue of the expiration of the applicable Repurchase Period or otherwise). The General Partner may elect in an individual case to have the Partnership distribute any Contingent distribution in respect of a Partner’s GP-Related Partner Interest to the applicable recipient thereof irrespective of whether the applicable Repurchase Period has lapsed. If a Partner (other than the General

Partner) Withdraws from the Partnership for any reason other than his death, Total Disability or Incompetence, the undistributed share of any investment in respect of such Partner's GP-Related Partner Interest that remains Contingent as of the applicable Withdrawal Date shall be repurchased by the Partnership at a purchase price determined at such time by the General Partner. Unless determined otherwise by the General Partner, the repurchased portion thereof will be allocated among the remaining Partners with interests in such investment in respect of such Partners' GP-Related Partner Interests in proportion to their respective percentage interests in such investment in respect of such Partners' GP-Related Partner Interests, or if no other Partner has a percentage interest in such specific investment, to BSSF Europe GP Delaware, as General Partner; provided, however, that the General Partner may allocate the Withdrawn Partner's share of unrealized investment income from a forfeited investment in respect of such Withdrawn Partner's GP-Related Partner Interest attributable to the period after the Withdrawn Partner's Withdrawal Date on any basis it may determine, including to existing or new Partners who did not previously have interests in such investment in respect of such Partners' GP-Related Partner Interests, except that, in any event, each Investor Limited Partner shall be allocated a share of such unrealized investment income equal to its respective GP-Related Profit Sharing Percentage of such unrealized investment income.

(d) (i) (A) If Associates is obligated under the Clawback Provisions or Giveback Provisions to contribute to BSSF Europe a Clawback Amount or a Giveback Amount (other than a Capital Commitment Giveback Amount) and the Partnership is obligated to contribute any such amount to Associates in respect of the Partnership's GP-Related Associates Partner Interest (the amount of such obligation of the Partnership with respect to such a Giveback Amount being herein called a "*GP-Related Giveback Amount*"), the Partnership shall call for such amounts as are necessary to satisfy such obligations of the Partnership as determined by the General Partner, in which case each Partner and Withdrawn Partner shall contribute to the Partnership, in cash, when and as called by the Partnership, such an amount of prior distributions by the Partnership (and the Other Fund GPs) with respect to Carried Interest (and/or Non-Carried Interest in the case of a GP-Related Giveback Amount) (the "*GP-Related Recontribution Amount*") which equals (I) the product of (a) a Partner's or Withdrawn Partner's Carried Interest Give Back Percentage and (b) the aggregate Clawback Amount payable by the Partnership in the case of Clawback Amounts and (II) with respect to a GP-Related Giveback Amount, such Partner's pro rata share of prior distributions of Carried Interest and/or Non-Carried Interest in connection with (a) the GP-Related BSSF Europe Investment giving rise to the GP-Related Giveback Amount, (b) if the amounts contributed pursuant to clause (II)(a) above are insufficient to satisfy such GP-Related Giveback Amount, GP-Related BSSF Europe Investments other than the one giving rise to such obligation, but only those amounts received by the Partners with an interest in the GP-Related BSSF Europe Investment referred to in clause (II)(a) above, and (c) if the GP-Related Giveback Amount pursuant to an applicable BSSF Europe Agreement is unrelated to a specific GP-Related BSSF Europe Investment, all GP-Related BSSF Europe Investments. Each Partner and Withdrawn Partner shall promptly contribute to the Partnership, along with satisfying his comparable obligations to the Other Fund GPs, if any, upon such call, such Partner's or Withdrawn Partner's GP-Related Recontribution Amount, less the amount paid out of the Trust Account on behalf of such Partner or Withdrawn Partner by the Trustee(s) pursuant to written instructions from the Partnership, or if applicable, any of the Other Fund GPs with respect to Carried Interest (and/or Non-Carried Interest in the case of GP-Related Giveback Amounts) (the "*Net GP-Related Recontribution Amount*"), irrespective of the fact that the amounts in the Trust Account may be sufficient on an aggregate basis to satisfy the Partnership's and Other Fund GPs' obligations with respect to the Clawback Provisions and/or Giveback Provisions; provided, that to the extent a Partner's or Withdrawn Partner's share of the amount paid with respect to the Clawback Amount exceeds his GP-Related Recontribution Amount, such excess shall be repaid to such Partner or Withdrawn Partner as promptly as reasonably practicable, subject to clause (ii) below; provided further, that such written instructions from

the Partnership shall specify each Partner's and Withdrawn Partner's GP-Related Recontribution Amount. Prior to such time, the Partnership may, in its discretion (but shall be under no obligation to), provide notice that in the Partnership's judgment, the potential obligations in respect of the Clawback Provisions or Giveback Provisions will probably materialize (and an estimate of the aggregate amount of such obligations); provided further, that any amount from a Partner's Trust Account used to pay any GP-Related Giveback Amount (or such lesser amount as may be required by the General Partner) shall be contributed by such Partner to such Partner's Trust Account no later than 30 days after the Net GP-Related Recontribution Amount is paid with respect to such GP-Related Giveback Amount. Solely to the extent required by the BSSF Europe Agreements, each indirect partner of the Partnership shall have the same obligations as a Partner under this Section 5.8(d)(i)(A) and under Section 5.8(d)(ii)(A) solely with respect to such indirect partner's pro rata share of any Clawback Amount (for purposes of this sentence, as defined in Section 9.2.7(b) of the BSSF Europe Agreements) and solely to the extent that Associates has insufficient funds to meet Associates' obligations under paragraph 9.2.7(a) of the BSSF Europe Agreement and/or the comparable provisions under any BSSF Europe Agreement.

(B) To the extent any Partner or Withdrawn Partner has satisfied any Excess Holdback obligation with Firm Collateral, such Partner or Withdrawn Partner shall, within 10 days of the Partnership's call for GP-Related Recontribution Amounts, make a cash payment into the Trust Account in an amount equal to the amount of the Excess Holdback obligation satisfied with such Firm Collateral, or such lesser amount such that the amount in the Trust Account allocable to such Partner or Withdrawn Partner equals the sum of (I) such Partner's or Withdrawn Partner's GP-Related Recontribution Amount and (II) any similar amounts payable to any Other Fund GPs. Immediately upon receipt of such cash, the Trustee(s) shall take such steps as are necessary to release such Firm Collateral of such Partner or Withdrawn Partner equal to the amount of such cash payment. If the amount of such cash payment is less than the amount of Firm Collateral of such Partner or Withdrawn Partner, the balance of such Firm Collateral if any, shall be retained to secure the payment of GP-Related Deficiency Contributions, if any, and shall be fully released upon the satisfaction of the Partnership's and the Other Fund GPs' obligation to pay the Clawback Amount. The failure of any Partner or Withdrawn Partner to make a cash payment in accordance with this clause (B) (to the extent applicable) shall constitute a default under Section 5.8(d)(ii) as if such cash payment hereunder constitutes a Net GP-Related Recontribution Amount under Section 5.8(d)(ii).

(ii) (A) In the event any Partner or Withdrawn Partner or a partner or other equity holder in any Other Fund GP (a "*GP-Related Defaulting Party*") fails to recontribute all or any portion of such GP-Related Defaulting Party's Net GP-Related Recontribution Amount for any reason, the Partnership shall require all other Partners and Withdrawn Partners to contribute, on a *pro rata* basis (based on each of their respective Carried Interest Give Back Percentages in the case of Clawback Amounts, and GP-Related Profit Sharing Percentages in the case of GP-Related Giveback Amounts (as more fully described in clause (II) of Section 5.8(d)(i)(A) above)), such amounts as are necessary to fulfill the GP-Related Defaulting Party's obligation to pay such GP-Related Defaulting Party's Net GP-Related Recontribution Amount (a "*GP-Related Deficiency Contribution*") if the General Partner determines in its good faith judgment that the Partnership (or Other Fund GP) will be unable to collect such amount in cash from such GP-Related Defaulting Party for payment of the Clawback Amount or GP-Related Giveback Amount, as the case may be, at least 20 Business Days prior to the latest date that the Partnership, and the Other Fund GPs, if applicable, are permitted to pay the Clawback Amount or GP-Related Giveback Amount, as the case may be; provided, that, subject to Section 5.8(e), no Partner or

Withdrawn Partner shall as a result of such GP-Related Deficiency Contribution be required to contribute an amount in excess of 150% of the amount of the Net GP-Related Recontribution Amount initially requested from such Partner or Withdrawn Partner in respect of such default. Thereafter, the General Partner shall determine in its good faith judgment that the Partnership should either (1) not attempt to collect such amount in light of the costs associated therewith, the likelihood of recovery and any other factors considered relevant in the good faith judgment of the General Partner or (2) pursue any and all remedies (at law or equity) available to the Partnership against the GP-Related Defaulting Party, the cost of which shall be a Partnership expense to the extent not ultimately reimbursed by the GP-Related Defaulting Party. It is agreed that the Partnership shall have the right (effective upon such GP-Related Defaulting Party becoming a GP-Related Defaulting Party) to set-off as appropriate and apply against such GP-Related Defaulting Party's Net GP-Related Recontribution Amount any amounts otherwise payable to the GP-Related Defaulting Party by the Partnership or any Affiliate thereof (including amounts unrelated to Carried Interest, such as returns of capital and profit thereon). Each Partner and Withdrawn Partner hereby grants to the Partnership a security interest, effective upon such Partner or Withdrawn Partner becoming a GP-Related Defaulting Party, in all accounts receivable and other rights to receive payment from any Affiliate of the Partnership and agrees that, upon the effectiveness of such security interest, the Partnership may sell, collect or otherwise realize upon such collateral. In furtherance of the foregoing, each Partner and Withdrawn Partner hereby appoints the Partnership as its true and lawful attorney-in-fact with full irrevocable power and authority, in the name of such Partner or Withdrawn Partner or in its own name, to take any actions which may be necessary to accomplish the intent of the immediately preceding sentence. The Partnership shall be entitled to collect interest on the Net GP-Related Recontribution Amount of a GP-Related Defaulting Party from the date such Net GP-Related Recontribution Amount was required to be contributed to the Partnership at a rate equal to the Default Rate.

(B) Any Partner's or Withdrawn Partner's failure to make a GP-Related Deficiency Contribution shall cause such Partner or Withdrawn Partner to be a GP-Related Defaulting Party with respect to such amount. The Partnership shall first seek any remaining Trust Amounts (and Trust Income thereon) allocated to a Partner or Withdrawn Partner to satisfy such Partner's or Withdrawn Partner's obligation to make a GP-Related Deficiency Contribution before seeking cash contributions from such Partner or Withdrawn Partner in satisfaction of such Partner's or Withdrawn Partner's obligation to make a GP-Related Deficiency Contribution.

(iii) A Partner or Withdrawn Partner's obligation to make contributions to the Partnership under this Section 5.8(d) shall survive the termination of the Partnership.

(e) The Partners acknowledge that the General Partner will (and is hereby authorized to) take such steps as it deems appropriate, in its good faith judgment, to further the objective of providing for the fair and equitable treatment of all Partners, including by allocating Writedowns and Net Losses (as defined in the BSSF Europe Agreement) on GP-Related BSSF Europe Investments that have been the subject of a Writedown and/or Net Losses (each, a "*Loss Investment*") to those Partners who participated in such Loss Investments based on their Carried Interest Sharing Percentage therein to the extent that such Partners receive or have received Carried Interest distributions from other GP-Related BSSF Europe Investments. Consequently and notwithstanding anything herein to the contrary, adjustments to Carried Interest distributions shall be made as set forth in this Section 5.8(e).

(i) At the time the Partnership is making Carried Interest distributions in connection with a GP-Related BSSF Europe Investment (the “*Subject Investment*”) that have been reduced under the BSSF Europe Agreement as a result of one or more Loss Investments, the General Partner shall calculate amounts distributable to or due from each such Partner as follows:

(A) determine each Partner’s share of each such Loss Investment based on his Carried Interest Sharing Percentage in each such Loss Investment (which may be zero) to the extent such Loss Investment has reduced the Carried Interest distributions otherwise available for distribution to all Partners (indirectly through Associates and the Partnership from BSSF Europe) from the Subject Investment (such reduction, the “*Loss Amount*”);

(B) determine the amount of Carried Interest distributions otherwise distributable to such Partner with respect to the Subject Investment (indirectly through Associates and the Partnership from BSSF Europe) before any reduction in respect of the amount determined in clause (A) above (the “*Unadjusted Carried Interest Distributions*”); and

(C) subtract (I) the Loss Amounts relating to all Loss Investments from (II) the Unadjusted Carried Interests Distributions for such Partner, to determine the amount of Carried Interest distributions to actually be paid to such Partner (“*Net Carried Interest Distribution*”).

To the extent that the Net Carried Interest Distribution for a Partner as calculated in this clause (i) is a negative number, the General Partner shall (I) notify such Partner, at or prior to the time such Carried Interest distributions are actually made to the Partners, of his obligation to recontribute to the Partnership prior Carried Interest distributions (a “*Net Carried Interest Distribution Recontribution Amount*”), up to the amount of such negative Net Carried Interest Distribution, and (II) to the extent amounts recontributed pursuant to clause (I) are insufficient to satisfy such negative Net Carried Interest Distribution amount, reduce future Carried Interest distributions otherwise due such Partner, up to the amount of such remaining negative Net Carried Interest Distribution. If a Partner’s (x) Net Carried Interest Distribution Recontribution Amount exceeds (y) the aggregate amount of prior Carried Interest distributions less the amount of tax thereon, calculated based on the Assumed Tax Rate (as defined in the BSSF Europe Agreement) in effect in the Fiscal Years of such distributions (the “*Excess Tax-Related Amount*”), then such Partner may, in lieu of paying such Partner’s Excess Tax-Related Amount, defer such amounts as set forth below. Such deferred amount shall accrue interest at the Prime Rate. Such deferred amounts shall be reduced and repaid by the amount of Carried Interest otherwise distributable to such Partner in connection with future Carried Interest distributions until such balance is reduced to zero. Any deferred amounts shall be payable in full upon the earlier of (i) such time as the Clawback Amount is determined (as provided herein) and (ii) such time as the Partner becomes a Withdrawn Partner.

To the extent there is an amount of negative Net Carried Interest Distribution with respect to a Partner remaining after the application of this clause (i), notwithstanding clause (II) of the preceding paragraph, such remaining amount of negative Net Carried Interest Distribution shall be allocated to the other Partners pro rata based on each of their Carried Interest Sharing Percentages in the Subject Investment.

A Partner who fails to pay a Net Carried Interest Distribution Recontribution Amount promptly upon notice from the General Partner (as provided above) shall be deemed a GP-Related Defaulting Party for all purposes hereof.

A Partner may satisfy in part any Net Carried Interest Distribution Recontribution Amount from cash that is then subject to a Holdback, to the extent that the amounts that remain subject to a Holdback satisfy the Holdback requirements hereof as they relate to the reduced amount of aggregate Carried Interest distributions received by such Partner (taking into account any Net Carried Interest Distribution Recontribution Amount contributed to the Partnership by such Partner).

Any Net Carried Interest Distribution Recontribution Amount contributed by a Partner, including amounts of cash subject to a Holdback as provided above, shall increase the amount available for distribution to the other Partners as Carried Interest distributions with respect to the Subject Investment; provided, that any such amounts then subject to a Holdback may be so distributed to the other Partners to the extent a Partner receiving such distribution has satisfied the Holdback requirements with respect to such distribution (taken together with the other Carried Interest distributions received by such Partner to date).

(ii) In the case of Clawback Amounts which are required to be contributed to the Partnership as otherwise provided herein, the obligation of the Partners with respect to any Clawback Amount shall be adjusted by the General Partner as follows:

(A) determine each Partner's share of any Net Losses in any GP-Related BSSF Europe Investments which gave rise to the Clawback Amount (i.e., the Net Losses that followed the last GP-Related BSSF Europe Investment with respect to which Carried Interest distributions were made), based on such Partner's Carried Interest Sharing Percentage in such GP-Related BSSF Europe Investments;

(B) determine each Partner's obligation with respect to the Clawback Amount based on such Partner's Carried Interest Give Back Percentage as otherwise provided herein; and

(C) subtract the amount determined in clause (B) above from the amount determined in clause (A) above with respect to each Partner to determine the amount of adjustment to each Partner's share of the Clawback Amount (a Partner's "*Clawback Adjustment Amount*").

A Partner's share of the Clawback Amount shall for all purposes hereof be decreased by such Partner's Clawback Adjustment Amount, to the extent it is a negative number (except to the extent expressly provided below). A Partner's share of the Clawback Amount shall for all purposes hereof be increased by such Partner's Clawback Adjustment Amount (to the extent it is a positive number); provided, that in no way shall a Partner's aggregate obligation to satisfy a Clawback Amount as a result of this clause (ii) exceed the aggregate Carried Interest distributions received by such Partner. To the extent a positive Clawback Adjustment Amount remains after the application of this clause (ii) with respect to a Partner, such remaining Clawback Adjustment Amount shall be allocated to the Partners (including any Partner whose Clawback Amount was increased pursuant to this clause (ii)) pro rata based on their Carried Interest Give Back Percentages (determined without regard to this clause (ii)).

Any distribution or contribution adjustments pursuant to this Section 5.8(e) by the General Partner shall be based on its good faith judgment, and no Partner shall have any claim against the Partnership, the General Partner or any other Partners as a result of any adjustment made as set forth above. This Section 5.8(e) applies to all Partners, including Withdrawn Partners.

It is agreed and acknowledged that this Section 5.8(e) is an agreement among the Partners and in no way modifies the obligations of each Partner regarding the Clawback Amount as provided in the BSSF Europe Agreement.

Section 5.9. Business Expenses. The Partnership shall reimburse the Partners for reasonable travel, entertainment and miscellaneous expenses incurred by them in their participation in the Partnership's affairs in accordance with rules and regulations established by the General Partner from time to time.

Section 5.10. Tax Capital Accounts; Tax Allocations.

For U.S. federal income tax purposes, there shall be established for each Partner a single capital account combining such Partner's Capital Commitment Capital Account and GP-Related Capital Account, with such adjustments as the General Partner determines are appropriate so that such single capital account is maintained in compliance with the principles and requirements of Section 704(b) of the Code and the Regulations thereunder.

(a) (b) For U.S. federal, state and local income tax purposes only, Partnership income, gain, loss, deduction or expense (or any item thereof) for each fiscal year shall be allocated to and among the Partners in a manner corresponding to the manner in which corresponding items are allocated among the Partners pursuant to clause (a) above, provided the General Partner may in its sole discretion make such allocations for tax purposes as it determines are appropriate so that allocations have substantial economic effect or are in accordance with the interests of the Partners, within the meaning of the Code and the Regulations thereunder.

ARTICLE VI

ADDITIONAL PARTNERS; WITHDRAWAL OF PARTNERS; SATISFACTION AND DISCHARGE OF PARTNERSHIP INTERESTS; TERMINATION

Section 6.1. Additional Partners. (a) Effective on the first day of any month (or on such other date as shall be determined by the General Partner in its sole discretion), the General Partner shall have the right to admit one or more additional persons into the Partnership as General Partners or Limited Partners. Each such person shall make the representations with respect to itself set forth in Section 3.6. The General Partner shall determine and negotiate with the additional Partner all terms of such additional Partner's participation in the Partnership, including the additional Partner's initial GP-Related Capital Contribution, Capital Commitment-Related Capital Contribution, GP-Related Profit Sharing Percentage and Capital Commitment Profit Sharing Percentage. Each additional Partner shall have such voting rights as determined by the General Partner from time to time unless, upon the admission to the Partnership of any Limited Partner, the General Partner shall designate that such Limited Partner shall not have such voting rights (any such Limited Partner being called a "*Nonvoting Limited Partner*"). Any additional Partner shall, as a condition to becoming a Partner, agree to become a party to, and be bound by the terms and conditions of, the Trust Agreement. If Blackstone or another or subsequent holder of an Investor Note approved by the General Partner for purposes of this Section 6.1 (a) shall foreclose upon a Limited Partner's Investor Note issued to finance such Limited Partner's purchase of his Capital Commitment Interests, Blackstone or such other or subsequent holder shall succeed to such Limited Partner's Capital Commitment Interests and shall be deemed to have become a Limited Partner to such extent.

(b) The GP-Related Profit Sharing Percentages to be allocated to an additional Partner as of the date such Partner is admitted to the Partnership, together with the pro rata reduction in all other Partners' GP-Related Profit Sharing Percentages as of such date, shall be established by the General Partner pursuant to Section 5.3. The Capital Commitment Profit Sharing Percentages to be allocated to an additional Partner as of the date such Partner is admitted to the Partnership, together with the *pro rata* reduction in all other Partners' Capital Commitment Profit Sharing Percentages as of such date, shall be established by the General Partner.

(c) An additional Partner shall be required to contribute to the Partnership his pro rata share of the Partnership's total capital, excluding capital in respect of GP-Related Investments and Capital Commitment Investments in which such Partner does not acquire any interests, at such times and in such amounts as shall be determined by the General Partner in accordance with Sections 4.1 and 7.1.

(d) The admission of an additional Partner will be evidenced by the execution of a counterpart copy of this Agreement by such additional Partner or the execution of an amendment to this Agreement by all the Partners (including the additional Partner), as determined by the General Partner, or the execution by such additional Partner of any other writing evidencing the intent of such Person to become a substitute or additional Limited Partner and such writing being accepted by the General Partner on behalf of the Partnership, and the filing of any certificates or notifications pursuant to the Partnership Act. In addition, each additional Partner shall sign a counterpart copy of the Trust Agreement or any other writing evidencing the intent of such Person to become a party to the Trust Agreement.

Section 6.2. Withdrawal of Partners. (a) Any Partner may Withdraw voluntarily from the Partnership on the last day of any calendar month (or on such other date as shall be determined by the General Partner in its sole discretion), on not less than 15 days' prior written notice by such Partner to the General Partner (or on such shorter notice period as may be mutually agreed upon between such Partner and the General Partner); provided, that a Partner may not voluntarily Withdraw without the consent of the General Partner if such Withdrawal would (i) cause the Partnership to be in default under any of its contractual obligations or (ii) in the reasonable judgment of the General Partner, have a material adverse effect on the Partnership or its business; provided further that a Partner may Withdraw from the Partnership with respect to such Partner's GP-Related Partner Interest without Withdrawing from the Partnership with respect to such Partner's Capital Commitment Partner Interest, and a Partner may Withdraw from the Partnership with respect to such Partner's Capital Commitment Partner Interest without Withdrawing from the Partnership with respect to such Partner's GP-Related Partner Interest.

(b) (i) Upon the death or Incompetence of any Limited Partner, or the occurrence of any other mandatory Withdrawal event under the Partnership Act with respect to any Limited Partner, such Limited Partner shall thereupon cease to be a Limited Partner.

(ii) The General Partner may not assign or transfer all or any portion of its interest in the Partnership (including its GP-Related Partner Interest and its Capital Commitment Partner Interest) without the prior consent of all the Limited Partners. Each Limited Partner agrees not to withhold its consent in the event an assignment or transfer has been approved by Limited Partners whose GP-Related Profit Sharing Percentages exceed two-thirds of the GP-Related Profit Sharing Percentages of all Limited Partners (in each case, as last determined as of the date of the consent). Notwithstanding the foregoing or any other provision of this Agreement, the General Partner may, at any time prior to any Disabling Event with respect to such General Partner and without the consent of any other Partner, convert or merge into, or otherwise assign or transfer its interest as the General Partner of the Partnership to, any other person, and such person will succeed to the position of general partner of the Partnership, with all the rights,

powers and obligations associated therewith, provided that any individuals who are partners of the Partnership will control and own (in the aggregate), directly or indirectly, not less than a majority of the equity interests in such other person. The Partners, upon the request of the General Partner, agree to provide the General Partner a written ratification of such succession. If the General Partner is converted to another type of entity pursuant to this Section 6.2(b)(ii), the General Partner will not cease to be the General Partner of the Partnership and, upon such conversion, the Partnership will continue without dissolution. If a merger of the General Partner into another person pursuant to this Section 6.2(b)(ii) will not result in the General Partner being the surviving entity of the merger, the person that will be the surviving entity in the merger with the General Partner will itself be admitted to the Partnership as an additional general partner of the Partnership immediately preceding the merger upon its execution of a counterpart to this Agreement and, upon such merger, the Partnership will continue without dissolution. Any purported assignment or transfer pursuant to this Section 6.2(b)(ii) which is not in accordance with this Agreement shall be null and void. The General Partner shall not cease to be the general partner of the Partnership upon the collateral assignment of, or the pledging or granting of a security interest in, its entire interest in the Partnership.

(c) Upon the Total Disability of a Special Limited Partner, such Partner shall thereupon cease to be a Special Limited Partner with respect to such person's GP-Related Partner Interest; provided, however, that the General Partner may elect to admit such Withdrawn Partner to the Partnership as a Nonvoting Limited Partner with respect to such Partner's GP-Related Partner Interest, with such partnership interest as it may determine. The determination of whether any Partner has suffered a Total Disability shall be made by the General Partner in its sole discretion after consultation with a qualified medical doctor. In the absence of agreement between the General Partner and such Partner, each party shall nominate a qualified medical doctor and the two doctors shall select a third doctor, who shall make the determination as to Total Disability.

(d) If the General Partner determines that it shall be in the best interests of the Partnership for any Partner (including any Partner who has given notice of voluntary Withdrawal pursuant to paragraph (a) above) to Withdraw from the Partnership (whether or not Cause exists) with respect to such Partner's GP-Related Partner Interest and/or with respect to such Partner's Capital Commitment Partner Interest, such Partner, upon written notice by the General Partner to such Partner, shall be required to Withdraw with respect to such Partner's GP-Related Partner Interest and/or with respect to such Partner's Capital Commitment Partner Interest, as determined by the General Partner, as of a date specified in such notice, which date shall be on or after the date of such notice. If the General Partner requires any Partner to Withdraw for Cause with respect to such Partner's GP-Related Partner Interest and/or with respect to such Partner's Capital Commitment Partner Interest, such notice shall state that it has been given for Cause and shall describe the particulars thereof in reasonable detail.

(e) The withdrawal from the Partnership of any Partner shall not, in and of itself, affect the obligations of the other Partners to continue the Partnership during the remainder of its term. A Withdrawn General Partner shall remain liable for all obligations of the Partnership incurred while he was a General Partner and resulting from his acts or omissions as a General Partner to the fullest extent provided by law.

Section 6.3. GP-Related Partner Interests Not Transferable. (a) No Limited Partner may sell, assign, pledge or otherwise transfer or encumber all or any portion of such Partner's GP-Related Partner Interest in the Partnership other than as permitted by written agreement between such Partner and the Partnership; provided, however, that this Section 6.3 shall not impair transfers by operation of law occurring by virtue of the death or dissolution of a Partner; and provided further, that a Special Limited

Partner may assign up to 25% of his GP-Related Profit Sharing Percentage to an estate planning trust, limited partnership or limited liability company with respect to which such Special Limited Partner controls investments related to any interest in the Partnership held therein (an “*Estate Planning Vehicle*”). Each Estate Planning Vehicle will be a Nonvoting Limited Partner. Such Special Limited Partner and the Nonvoting Limited Partner will be jointly and severally liable for all obligations of both such Special Limited Partner and such Nonvoting Limited Partner with respect to the Partnership (including the obligation to make additional GP-Related Capital Contributions). The General Partner may at its sole option exercisable at any time require such Estate Planning Vehicle to Withdraw from the Partnership on the terms of this Article VI. Except as provided in the second proviso to the first sentence of this Section 6.3(a), no assignee, legatee, distributee, heir or transferee (by conveyance, operation of law or otherwise) of the whole or any portion of any Partner’s GP-Related Partner Interest in the Partnership shall have any right to be a General Partner or Limited Partner without the prior written consent of the General Partner which may be given or withheld in its sole discretion. Notwithstanding the granting of a security interest in the entire Interest of any Partner, such Partner shall continue to be a partner of the Partnership.

Section 6.4. General Partner Withdrawal; Transfer of General Partner’s Interest. Except as contemplated by Section 6.2(b)(ii), withdrawal by a General Partner is not permitted. The General Partner may, in accordance with Section 6.2(b)(ii), transfer or assign its interest as a general partner in the Partnership to a person who makes such representations with respect to itself as the General Partner deems necessary or appropriate (with regard to compliance with applicable law or otherwise). A person who is admitted as an additional or substitute General Partner shall thereby become a General Partner and shall have the right to manage the affairs and take part in the control of the Partnership and to vote as a Partner to the extent of the interest in the Partnership so acquired. The General Partner shall not cease to be the general partner of the Partnership upon the collateral assignment of or the pledging or granting of a security interest in its entire interest in the Partnership.

Section 6.5. Satisfaction and Discharge of a Withdrawn Partner’s Interest. (a) The terms of this Section 6.5 shall apply to the GP-Related Partner Interest of a Withdrawn Partner, but, except as otherwise expressly provided in this Section 6.5, shall not apply to the Capital Commitment Partner Interest of a Withdrawn Partner. The term “*Settlement Date*” means the date as of which a Withdrawn Partner’s GP-Related Partner Interest in the Partnership is settled as determined under paragraph (b) below.

(b) Except where a later date for the settlement of a Withdrawn Partner’s GP-Related Partner Interest in the Partnership may be agreed to by the General Partner and a Withdrawn Partner, a Withdrawn Partner’s Settlement Date shall be his Withdrawal Date; provided, that if a Withdrawn Partner’s Withdrawal Date or Settlement Date is not the last day of a month, then the General Partner may elect in its discretion for the Withdrawal Date or the Settlement Date to be the last day of the month following the Withdrawal Date or Settlement Date as the case may be. During the interval, if any, between a Withdrawn Partner’s Withdrawal Date and Settlement Date, such Withdrawn Partner shall have the same rights and obligations with respect to GP-Related Capital Contributions, interest on capital, allocations of GP-Related Net Income (Loss) and distributions as would have applied had such Withdrawn Partner remained a Partner of the Partnership during such period.

(c) In the event of the Withdrawal of a Limited Partner, the General Partner shall promptly after such Withdrawn Partner’s Settlement Date (i) determine and allocate to the Withdrawn Partner’s GP-Related Capital Account such Withdrawn Partner’s allocable share of the GP-Related Net Income (Loss) of the Partnership for the period ending on such Settlement Date in accordance with Article V and (ii) credit the Withdrawn Partner’s GP-Related Capital Account with interest in accordance with Section 5.2. In making the foregoing calculations, the General Partner shall be entitled to establish

such reserves (including reserves, taxes, bad debts, unrealized losses, actual or threatened litigation or any other expenses, contingencies or obligations) as it deems appropriate. Except as provided in Section 6.5(c) and unless otherwise determined by the General Partner in a particular case, a Withdrawn Partner shall not be entitled to receive any amounts or GP-Related Unallocated Percentage in respect of the accounting period during which such Partner Withdraws from the Partnership (whether or not previously awarded or allocated) or any amounts or GP-Related Unallocated Percentage in respect of prior accounting periods that have not been paid or allocated (whether or not previously awarded) as of such Withdrawn Partner's Withdrawal Date.

(d) From and after the Settlement Date of the Withdrawn Partner, the Withdrawn Partner's GP-Related Profit Sharing Percentages shall, unless otherwise allocated by the General Partner pursuant to Section 5.3(a), be deemed to be GP-Related Unallocated Percentages (except for GP-Related Profit Sharing Percentages with respect to GP-Related Investments as provided in paragraph (f) below).

(e) (i) Upon the Withdrawal from the Partnership of a Partner with respect to such Partner's GP-Related Partner Interest, such Withdrawn Partner thereafter shall not, except as expressly provided in this Section 6.5, have any rights of a Partner (including voting rights) with respect to such Partner's GP-Related Partner Interest, and, except as expressly provided in this Section 6.5, such Withdrawn Partner shall not have any interest in the Partnership's GP-Related Net Income (Loss) or in distributions, investments or other assets related to such Partner's GP-Related Partner Interest. If a Partner Withdraws from the Partnership with respect to such Partner's GP-Related Partner Interest for any reason other than for Cause pursuant to Section 6.2, then the Withdrawn Partner shall be entitled to receive, at the time or times specified in Section 6.5(i) below, in satisfaction and discharge in full of the Withdrawn Partner's GP-Related Partner Interest in the Partnership, (x) payment equal to the aggregate credit balance, if any, as of the Settlement Date of the Withdrawn Partner's GP-Related Capital Accounts, (excluding any GP-Related Capital Account or portion thereof attributable to any GP-Related Investment) and (y) the Withdrawn Partner's percentage interest attributable to each GP-Related Investment in which the Withdrawn Partner has an interest as of the Settlement Date as provided in paragraph (f) below (which shall be settled in accordance with paragraph (f) below), subject to all the terms and conditions of paragraphs (a)-(p) of this Section 6.5. If the amount determined pursuant to clause (x) above is an aggregate negative balance, the Withdrawn Partner shall pay the amount thereof to the Partnership upon demand by the General Partner on or after the date of the statement referred to in Section 6.5(i) below; provided, that if the Withdrawn Partner was solely a Limited Partner (other than a Special Limited Partner) on his Withdrawal Date, such payment shall be required only to the extent of any amounts payable to such Withdrawn Partner pursuant to this Section 6.5. Any aggregate negative balance in the GP-Related Capital Accounts of a Withdrawn Partner who was solely a Limited Partner (other than a Special Limited Partner), upon the settlement of such Withdrawn Partner's GP-Related Partner Interest in the Partnership pursuant to this Section 6.5, shall be allocated among the other Partners' GP-Related Capital Accounts in accordance with their respective GP-Related Profit Sharing Percentages in the categories of GP-Related Net Income (Loss) giving rise to such negative balance as determined by the General Partner as of such Withdrawn Partner's Settlement Date. In the settlement of any Withdrawn Partner's GP-Related Partner Interest in the Partnership, no value shall be ascribed to goodwill, the Partnership name or in anticipation of any value the Partnership or any successor thereto might have in the event the Partnership or any interest therein were to be sold in whole or in part.

(ii) Notwithstanding clause (i) of this Section 6.5(e), in the case of a Partner whose Withdrawal with respect to such Partner's GP-Related Partner Interest resulted from such Partner's death or Incompetence, such Partner's estate or legal representative, as the case may be, may elect, at the time described below, to receive a Nonvoting Limited Partner GP-Related Partner Interest and retain such Partner's GP-Related Profit Sharing Percentage in all (but not less

than all) illiquid investments of the Partnership in lieu of a cash payment (or Note) in settlement of that portion of the Withdrawn Partner's GP-Related Partner Interest. The election referred to above shall be made within 60 days after the Withdrawn Partner's Settlement Date, based on a statement of the settlement of such Withdrawn Partner's GP-Related Partner Interest in the Partnership pursuant to this Section 6.5.

(f) For purposes of clause (y) of paragraph (e)(i) above, a Withdrawn Partner's "percentage interest" means his GP-Related Profit Sharing Percentage as of the Settlement Date in the relevant GP-Related Investment. The Withdrawn Partner shall retain his percentage interest in such GP-Related Investment and shall retain his GP-Related Capital Account or portion thereof attributable to such GP-Related Investment, in which case such Withdrawn Partner (a "*Retaining Withdrawn Partner*") shall become a Nonvoting Limited Partner. The GP-Related Partner Interest of a Retaining Withdrawn Partner pursuant to this paragraph (f) shall be subject to the terms and conditions applicable to GP-Related Partner Interests of any kind hereunder and such other terms and conditions as are established by the General Partner. At the option of the General Partner in its sole discretion, the General Partner and the Retaining Withdrawn Partner may agree to have the Partnership acquire such GP-Related Partner Interest without the approval of the other Partners; provided, that the General Partner shall reflect in the books and records of the Partnership the terms of any acquisition pursuant to this sentence.

(g) The General Partner may elect, in lieu of payment in cash of any amount payable to a Withdrawn Partner pursuant to paragraph (e) above, to have the Partnership issue the Withdrawn Partner a subordinated promissory note and/or to distribute in kind to the Withdrawn Partner such Withdrawn Partner's pro rata share (as determined by the General Partner) of any securities or other investments of the Partnership in relation to such Partner's GP-Related Partner Interest. If any securities or other investments are distributed in kind to a Withdrawn Partner under this paragraph (g), the amount described in clause (x) of paragraph (e)(i) shall be reduced by the value of such distribution as valued on the latest balance sheet of the Partnership in accordance with generally accepted accounting principles or, if not appearing on such balance sheet, as reasonably determined by the General Partner.

(h) [intentionally omitted].

(i) Within 120 days after the Settlement Date, the General Partner shall submit to the Withdrawn Partner a statement of the settlement of such Withdrawn Partner's GP-Related Partner Interest in the Partnership pursuant to this Section 6.5 together with any cash payment, subordinated promissory note and in kind distributions to be made to such Partner as shall be determined by the General Partner. The General Partner shall submit to the Withdrawn Partner supplemental statements with respect to additional amounts payable to or by the Withdrawn Partner in respect of the settlement of his GP-Related Partner Interest in the Partnership (e.g., payments in respect of GP-Related Investments pursuant to paragraph (f) above or adjustments to reserves pursuant to paragraph (j) below) promptly after such amounts are determined by the General Partner. To the fullest extent permitted by law, such statements and the valuations on which they are based shall be accepted by the Withdrawn Partner without examination of the accounting books and records of the Partnership or other inquiry. Any amounts payable by the Partnership to a Withdrawn Partner pursuant to this Section 6.5 shall be subordinate in right of payment and subject to the prior payment or provision for payment in full of claims of all present or future creditors of the Partnership or any successor thereto arising out of matters occurring prior to the applicable date of payment or distribution; provided that such Withdrawn Partner shall otherwise rank *pari passu* in right of payment (x) with all persons who become Withdrawn Partners and whose Withdrawal Date is within one year before the Withdrawal Date of the Withdrawn Partner in question and (y) with all persons who become Withdrawn Partners and whose Withdrawal Date is within one year after the Withdrawal Date of the Withdrawn Partner in question.

(j) If the aggregate reserves established by the General Partner as of the Settlement Date in making the foregoing calculations should prove, in the determination of the General Partner, to be excessive or inadequate, the General Partner may elect, but shall not be obligated, to pay the Withdrawn Partner or his estate such excess, or to charge the Withdrawn Partner or his estate such deficiency, as the case may be.

(k) Any amounts owed by the Withdrawn Partner to the Partnership at any time on or after the Settlement Date (e.g., outstanding Partnership loans or advances to such Withdrawn Partner) shall be offset against any amounts payable or distributable by the Partnership to the Withdrawn Partner at any time on or after the Settlement Date or shall be paid by the Withdrawn Partner to the Partnership, in each case as determined by the General Partner. All cash amounts payable by a Withdrawn Partner to the Partnership under this Section 6.5 shall bear interest from the due date to the date of payment at a floating rate equal to the lesser of (x) the rate of interest publicly announced from time to time by JPMorgan Chase Bank, N.A., as its prime rate or (y) the maximum rate of interest permitted by applicable law. The “due date” of amounts payable by a Withdrawn Partner pursuant to Section 6.5(i) above shall be 120 days after a Withdrawn Partner’s Settlement Date. The “due date” of amounts payable to or by a Withdrawn Partner in respect of GP-Related Investments for which the Withdrawn Partner has retained a percentage interest in accordance with paragraph (f) above shall be 120 days after realization with respect to such GP-Related Investment. The “due date” of any other amounts payable by a Withdrawn Partner shall be 60 days after the date such amounts are determined to be payable.

(l) At the time of the settlement of any Withdrawn Partner’s GP-Related Partner Interest in the Partnership pursuant to this Section 6.5, the General Partner may, to the fullest extent permitted by applicable law, impose any restrictions it deems appropriate on the assignment, pledge, encumbrance or other transfer by such Withdrawn Partner of any interest in any GP-Related Investment retained by such Withdrawn Partner, any securities or other investments distributed in kind to such Withdrawn Partner or such Withdrawn Partner’s right to any payment from the Partnership.

(m) If a Partner is required to Withdraw from the Partnership with respect to such Partner’s GP-Related Partner Interest for Cause pursuant to Section 6.2(d), then his GP-Related Partner Interest shall be settled in accordance with paragraphs (a)-(r) of this Section 6.5; provided, however, that the General Partner may elect (but shall not be required) to apply any or all the following terms and conditions to such settlement:

(i) In settling the Withdrawn Partner’s interest in any GP-Related Investment in which he has an interest as of his Settlement Date, the General Partner may elect to (A) determine the GP-Related Unrealized Net Income (Loss) attributable to each such GP-Related Investment as of the Settlement Date and allocate to the appropriate GP-Related Capital Account of the Withdrawn Partner his allocable share of such GP-Related Unrealized Net Income (Loss) for purposes of calculating the aggregate balance of such Withdrawn Partner’s GP-Related Capital Account pursuant to clause (x) of paragraph (e)(i) above, (B) credit or debit, as applicable, the Withdrawn Partner with the balance of his GP-Related Capital Account or portion thereof attributable to each such GP-Related Investment as of his Settlement Date without giving effect to the GP-Related Unrealized Net Income (Loss) from such GP-Related Investment as of his Settlement Date, which shall be forfeited by the Withdrawn Partner or (C) apply the provisions of paragraph (f) above, provided, that the maximum amount of GP-Related Net Income (Loss) allocable to such Withdrawn Partner with respect to any GP-Related Investment shall equal such Partner’s percentage interest of the GP-Related Unrealized Net Income, if any, attributable to such GP-Related Investment as of the Settlement Date (the balance of such GP-Related Net Income (Loss), if any, shall be allocated as determined by the General Partner). The Withdrawn Partner shall not have any continuing interest in any GP-Related Investment to the extent an election is made pursuant to (A) or (B) above.

(ii) Any amounts payable by the Partnership to the Withdrawn Partner pursuant to this Section 6.5 shall be subordinate in right of payment and subject to the prior payment in full of claims of all present or future creditors of the Partnership or any successor thereto arising out of matters occurring prior to or on or after the applicable date of payment or distribution.

(n) The payments to a Withdrawn Partner pursuant to this Section 6.5 may be conditioned on the compliance by such Withdrawn Partner with any lawful and reasonable (under the circumstances) restrictions against engaging or investing in a business competitive with that of the Partnership or any of its subsidiaries and Affiliates for a period not exceeding two years determined by the General Partner. Upon written notice to the General Partner, any Withdrawn Partner who is subject to noncompetition restrictions established by the General Partner pursuant to this paragraph (o) may elect to forfeit the principal amount payable in the final installment of his subordinated promissory note, together with interest to be accrued on such installment after the date of forfeiture, in lieu of being bound by such restrictions.

(o) In addition to the foregoing, the General Partner shall have the right to pay a Withdrawn Partner (other than BSSF Europe (Cayman) or BSSF Europe GP Delaware) a discretionary additional payment in an amount and based upon such circumstances and conditions as it determines to be relevant. The provisions of this Section 6.5 shall apply to any Investor Limited Partner relating to a Limited Partner and to any transferee of any interest of such Partner pursuant to Section 6.3 if such Partner Withdraws from the Partnership.

(p) (i) The Partnership will assist a Withdrawn Partner or his estate or guardian, as the case may be, in the settlement of the Withdrawn Partner's GP-Related Partner Interest in the Partnership. Third party costs incurred by the Partnership in providing this assistance will be borne by the Withdrawn Partner or his estate.

(ii) The Partnership may reasonably determine in good faith to retain outside professionals to provide the assistance to Withdrawn Partners or their estates or guardians, as referred to above. In such instances, the Partnership will obtain the prior approval of a Withdrawn Partner or his estate or guardian, as the case may be, prior to engaging such professionals. If the Withdrawn Partner (or his estate or guardian) declines to incur such costs, the Partnership will provide such reasonable assistance as and when it can so as not to interfere with the Partnership's day-to-day operating, financial, tax and other related responsibilities to the Partnership and the Partners.

(q) Each Limited Partner hereby irrevocably appoints the General Partner as such Limited Partner's true and lawful agent, representative and attorney-in-fact, each acting alone, in such Limited Partner's name, place and stead, to make, execute, sign and file, on behalf of such Limited Partner, any and all agreements, instruments, consents, ratifications, documents and certificates which the General Partner deems necessary or advisable in connection with any transaction or matter contemplated by or provided for in Section 9.1 or this Section 6.5, including, without limitation, the performance of any obligation of such Limited Partner or the Partnership or the exercise of any right of such Limited Partner or the Partnership. Such power of attorney is coupled with an interest and shall survive and continue in full force and effect notwithstanding the Withdrawal from the Partnership of any Limited Partner for any reason and shall not be affected by the death, disability or incapacity of such Limited Partner.

Section 6.6. Termination of Partnership. The General Partner may dissolve the Partnership at any time on not less than 60 days' notice of the dissolution date given to the other Partners. Upon the dissolution of the Partnership, the Partners' respective interests in the Partnership shall be valued and settled in accordance with the procedures set forth in Sections 6.5, 8.1 and Article IX, which provide for allocations to the capital accounts of the Partners and distributions in accordance with the capital account balances of the Partners.

Section 6.7. Certain Tax Matters. (a) All items of income, gain, loss, deduction and credit of the Partnership shall be allocated among the Partners for U.S. Federal, state and local income tax purposes in the same manner as such items of income, gain, loss, deduction and credit shall be allocated among the Partners pursuant to this Agreement, except as may otherwise be provided herein or by the Code or other applicable law. To the extent U.S. Treasury Regulations promulgated pursuant to Subchapter K of the Code (including under Sections 704(b) and (c) of the Code) or other applicable law require allocations for tax purposes that differ from the foregoing allocations, the General Partner may determine the manner in which such tax allocations shall be made so as to comply more fully with such Treasury Regulations or other applicable law and, at the same time, preserve the economic relationships among the Partners as set forth in this Agreement. In the event there is a net decrease in partnership minimum gain or partner nonrecourse debt minimum gain (determined in accordance with the principles of Regulations Sections 1.704-2(d) and 1.704-2(i)) during any Partnership taxable year, each Partner shall be specially allocated items of Partnership income and gain for such year (and, if necessary, subsequent years) in an amount equal to its respective share of such net decrease during such year, determined pursuant to Regulations Sections 1.704-2(g) and 1.704-2(i)(5). The items to be so allocated shall be determined in accordance with Regulations Section 1.704-2(f). In addition, this Agreement shall be considered to contain a "qualified income offset" as provided in Regulations Section 1.704-1(b)(2)(ii)(d).

(b) The General Partner shall cause to be prepared all U.S. Federal, state and local tax returns of the Partnership for each year for which such returns are required to be filed and, after approval of such returns by the General Partner, shall cause such returns to be timely filed. The General Partner shall determine the appropriate treatment of each item of income, gain, loss, deduction and credit of the Partnership and the accounting methods and conventions under the tax laws of the United States, the several states and other relevant jurisdictions as to the treatment of any such item or any other method or procedure related to the preparation of such tax returns. The General Partner may cause the Partnership to make or refrain from making any and all elections permitted by such tax laws. Each Partner agrees that he shall not, unless he provides prior notice of such action to the Partnership, (i) treat, on his individual income tax returns, any item of income, gain, loss, deduction or credit relating to his interest in the Partnership in a manner inconsistent with the treatment of such item by the Partnership as reflected on the Form K-1 or other information statement furnished by the Partnership to such Partner for use in preparing his income tax returns or (ii) file any claim for refund relating to any such item based on, or which would result in, such inconsistent treatment. In respect of an income tax audit of any tax return of the Partnership, the filing of any amended return or claim for refund in connection with any item of income, gain, loss, deduction or credit reflected on any tax return of the Partnership, or any administrative or judicial proceedings arising out of or in connection with any such audit, amended return, claim for refund or denial of such claim, (A) the Tax Matters Partner (as defined below) shall be authorized to act for, and his decision shall be final and binding upon, the Partnership and all Partners except to the extent a Partner shall properly elect to be excluded from such proceeding pursuant to the Code, (B) all expenses incurred by the Tax Matters Partner in connection therewith (including, without limitation, attorneys', accountants' and other experts' fees and disbursements) shall be expenses of the Partnership and (C) no Partner shall have the right to (1) participate in the audit of any Partnership tax return, (2) file any amended return or claim for refund in connection with any item of income, gain, loss, deduction or credit

reflected on any tax return of the Partnership (unless he provides prior notice of such action to the Partnership as provided above), (3) participate in any administrative or judicial proceedings conducted by the Partnership or the Tax Matters Partner arising out of or in connection with any such audit, amended return, claim for refund or denial of such claim, or (4) appeal, challenge or otherwise protest any adverse findings in any such audit conducted by the Partnership or the Tax Matters Partner or with respect to any such amended return or claim for refund filed by the Partnership or the Tax Matters Partner or in any such administrative or judicial proceedings conducted by the Partnership or the Tax Matters Partner. The Partnership and each Partner hereby designate any Partner selected by the General Partner as the “tax matters partner” for purposes of Section 6231(a)(7) of the Code (the “Tax Matters Partner”). To the fullest extent permitted by applicable law, each Partner agrees to indemnify and hold harmless the Partnership and all other Partners from and against any and all liabilities, obligations, damages, deficiencies and expenses resulting from any breach or violation by such Partner of the provisions of this Section 6.8 and from all actions, suits, proceedings, demands, assessments, judgments, costs and expenses, including reasonable attorneys’ fees and disbursements, incident to any such breach or violation.

(c) Each individual Partner shall provide to the Partnership copies of each U.S. Federal, state and local income tax return of such Partner (including any amendment thereof) within 30 days after filing such return.

Section 6.8. Special Basis Adjustments. In connection with any assignment or transfer of a Partnership interest permitted by the terms of this Agreement, the General Partner may cause the Partnership, on behalf of the Partnership and at the time and in the manner provided in Regulations Section 1.754-1(b), to make an election to adjust the basis of the Partnership’s property in the manner provided in Sections 734(b) and 743(b) of the Code.

ARTICLE VII

CAPITAL COMMITMENT INTERESTS; CAPITAL CONTRIBUTIONS; ALLOCATIONS; DISTRIBUTIONS

Section 7.1. Capital Commitment Interests, etc.

(a) (i) This Article VII and Article VIII hereof set forth certain terms and conditions with respect to the Capital Commitment Partner Interests and the Capital Commitment BSSF Europe Interest and matters related to the Capital Commitment Partner Interests and the Capital Commitment BSSF Europe Interest. Except as otherwise expressly provided in this Article VII or in Article VIII, the terms and provisions of this Article VII and Article VIII shall not apply to the GP-Related Partner Interests or the GP-Related Associates Interest.

(ii) Each Partner (other than BSSF Europe (Cayman)), severally, agrees to make contributions of capital to the Partnership (“*Capital Commitment-Related Capital Contributions*”) as required to fund the Partnership’s capital contribution to Associates in respect of the Capital Commitment BSSF Europe Interest and the related Capital Commitment BSSF Europe Commitment (including, without limitation, funding all or a portion of the Blackstone Commitment). No Partner shall be obligated to make Capital Commitment-Related Capital Contributions to the Partnership in an amount in excess of such Partner’s agreed share of the Blackstone Commitment. The Commitment Agreements and SMD Agreements, if any, of the Partners may include provisions with respect to the foregoing matters. It is understood that a

Partner will not necessarily participate in each Capital Commitment Investment (which may include additional amounts invested in an existing Capital Commitment Investment) nor will a Partner necessarily have the same Capital Commitment Profit Sharing Percentage with respect to (i) the Partnership's portion of the Blackstone Commitment or (ii) the making of each Capital Commitment Investment in which such Partner participates; provided, that this in no way limits the terms of any Commitment Agreement or SMD Agreement. In addition, nothing contained herein shall be construed to give any Partner the right to obtain financing with respect to the purchase of any Capital Commitment Interest, and nothing contained herein shall limit or dictate the terms upon which the General Partner and its Affiliates may provide such financing. The acquisition of a Capital Commitment Interest by a Limited Partner shall be evidenced by receipt by the Partnership of funds equal to such Limited Partner's Capital Commitment – Related Commitment then due with respect to such Capital Commitment Interest and such appropriate documentation as the General Partner may submit to the Limited Partners from time to time. If required by applicable law, the maximum amount of Capital Commitment-Related Capital Contributions a Limited Partner is obligated to contribute to the Partnership shall be disclosed in a Certificate filed in accordance with the Partnership Act. Any provision of this Agreement to the contrary notwithstanding, no Capital Commitment-Related Capital Contribution or other capital contribution shall become due and payable or be required to be made by any Partner, unless and until it shall be called by the General Partner for the purposes set forth herein or in the Commitment Agreement of such Partner. Notwithstanding the foregoing, the unfunded amount of any Partner's commitment to make Capital Commitment-Related Capital Contributions to the Partnership (such Partner's "*Unfunded Capital Commitment-Related Commitment*") may be determined and redetermined by the General Partner from time to time (including, without limitation, any redetermination that results in a reduction in such Partner's Unfunded Capital Commitment-Related Commitment, which reduction may be retroactive); provided that each Partner agrees to make Capital Commitment-Related Capital Contributions in the full amount of such Partner's Unfunded Capital Commitment-Related Commitment at any time, on condition that the General Partner does not thereafter make a redetermination that results in a reduction in such Partner's Unfunded Capital Commitment-Related Commitment and subject to all other terms and conditions set forth herein and/or in any other agreement relating thereto; and provided further, that, following an initial determination of a Partner's commitment to make Capital Commitment-Related Capital Contributions, such Partner's Unfunded Capital Commitment-Related Commitment shall not be increased without the consent of such Partner.

(b) The General Partner or one of its Affiliates (in such capacity, the "*Advancing Party*") may in its sole discretion advance to any Limited Partner (including any additional Partner admitted to the Partnership pursuant to Section 6.1 but excluding any Partners that are also executive officers of Blackstone) all or any portion of the Capital Commitment-Related Capital Contributions due to the Partnership from such Limited Partner with respect to any Capital Commitment Investment ("*Firm Advances*"). Each such Limited Partner shall pay to the Advancing Party interest on each Firm Advance from the date of such Firm Advance until the repayment thereof by such Limited Partner. Each Firm Advance shall be repayable in full, including accrued interest to the date of such repayment, upon prior written notice by the Advancing Party. The making and repayment of each Firm Advance shall be recorded in the books and records of the Partnership, and such recording shall be conclusive evidence of each such Firm Advance, binding on the Limited Partner and the Advancing Party absent manifest error. Except as provided below, the interest rate applicable to a Firm Advance shall equal the cost of funds of the Advancing Party at the time of the making of such Firm Advance. The Advancing Party shall inform any Limited Partner of such rate upon such Limited Partner's request; provided, that such interest rate shall not exceed the maximum interest rate allowable by applicable law; provided further, that amounts

that are otherwise payable to such Limited Partner pursuant to Section 7.4(a) shall be used to repay such Firm Advance (including interest thereon). The Advancing Party may, in its sole discretion, change the terms of Firm Advances (including the terms contained herein) and/or discontinue the making of Firm Advances; provided, that (i) the Advancing Party shall notify the relevant Limited Partners of any material changes to such terms and (ii) the interest rate applicable to such Firm Advances and overdue amounts thereon shall not exceed the maximum interest rate allowable by applicable law.

(c) BSSF Europe (Cayman) shall be required to make a maximum capital contribution of (U.S.) \$10. BSSF Europe (Cayman) shall have no Capital Commitment Profit Sharing Percentage in Capital Commitment Net Income (Loss) from any Capital Commitment Investment, but shall receive its pro rata share, based on its capital contribution, of earnings on short-term and temporary investments of the Partnership.

Section 7.2. Capital Commitment Capital Accounts.

(a) There shall be established for each Partner on the books of the Partnership as of the date of formation of the Partnership, or such later date on which such Partner is admitted to the Partnership, and on each such other date as such Partner first acquires a Capital Commitment Interest in a particular Capital Commitment Investment, a Capital Commitment Capital Account for each Capital Commitment Investment in which such Partner acquires a Capital Commitment Interest on such date. Each Capital Commitment-Related Capital Contribution of a Partner shall be credited to the appropriate Capital Commitment Capital Account of such Partner on the date such Capital Commitment-Related Capital Contribution is paid to the Partnership. Capital Commitment Capital Accounts shall be adjusted to reflect any transfer of a Partner's interest in the Partnership related to his Capital Commitment Partner Interest, as provided in this Agreement.

(b) A Partner shall not have any obligation to the Partnership or to any other Partner to restore any negative balance in the Capital Commitment Capital Account of such Partner. Until distribution of any such Partner's interest in the Partnership with respect to a Capital Commitment Interest as a result of the disposition by the Partnership of the related Capital Commitment Investment and in whole upon the dissolution of the Partnership, neither his Capital Commitment Capital Accounts nor any part thereof shall be subject to withdrawal or redemption except with the consent of the General Partner.

Section 7.3. Allocations.

(a) Capital Commitment Net Income (Loss) of the Partnership for each Capital Commitment Investment shall be allocated to the related Capital Commitment Capital Accounts of all the Partners participating in such Capital Commitment Investment in proportion to their respective Capital Commitment Profit Sharing Percentages for such Capital Commitment Investment. Capital Commitment Net Income (Loss) on any Unallocated Capital Commitment Interest shall be allocated to each Partner in the proportion such Partner's aggregate Capital Commitment Capital Accounts bear to the aggregate Capital Commitment Capital Accounts of all Partners; provided, that if any Partner makes the election provided for in Section 7.6, Capital Commitment Net Income (Loss) of the Partnership for each Capital Commitment Investment shall be allocated to the related Capital Commitment Capital Accounts of all the Partners participating in such Capital Commitment Investment who do not make such election in proportion to their respective Capital Commitment Profit Sharing Percentages for such Capital Commitment Investment.

(b) Any special costs relating to distributions pursuant to Section 7.6 or 7.7 shall be specially allocated to the electing Limited Partner.

Section 7.4. Distributions.

(a) Each Limited Partner's allocable portion of Capital Commitment Net Income received from his Capital Commitment Investments, distributions to such Limited Partner that constitute returns of capital, and other Capital Commitment Net Income of the Partnership (including without limitation Capital Commitment Net Income attributable to Unallocated Capital Commitment Interests) during a fiscal year of the Partnership will be credited to payment of the Investor Notes to the extent required below as of the last day of such fiscal year (or on such earlier date as related distributions are made in the sole discretion of the General Partner) with any cash amount distributable to such Limited Partner pursuant to clauses (ii) and (vii) below to be distributed within 45 days after the end of each fiscal year of the Partnership (or in each case on such earlier date as selected by the General Partner in its sole discretion) as follows (subject to Section 7.4(c) below):

(i) First, to the payment of interest then due on all Investor Notes (relating to Capital Commitment Investments or otherwise) of such Limited Partner (to the extent Capital Commitment Net Income and distributions or payments from Other Sources do not equal or exceed all interest payments due, the selection of those of such Limited Partner's Investor Notes upon which interest is to be paid and the division of payments among such Investor Notes to be determined by the Lender or Guarantor);

(ii) Second, to distribution to the Limited Partner of an amount equal to the U.S. Federal, state and local income taxes on income of the Partnership allocated to such Limited Partner for such year in respect of such Limited Partner's Capital Commitment Partner Interest (the aggregate amount of any such distribution shall be determined by the General Partner, subject to the limitation that the minimum aggregate amount of such distribution be the tax that would be payable if the taxable income of the Partnership related to all Partners' Capital Commitment Partner Interests were all allocated to an individual subject to the then-prevailing maximum U.S. Federal, New York State and New York City tax rates (taking into account the extent to which such taxable income allocated by the Partnership was composed of long-term capital gains and the deductibility of state and local income taxes for U.S. Federal income tax purposes)); provided, that additional amounts shall be paid to the Limited Partner pursuant to this clause (ii) to the extent that such amount reduces the amount otherwise distributable to the Limited Partner pursuant to a comparable provision in any other BCE Agreement and there are not sufficient amounts to fully satisfy such provision from the relevant partnership or other entity; provided further, that amounts paid pursuant to the provisions in such other BCE Agreements comparable to the immediately preceding proviso shall reduce those amounts otherwise distributable to the Limited Partner pursuant to provisions in such other BCE Agreements that are comparable to this clause (ii);

(iii) Third, to the payment in full of the principal amount of the Investor Note financing (A) any Capital Commitment Investment disposed of during or prior to such fiscal year or (B) any BCE Investments (other than Capital Commitment Investments) disposed of during or prior to such fiscal year, to the extent not repaid from Other Sources;

(iv) Fourth, to the return to such Limited Partner of (A) all Capital Commitment-Related Capital Contributions made in respect of the Capital Commitment Interest to which any Capital Commitment Investment disposed of during or prior to such fiscal year

relates or (B) all capital contributions made to any Blackstone Collateral Entity (other than the Partnership) in respect of interests therein relating to BCE Investments (other than Capital Commitment Investments) disposed of during or prior to such fiscal year (including all principal paid on the related Investor Notes), to the extent not repaid from amounts of Other Sources (other than amounts of CC Carried Interest);

(v) Fifth, to the payment of principal (including any previously deferred amounts) then owing under all other Investor Notes of such Limited Partner (including those unrelated to the Partnership), the selection of those of such Limited Partner's Investor Notes to be repaid and the division of payments among such Investor Notes to be determined by the Lender or Guarantor;

(vi) Sixth, up to 50% of any Capital Commitment Net Income remaining after application pursuant to clauses (i) through (v) above shall be applied pro rata to prepayment of principal of all remaining Investor Notes of such Limited Partner (including those unrelated to the Partnership), the selection of those of such Limited Partner's Investor Notes to be repaid, the division of payments among such Investor Notes and the percentage of remaining Capital Commitment Net Income to be applied thereto to be determined by the Lender or Guarantor; and

(vii) Seventh, to such Limited Partner to the extent of any amount of Capital Commitment Net Income remaining after making the distributions in clauses (i) through (vi) above, and such amount is not otherwise required to be applied to Investor Notes pursuant to the terms thereof.

To the extent there is a partial disposition of a Capital Commitment Investment or any other BCE Investment, as applicable, the payments in clauses (iii) and (iv) above shall be based on that portion of the Capital Commitment Investment or other BCE Investment, as applicable, disposed of, and the principal amount and related interest payments of such Investor Note shall be adjusted to reflect such partial payment so that there are equal payments over the remaining term of the related Investor Note. For a Limited Partner who is no longer an employee or officer of Blackstone, distributions shall be made pursuant to clauses (i) through (iii) above, and then, unless the General Partner or its Affiliate has exercised its rights pursuant to Section 8.1 hereof, any remaining income or other distribution in respect of such Limited Partner's Capital Commitment Partner Interest shall be applied to the prepayment of the outstanding Investor Notes of such Limited Partner, until all such Limited Partner's Investor Notes have been repaid in full, with any such income or other distribution remaining thereafter distributed to such Limited Partner.

Distributions of Capital Commitment Net Income may be made at any other time at the discretion of the General Partner. At the General Partner's discretion, any amounts distributed to a Limited Partner in respect of such Limited Partner's Capital Commitment Partner Interest will be net of any interest and principal payable on his Investor Notes for the full period in respect of which the distribution is made.

(b) [Intentionally omitted]

(c) To the extent that the foregoing Partnership distributions and distributions and payments from Other Sources are insufficient to satisfy any principal and/or interest due on Investor Notes, and to the extent that the General Partner in its sole discretion elects to apply this paragraph (c) to any individual payments due, such unpaid interest will be added to the remaining principal amount of such Investor Notes and shall be payable on the next scheduled principal payment date (along with any deferred principal and any principal and interest due on such date); provided, that such deferral shall not apply to a Limited Partner that is no longer an employee or officer of Blackstone. All unpaid interest on such Investor Notes shall accrue interest at the interest rate then in effect for such Investor Notes.

(d) [Intentionally omitted]

(e) The Capital Commitment Capital Account of each Partner shall be reduced by the amount of any distribution to such Partner pursuant to paragraph (a) of this Section 7.4.

(f) At any time that a sale, exchange, transfer or other disposition of a portion of a Capital Commitment Investment is being considered by the Partnership or BSSF Europe (a “*Capital Commitment Disposable Investment*”), at the election of the General Partner each Partner’s Capital Commitment Interest with respect to such Capital Commitment Investment shall be vertically divided into two separate Capital Commitment Interests, a Capital Commitment Interest attributable to the Capital Commitment Disposable Investment (a Partner’s “*Capital Commitment Class B Interest*”), and a Capital Commitment Interest attributable to such Capital Commitment Investment excluding the Capital Commitment Disposable Investment (a Partner’s “*Capital Commitment Class A Interest*”). Distributions (including those resulting from a direct or indirect sale, transfer, exchange or other disposition by the Partnership) relating to a Capital Commitment Disposable Investment shall be made only to holders of Capital Commitment Class B Interests with respect to such Capital Commitment Investment in accordance with their respective Capital Commitment Profit Sharing Percentages relating to such Capital Commitment Class B Interests, and distributions (including those resulting from the direct or indirect sale, transfer, exchange or other disposition by the Partnership) relating to a Capital Commitment Investment excluding such Capital Commitment Disposable Investment shall be made only to holders of Capital Commitment Class A Interests with respect to such Capital Commitment Investment in accordance with their respective Capital Commitment Profit Sharing Percentages relating to such Capital Commitment Class A Interests.

(g) (i) If Associates is obligated under the Giveback Provisions to contribute to BSSF Europe a Giveback Amount with respect to the Capital Commitment BSSF Europe Interest and the Partnership is obligated to contribute any such amount to Associates in respect of the Partnership’s Capital Commitment Associates Partner Interest (the amount of such obligation being herein called a “*Capital Commitment Giveback Amount*”), the Partnership shall call for such amounts as are necessary to satisfy such obligation of the Partnership as determined by the General Partner, in which case each Partner shall contribute to the Partnership, in cash, when and as called by the Partnership, such an amount of prior distributions by the Partnership with respect to the Capital Commitment BSSF Europe Interest (the “*Capital Commitment Recontribution Amount*”) which equals such Partner’s pro rata share of prior distributions in connection with (a) the Capital Commitment BSSF Europe Investment giving rise to the Capital Commitment Giveback Amount, (b) if the amounts contributed pursuant to clause (a) above are insufficient to satisfy such Capital Commitment Giveback Amount, Capital Commitment BSSF Europe Investments other than the one giving rise to such obligation, but only those amounts received by the Partners with an interest in the Capital Commitment BSSF Europe Investment referred to in clause (a) above, and (c) if the Capital Commitment Giveback Amount pursuant to an applicable BSSF Europe Agreement is unrelated to a specific Capital Commitment BSSF Europe Investment, all Capital Commitment BSSF Europe Investments. Each Partner shall promptly contribute to the Partnership upon notice thereof such Partner’s Capital Commitment Recontribution Amount. Prior to such time, the Partnership may, in the General Partner’s discretion (but shall be under no obligation to), provide notice that in the General Partner’s judgment, the potential obligations in respect of the Giveback Provisions will probably materialize (and an estimate of the aggregate amount of such obligations).

(ii) (A) In the event any Partner (a “ *Capital Commitment Defaulting Party* ”) fails to recontribute all or any portion of such Capital Commitment Defaulting Party’s Capital Commitment Recontribution Amount for any reason, the Partnership shall require all other Partners and Withdrawn Partners to contribute, on a pro rata basis (based on each of their respective Capital Commitment Profit Sharing Percentages), such amounts as are necessary to fulfill the Capital Commitment Defaulting Party’s obligation to pay such Capital Commitment Defaulting Party’s Capital Commitment Recontribution Amount (a “ *Capital Commitment Deficiency Contribution* ”) if the General Partner determines in its good faith judgment that the Partnership will be unable to collect such amount in cash from such Capital Commitment Defaulting Party for payment of the Capital Commitment Giveback Amount at least 20 Business Days prior to the latest date that the Partnership is permitted to pay the Capital Commitment Giveback Amount; provided, that no Partner shall as a result of such Capital Commitment Deficiency Contribution be required to contribute an amount in excess of 150% of the amount of the Capital Commitment Recontribution Amount initially requested from such Partner in respect of such default. Thereafter, the General Partner shall determine in its good faith judgment that the Partnership should either (1) not attempt to collect such amount in light of the costs associated therewith, the likelihood of recovery and any other factors considered relevant in the good faith judgment of the General Partner or (2) pursue any and all remedies (at law or equity) available to the Partnership against the Capital Commitment Defaulting Party, the cost of which shall be a Partnership expense to the extent not ultimately reimbursed by the Capital Commitment Defaulting Party. It is agreed that the Partnership shall have the right (effective upon such Capital Commitment Defaulting Party becoming a Capital Commitment Defaulting Party) to set-off as appropriate and apply against such Capital Commitment Defaulting Party’s Capital Commitment Recontribution Amount any amounts otherwise payable to the Capital Commitment Defaulting Party by the Partnership or any Affiliate thereof. Each Partner hereby grants to the Partnership a security interest, effective upon such Partner becoming a Capital Commitment Defaulting Party, in all accounts receivable and other rights to receive payment from the Partnership or any Affiliate of the Partnership and agrees that, upon the effectiveness of such security interest, the Partnership may sell, collect or otherwise realize upon such collateral. In furtherance of the foregoing, each Partner hereby appoints the Partnership as its true and lawful attorney-in-fact with full irrevocable power and authority, in the name of such Partner or in the name of the Partnership, to take any actions which may be necessary to accomplish the intent of the immediately preceding sentence. The Partnership shall be entitled to collect interest on the Capital Commitment Recontribution Amount of a Capital Commitment Defaulting Party from the date such Capital Commitment Recontribution Amount was required to be contributed to the Partnership at a rate equal to the Default Rate.

(B) Any Partner’s failure to make a Capital Commitment Deficiency Contribution shall cause such Partner to be a Capital Commitment Defaulting Party with respect to such amount.

(iii) A Partner’s obligation to make contributions to the Partnership under this Section 7.4(g) shall survive the termination of the Partnership.

Section 7.5. Valuations. Capital Commitment Investments shall be valued annually as of the end of each year (and at such other times as deemed appropriate by the General Partner) in accordance with the principles utilized by Associates (or any other Affiliate that is a general partner of BSSF Europe) in valuing investments of BSSF Europe or, in the case of investments not held by BSSF Europe, in the good faith judgment of the General Partner, subject in each case to the second proviso of the immediately succeeding sentence. The value of any Capital Commitment Interest as of any date (the

“ *Capital Commitment Value* ”) shall be based on the value of the underlying Capital Commitment Investment as set forth above; provided, that the Capital Commitment Value may be determined as of an earlier date if determined appropriate by the General Partner in good faith; provided further, that such value may be adjusted by the General Partner to take into account factors relating solely to the value of a Capital Commitment Interest (as compared to the value of the underlying Capital Commitment Investment), such as restrictions on transferability, the lack of a market for such Capital Commitment Interest and lack of control of the underlying Capital Commitment Investment. To the full extent permitted by applicable law such valuations shall be final and binding on all Partners; provided further, that the immediately preceding proviso shall not apply to any Capital Commitment Interests held by a person who is or was at any time a member of the General Partner.

Section 7.6. Disposition Election.

(a) At any time prior to the date of the Partnership’s execution of a definitive agreement to dispose of a Capital Commitment Investment, the General Partner may in its sole discretion permit a Partner to retain all or any portion of its pro rata share of such Capital Commitment Investment (as measured by such Partner’s Capital Commitment Profit Sharing Percentage in such Capital Commitment Investment). If the General Partner so permits, such Partner shall instruct the General Partner in writing prior to such date (i) not to dispose of all or any portion of such Partner’s pro rata share of such Capital Commitment Investment (the “ *Retained Portion* ”) and (ii) either to (A) distribute such Retained Portion to such Partner on the closing date of such disposition or (B) retain such Retained Portion in the Partnership on behalf of such Partner until such time as such Partner shall instruct the General Partner upon 5 days notice to distribute such Retained Portion to such Partner. Such Partner’s Capital Commitment Capital Account shall not be adjusted in any way to reflect the retention in the Partnership of such Retained Portion or the Partnership’s disposition of other Partners’ pro rata shares of such Capital Commitment Investment; provided, that such Partner’s Capital Commitment Capital Account shall be adjusted upon distribution of such Retained Portion to such Partner or upon distribution of proceeds with respect to a subsequent disposition thereof by the Partnership.

(b) No distribution of such Retained Portion shall occur unless any Investor Notes relating thereto shall have been paid in full prior to or simultaneously with such distribution.

Section 7.7. Capital Commitment Special Distribution Election.

(a) From time to time during the term of this Agreement, the General Partner may in its sole discretion, upon receipt of a written request from a Partner, distribute to such Partner any portion of its pro rata share of a Capital Commitment Investment (as measured by such Partner’s Capital Commitment Profit Sharing Percentage in such Capital Commitment Investment) (a “ *Capital Commitment Special Distribution* ”). Such Partner’s Capital Commitment Capital Account shall be adjusted upon distribution of such Capital Commitment Special Distribution.

(b) No Capital Commitment Special Distributions shall occur unless any Investor Notes relating thereto shall have been paid in full prior to or simultaneously with such Capital Commitment Special Distribution.

ARTICLE VIII

WITHDRAWAL; DISSOLUTION; ADMISSION OF NEW PARTNERS

Section 8.1. Limited Partner Withdrawal; Repurchase of Capital Commitment Interests . (a) Capital Commitment Interests (or a portion thereof) that were financed by Investor Notes will be treated as not subject to repurchase for purposes hereof based upon the proportion of (a) the sum of Capital Commitment-Related Capital Contributions not financed by an Investor Note with respect to each Capital Commitment Interest and principal payments on the related Investor Note to (b) the sum of the Capital Commitment-Related Capital Contributions not financed by an Investor Note with respect to such Capital Commitment Interest, the original principal amount of such Investor Note and all deferred amounts of interest which from time to time comprise part of the principal amount of the Investor Note. A Limited Partner may prepay a portion of any outstanding principal on the Investor Notes; provided, that in the event that a Limited Partner prepays all or any portion of the principal amount of the Investor Notes within nine months prior to the date on which such Limited Partner is no longer an employee or officer of Blackstone, the Partnership (or its designee) shall have the right, in its sole discretion, to purchase the Capital Commitment Interest that became Non-Contingent as a result of such prepayment; provided further, that the purchase price for such Capital Commitment Interest shall be determined in accordance with the determination of the purchase price of a Limited Partner's Contingent Capital Commitment Interests as set forth in paragraph (b) below. Prepayments made by a Limited Partner shall apply pro rata against all of such Limited Partner's Investor Notes; provided, that such Limited Partner may request that such prepayments be applied only to Investor Notes related to BCE Investments that are related to one or more Blackstone Collateral Entities specified by such Limited Partner. Except as expressly provided herein, Capital Commitment Interests that were not financed in any respect with Investor Notes shall be treated as Non-Contingent Capital Commitment Interests.

(b) Upon a Limited Partner ceasing to be an officer or employee of the General Partner or any of its Affiliates, other than as a result of such Limited Partner dying or suffering a Total Disability, such Limited Partner (the "*Withdrawn Partner*") and the Partnership or any other person designated by the General Partner shall each have the right (exercisable by the Withdrawn Partner within 30 days and by the Partnership or its designee(s) within 45 days of such Limited Partner's ceasing to be such an officer or employee) or any time thereafter, upon 30 days notice, but not the obligation, to require the Partnership, subject to the Partnership Act, to buy (in the case of exercise of such right by such Withdrawn Partner) or the Withdrawn Partner to sell (in the case of exercise of such right by the Partnership or its designee(s)) all (but not less than all) such Withdrawn Partner's Contingent Capital Commitment Interests. The purchase price for each such Contingent Capital Commitment Interest will be an amount equal to (i) the outstanding principal amount of the related Investor Note plus accrued interest thereon to the date of purchase (such portion of the purchase price to be made in cash) and (ii) an additional amount (the "*Adjustment Amount*") equal to (x) all interest paid by the Limited Partner on the portion of the principal amount of the Investor Note relating to the portion of the related Capital Commitment Interest remaining Contingent plus (y) all Capital Commitment Net Losses allocated to the Withdrawn Partner on the Contingent portion of such Capital Commitment Interest minus (z) all Capital Commitment Net Income allocated to the Withdrawn Partner on the Contingent portion of such Capital Commitment Interest; provided, that, if the Withdrawn Partner was terminated from employment or membership for Cause, the amounts referred to in clause (x) or (y) of the Adjustment Amount, in the General Partner's sole discretion, may be deemed to equal zero. The Adjustment Amount shall, if positive, be payable by the holders of the purchased Capital Commitment Interests to the Withdrawn Partner from the next Capital Commitment Net Income received by such holders on the Contingent portion of such Withdrawn Partner's Capital Commitment Interests at the time such Capital Commitment

Net Income is received. If the Adjustment Amount resulting from an exchange is negative, it shall be payable to the holders of the purchased Capital Commitment Interest by the Withdrawn Partner at the time such Capital Commitment Net Income is received by the Withdrawn Partner from the next Capital Commitment Net Income on the Non-Contingent portion of the Withdrawn Partner's Capital Commitment Interests or, if the Partnership or its designee(s) elect to purchase such Withdrawn Partner's Non-Contingent Capital Commitment Interests, in cash by the Withdrawn Partner at the time of such purchase; provided, that the General Partner and its Affiliates may offset any amounts otherwise owing to a Withdrawn Partner against any Adjustment Amount owed by such Withdrawn Partner. Until so paid, such remaining Adjustment Amount will not itself bear interest. At the time of such purchase of the Withdrawn Partner's Contingent Capital Commitment Interest, his related Investor Note shall be payable in full. If neither the Withdrawn Partner nor the Partnership nor its designee(s) exercise the right to require repurchase of such Contingent Capital Commitment Interests, then the Withdrawn Partner shall retain the Contingent portion of his Capital Commitment Interests and the Investor Notes shall remain outstanding, shall become fully recourse to the Withdrawn Partner in his individual capacity, shall be payable in accordance with their remaining original maturity schedules and shall be prepayable at any time by the Withdrawn Partner at his option, and the General Partner shall apply such prepayments against outstanding Investor Notes on a pro rata basis. To the extent that another Partner purchases a portion of a Capital Commitment Interest of a Withdrawn Partner, the purchasing Partner's Capital Commitment Capital Account and Capital Commitment Profit Sharing Percentage for such Capital Commitment Investment shall be correspondingly increased.

(c) Upon the occurrence of a Final Event with respect to any Limited Partner, such Limited Partner shall thereupon cease to be a Partner with respect to such Limited Partner's Capital Commitment Partner Interest. If such a Final Event shall occur, no Successor in Interest to any such Limited Partner shall for any purpose hereof become or be deemed to become a Partner. The sole right, as against the Partnership and the remaining Partners, acquired hereunder by, or resulting hereunder to, a Successor in Interest to any Partner shall be to receive any distributions and allocations with respect to such Limited Partner's Capital Commitment Partner Interest pursuant to Article VII and this Article VIII, subject to the right of the Partnership to purchase the Capital Commitment Interests of such former Partner pursuant to Section 8.1(b) or Section 8.1(d)) to the extent, at the time, in the manner and in the amount otherwise payable to such Limited Partner had such a Final Event not occurred, and no other right shall be acquired hereunder by, or shall result hereunder to, a Successor in Interest to such Partner, whether by operation of law or otherwise. Until distribution of any such Partner's interest in the Partnership upon the dissolution of the Partnership as provided in Section 9.2, neither his Capital Commitment Capital Accounts nor any part thereof shall be subject to withdrawal or redemption without the consent of the General Partner. The Partnership shall be entitled to treat any Successor in Interest to such Partner as the only person entitled to receive distributions and allocations hereunder with respect to such Partner's Capital Commitment Partner Interest.

(d) If a Limited Partner dies or suffers a Total Disability, all Contingent Capital Commitment Interests of such Partner shall be purchased by the Partnership or its designee (within 30 days of the first date on which the Partnership knows or has reason to know of such Limited Partner's death or disability) as provided in Section 8.1(b) (except that any Adjustment Amount shall be payable by or to the estate or personal representative in cash), and any Investor Notes financing such Contingent Capital Commitment Interests shall thereupon be prepaid as provided in Section 8.1(b). In addition, in the case of the death or Total Disability of a Limited Partner, if the estate or personal representative of such Limited Partner so requests in writing within 180 days of the Limited Partner's death or ceasing to be an employee or member (directly or indirectly) of the General Partner or any of its Affiliates by reason of Total Disability (such requests shall not exceed one per calendar year), the Partnership or its designee

may but is not obligated to purchase for cash all (but not less than all) Non-Contingent Capital Commitment Interests of such Limited Partner as of the last day of the Partnership's then current fiscal year at a price equal to the Capital Commitment Value thereof. Each Limited Partner shall be required to include appropriate provisions in his will to reflect such provisions of the Partnership Agreement. In addition, the Partnership may, in the sole discretion of the General Partner, upon notice to the estate or personal representative of such Limited Partner within 30 days of the first date on which the Partnership knows or has reason to know of such Limited Partner's death or Total Disability, determine either (i) to distribute Securities or other property to the estate or personal representative in exchange for such Non-Contingent Capital Commitment Interests as provided in Section 8.1(e) or (ii) to require sale of such Non-Contingent Capital Commitment Interests to the Partnership or its designee as of the last day of any fiscal year of the Partnership (or earlier period, as determined by the General Partner in its sole discretion) for an amount in cash equal to the Capital Commitment Value thereof.

(e) In lieu of retaining a Withdrawn Partner as a Limited Partner with respect to any Non-Contingent Capital Commitment Interests, the General Partner may, in its sole discretion, by notice to such Withdrawn Partner within 45 days of his ceasing to be an employee or officer of the General Partner or any of its Affiliates, or at any time thereafter, upon 30 days written notice, determine (1) to distribute to such Withdrawn Partner the pro rata portion of the Securities or other property underlying such Withdrawn Partner's Non-Contingent Capital Commitment Interests, subject to any restrictions on distributions associated with the Securities or other property, in satisfaction of his Non-Contingent Capital Commitment Interests in the Partnership or (2) to cause, as of the last day of any fiscal year of the Partnership (or earlier period, as determined by the General Partner in its sole discretion), the Partnership or another person designated by the General Partner (who may be itself another Limited Partner or another Affiliate of the General Partner) to purchase all (but not less than all) of such Withdrawn Partner's Non-Contingent Capital Commitment Interests for a price equal to the Capital Commitment Value thereof. The General Partner shall condition any distribution or purchase of voting Securities pursuant to paragraph (d) above or this paragraph (e) upon the Withdrawn Partner's execution and delivery to the Partnership of an appropriate irrevocable proxy, in favor of the Partnership or its nominee, relating to such Securities.

(f) The Partnership may subsequently transfer any Unallocated Capital Commitment Interest or portion thereof which is purchased by it as described above to any other person approved by the General Partner. In connection with such purchase or transfer or the purchase of a Capital Commitment Interest or portion thereof by the Partnership's designee(s), Blackstone may loan all or a portion of the purchase price of the transferred or purchased Capital Commitment Interest to the Partnership, the transferee or the designee-purchaser(s), as applicable. To the extent that a Withdrawn Partner's Capital Commitment Interests (or portions thereof) are repurchased by the Partnership and not transferred to or purchased by another person, all or any portion of such repurchased Capital Commitment Interests may, in the sole discretion of the General Partner, (i) be allocated to each Partner already participating in the Capital Commitment Investment to which the repurchased Capital Commitment Interest relates, (ii) be allocated to each Partner in the Partnership, whether or not already participating in such Capital Commitment Investment, and/or (iii) continue to be held by Partnership itself as an unallocated Capital Commitment Investment (such Capital Commitment Interests being herein called "*Unallocated Capital Commitment Interests*"). To the extent that a Capital Commitment Interest is allocated to Partners as provided in clause (i) and/or (ii) above, any indebtedness incurred by the Partnership to finance such repurchase shall also be allocated to such Partners. All such Capital Commitment Interests allocated to Limited Partners shall be deemed to be Contingent and shall become Non-Contingent as and to the extent that the principal amount of such related indebtedness is repaid. The Limited Partners receiving such allocations shall be responsible for such related indebtedness only on a

nonrecourse basis to the extent appropriate as provided in this Agreement, except as such Limited Partners and the General Partner shall otherwise agree. If the indebtedness financing such repurchased interests is not so limited, the Partnership may require an assumption by the Limited Partners of such indebtedness on the terms thereof as a precondition to allocation of the related Capital Commitment Interests to such Limited Partners; provided, that a Limited Partner shall not, except as set forth in his Investor Note, be obligated to accept any personally recourse obligation unless his prior consent is obtained. So long as the Partnership itself retains the Unallocated Capital Commitment Interests pursuant to clause (iii) above, such Unallocated Capital Commitment Interests shall belong to the Partnership and any indebtedness financing the Unallocated Capital Commitment Interests shall be an obligation of the Partnership to which all income of the Partnership is subject except as otherwise agreed by the lender of such indebtedness. Any Capital Commitment Net Income (Loss) on an Unallocated Capital Commitment Interest shall be allocated to each Partner in the proportion his aggregate Capital Commitment Capital Accounts bear to the aggregate Capital Commitment Capital Accounts of all Partners; debt service on such related financing will be an expense of the Partnership allocable to all Partners in such proportions.

(g) If a Partner is required to Withdraw from the Partnership with respect to such Partner's Capital Commitment Partner Interest for Cause, then his Capital Commitment Interest shall be settled in accordance with paragraphs (a)-(f) and (j) of this Section 8.1; provided, that if such Partner was not at any time a direct partner of the Partnership, the General Partner may elect (but shall not be required) to apply any or all the following terms and conditions to such settlement:

(i) purchase for cash all of such Withdrawn Partner's Non-Contingent Capital Commitment Interests. The purchase price for each such Non-Contingent Capital Commitment Interest shall be the lower of (A) the original cost of such Non-Contingent Capital Commitment Interest or (B) an amount equal to the Capital Commitment Value thereof;

(ii) allow the Withdrawn Partner to retain such Non-Contingent Capital Commitment Interests; provided, that the maximum amount of Capital Commitment Net Income allocable to such Withdrawn Partner with respect to any Capital Commitment Investment shall equal the amount of Capital Commitment Net Income that would have been allocated to such Withdrawn Partner if such Capital Commitment Investment had been sold as of the Settlement Date at the then prevailing Capital Commitment Value thereof; or

(iii) in lieu of cash, purchase such Non-Contingent Capital Commitment Interests by providing the Withdrawn Partner with a promissory note in the amount determined in (i) above. Such promissory note shall have a maximum term of ten (10) years with interest at the Federal Funds Rate.

(h) The Partnership will assist a Withdrawn Partner or his estate or guardian, as the case may be, in the settlement of the Withdrawn Partner's Capital Commitment Partner Interest in the Partnership. Third party costs incurred by the Partnership in providing this assistance will be borne by the Withdrawn Partner or his estate.

(i) The Partnership may reasonably determine in good faith to retain outside professionals to provide the assistance to Withdrawn Partners or their estates or guardians, as referred to above. In such instances, the Partnership will obtain the prior approval of a Withdrawn Partner or his estate or guardian, as the case may be, prior to engaging such professionals. If the Withdrawn Partner (or his estate or guardian) declines to incur such costs, the Partnership will provide such reasonable assistance as and when it can so as not to interfere with the Partnership's day-to-day operating, financial, tax and other related responsibilities to the Partnership and the Partners.

(j) Each Limited Partner hereby irrevocably appoints each General Partner as such Limited Partner's true and lawful agent, representative and attorney-in-fact, each acting alone, in such Limited Partner's name, place and stead, to make, execute, sign and file, on behalf of such Limited Partner, any and all agreements, instruments, documents and certificates which such General Partner deems necessary or advisable in connection with any transaction or matter contemplated by or provided for in this Section 8.1, including, without limitation, the performance of any obligation of such Limited Partner or the Partnership or the exercise of any right of such Limited Partner or the Partnership. Such power of attorney is coupled with an interest and shall survive and continue in full force and effect notwithstanding the Withdrawal from the Partnership of any Limited Partner for any reason and shall not be affected by the death, disability or incapacity of such Limited Partner.

Section 8.2. Transfer of Limited Partner's Capital Commitment Interest . Except as otherwise agreed by the General Partner, no Limited Partner or former Limited Partner shall have the right to sell, assign, mortgage, pledge or otherwise dispose of or transfer (" *Transfer* ") all or part of any such Partner's Capital Commitment Partner Interest in the Partnership; provided, that this Section 8.2 shall in no way impair Transfers (i) as permitted in Section 8.1 above, in the case of the purchase of a Withdrawn Partner's or deceased or Totally Disabled Limited Partner's Capital Commitment Interests, (ii) Transfers by a Limited Partner to another Limited Partner of Non-Contingent Capital Commitment Interests, (iii) Transfers of up to 25% of a Limited Partner's Capital Commitment Partner Interest to an Estate Planning Vehicle and (iv) with the prior written consent of the General Partner, which consent may be withheld without giving any reason therefor. No person acquiring an interest in the Partnership pursuant to this Section 8.2 shall become a Limited Partner of the Partnership, or acquire such Partner's right to participate in the affairs of the Partnership, unless such person shall be admitted as a Limited Partner pursuant to Section 6.1. A Limited Partner shall not cease to be a limited partner of the Partnership upon the collateral assignment of, or the pledging or granting of a security interest in, its entire limited partner interest in the Partnership in accordance with the provisions of this Agreement.

Section 8.3. Compliance with Law . Notwithstanding any provision hereof to the contrary, no sale or Transfer of a Capital Commitment Interest in the Partnership may be made except in compliance with all U.S. Federal, state and other applicable laws, including U.S. Federal and state securities laws.

ARTICLE IX DISSOLUTION

Section 9.1. Dissolution .

(a) The Partnership shall be dissolved and subsequently terminated:

- (i) pursuant to Section 6.6;
- (ii) upon the expiration of the Term; or
- (iii) upon the occurrence of a Disabling Event with respect to a General Partner or any other event causing a dissolution of the Partnership under the Partnership Act, provided that the Partnership will not be dissolved or required to be wound up in connection with a Disabling Event with respect to a General Partner, if: (i) at the time of the occurrence of such event there is at least one other general partner of the Partnership who is hereby authorized to,

and elects to, carry on the business of the Partnership; or (ii) all remaining Partners consent to the continuation of the business of the Partnership within 90 days following the occurrence of any such event, which consent will not be withheld by any Limited Partner if a Majority of the Remaining Partners agree in writing to so continue the business of the Partnership. A “ *Majority of Remaining Partners* ” means remaining Partners who, as of the date of such consent, have aggregate capital account balances representing at least a majority in amount of the total GP-Related Capital Account balances of all the remaining Partners.

Section 9.2. Final Distribution.

(a) Within 120 calendar days after the effective date of dissolution of the Partnership, the assets of the Partnership shall be distributed in the following manner and order:

- (i) to the payment of the expenses of the winding-up, liquidation and dissolution of the Partnership;
- (ii) to pay all creditors of the Partnership, other than Partners, either by the payment thereof or the making of reasonable provision therefor;
- (iii) to establish reserves, in amounts established by the General Partner or the liquidator, to meet other liabilities of the Partnership; and
- (iv) to pay, in accordance with the terms agreed among them and otherwise on a *pro rata* basis, all creditors of the Partnership that are Partners, either by the payment thereof or the making of reasonable provision therefor.

(b) The remaining assets of the Partnership shall be applied and distributed among the Partners as follows:

(i) With respect to each Partner’s GP-Related Partner Interest, the remaining assets of the Partnership shall be applied and distributed to such Partner in accordance with the procedures set forth in Section 6.5 which provide for allocations to the capital accounts of the Partners and distributions in accordance with the capital account balances of the Partners; and for purposes of the application of this Section 9.2(b)(i), determining GP-Related Capital Accounts on liquidation, all unrealized gains, losses and accrued income and deductions of the Partnership shall be treated as realized and recognized immediately before the date of distribution; and

(ii) With respect to each Partner’s Capital Commitment Partner Interest, an amount shall be paid to such Partner in cash or Securities in an amount equal to such Partner’s respective Capital Commitment Liquidating Share for each Capital Commitment Investment; provided, that if the remaining assets relating to any Capital Commitment Investment shall not be equal to or exceed the aggregate Capital Commitment Liquidating Shares for such Capital Commitment Investment, to each Partner in proportion to its Capital Commitment Liquidating Share for such Capital Commitment Investment; and the remaining assets of the Partnership related to the Partners’ Capital Commitment Partner Interests shall be paid to the Partners in cash or Securities in proportion to their respective Capital Commitment Profit Sharing Percentages for each Capital Commitment Investment from which such cash or Securities are derived.

Section 9.3. Amounts Reserved Related to Capital Commitment Partner Interests.

(a) If there are any Securities or other property or other investments or securities related to the Partners' Capital Commitment Partner Interests which, in the judgment of the liquidator, cannot be sold, or properly distributed in kind in the case of dissolution, without sacrificing a significant portion of the value thereof, the value of a Partner's interest in each such Security or other investment or security may be excluded from the amount distributed to the Partners participating in the related Capital Commitment Investment pursuant to clause (ii) of Section 9.2(b). Any interest of a Partner, including his pro rata interest in any gains, losses or distributions, in Securities or other property or other investments or securities so excluded shall not be paid or distributed until such time as the liquidator shall determine.

(b) If there is any pending transaction, contingent liability or claim by or against the Partnership related to the Partners' Capital Commitment Partner Interests as to which the interest or obligation of any Partner therein cannot, in the judgment of the liquidator, be then ascertained, the value thereof or probable loss therefrom may be deducted from the amount distributable to such Partner pursuant to clause (ii) of Section 9.2(b). No amount shall be paid or charged to any such Partner on account of any such transaction or claim until its final settlement or such earlier time as the liquidator shall determine. The Partnership may meanwhile retain from other sums due such Partner in respect of such Partner's Capital Commitment Partner Interest an amount which the liquidator estimates to be sufficient to cover the share of such Partner in any probable loss or liability on account of such transaction or claim.

(c) Upon determination by the liquidator that circumstances no longer require the exclusion of any Securities or other property or retention of sums as provided in paragraphs (a) and (b) of this Section 9.3, the liquidator shall, at the earliest practicable time, distribute as provided in clause (ii) of Section 9.2(b) such sums or such Securities or other property or the proceeds realized from the sale of such Securities or other property to each Partner from whom such sums or Securities or other property were withheld.

ARTICLE X

MISCELLANEOUS

Section 10.1. Submission to Jurisdiction; Waiver of Jury Trial. (a) Any and all disputes which cannot be settled amicably, including any ancillary claims of any party, arising out of, relating to or in connection with the validity, negotiation, execution, interpretation, performance or non-performance of this Agreement (including the validity, scope and enforceability of this arbitration provision) shall be finally settled by arbitration conducted by a single arbitrator in New York, New York U.S.A. in accordance with the then-existing Rules of Arbitration of the International Chamber of Commerce. If the parties to the dispute fail to agree on the selection of an arbitrator within thirty (30) days of the receipt of the request for arbitration, the International Chamber of Commerce shall make the appointment. The arbitrator shall be a lawyer and shall conduct the proceedings in the English language. Performance under this Agreement shall continue if reasonably possible during any arbitration proceedings.

(b) Notwithstanding the provisions of paragraph (a), the General Partner may bring, or may cause the Partnership to bring, on behalf of the General Partner or the Partnership or on behalf of one or more Partners, an action or special proceeding in any court of competent jurisdiction for the purpose of compelling a party to arbitrate, seeking temporary or preliminary relief in aid of an arbitration hereunder, and/or enforcing an arbitration award and, for the purposes of this paragraph (b), each Partner

(i) expressly consents to the application of paragraph (c) of this Section 10.1 to any such action or proceeding, (ii) agrees that proof shall not be required that monetary damages for breach of the provisions of this Agreement would be difficult to calculate and that remedies at law would be inadequate, and (iii) irrevocably appoints the General Partner as such Partner's agent for service of process in connection with any such action or proceeding and agrees that service of process upon such agent, who shall promptly advise such Partner of any such service of process, shall be deemed in every respect effective service of process upon the Partner in any such action or proceeding.

(c) (i) EACH PARTNER HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF COURTS LOCATED IN NEW YORK, NEW YORK FOR THE PURPOSE OF ANY JUDICIAL PROCEEDING BROUGHT IN ACCORDANCE WITH THE PROVISIONS OF PARAGRAPH (B) OF THIS SECTION 10.1, OR ANY JUDICIAL PROCEEDING ANCILLARY TO AN ARBITRATION OR CONTEMPLATED ARBITRATION ARISING OUT OF OR RELATING TO OR CONCERNING THIS AGREEMENT. Such ancillary judicial proceedings include any suit, action or proceeding to compel arbitration, to obtain temporary or preliminary judicial relief in aid of arbitration, or to confirm an arbitration award. The parties acknowledge that the forum(s) designated by this paragraph (c) have a reasonable relation to this Agreement, and to the parties' relationship with one another.

(ii) The parties hereby waive, to the fullest extent permitted by applicable law, any objection which they now or hereafter may have to personal jurisdiction or to the laying of venue of any such ancillary suit, action or proceeding brought in any court referred to in paragraph (c)(i) of this Section 10.1 and such parties agree not to plead or claim the same.

(d) Notwithstanding any provision of this Agreement to the contrary, this Section 10.1 shall be construed to the maximum extent possible to comply with the laws of the State of Delaware, including the Delaware Uniform Arbitration Act (10 Del. C. § 5701 et seq.) (the "Delaware Arbitration Act"). If, nevertheless, it shall be determined by a court of competent jurisdiction that any provision or wording of this Section 10.1, including any rules of the International Chamber of Commerce, shall be invalid or unenforceable under the Delaware Arbitration Act, or other applicable law, such invalidity shall not invalidate all of this Section 10.1. In that case, this Section 10.1 shall be construed so as to limit any term or provision so as to make it valid or enforceable within the requirements of the Delaware Arbitration Act or other applicable law, and, in the event such term or provision cannot be so limited, this Section 10.1 shall be construed to omit such invalid or unenforceable provision.

Section 10.2. Ownership and Use of the Firm Name. The Partnership acknowledges that Blackstone TM L.L.C. ("TM"), a Delaware limited liability company with a principal place of business at 345 Park Avenue, New York, New York 10154, (or its successors or assigns) is the sole and exclusive owner of the mark and name BLACKSTONE and that the ownership of, and the right to use, sell or otherwise dispose of, the firm name or any abbreviation or modification thereof which consists of or includes BLACKSTONE, shall belong exclusively to TM, which company (or its predecessors, successors or assigns) has licensed the Partnership to use BLACKSTONE in its name. The Partnership acknowledges that TM owns the service mark BLACKSTONE for various services and that the Partnership is using the BLACKSTONE mark and name on a non-exclusive, non-sublicensable and non-assignable basis in connection with its business and authorized activities with the permission of TM. All services rendered by the Partnership under the BLACKSTONE mark and name will be rendered in a manner and with quality levels that are consistent with the high reputation heretofore developed for the BLACKSTONE mark by TM and its Affiliates and licensees. The Partnership understands that TM may terminate its right to use BLACKSTONE at any time in TM's sole discretion by giving the Partnership written notice of termination. Promptly following any such termination, the Partnership will take all steps necessary to change its partnership name to one which does not include BLACKSTONE or any confusingly similar term and cease all use of BLACKSTONE or any term confusingly similar thereto as a service mark or otherwise.

Section 10.3. Written Consent. Any action required or permitted to be taken by a vote of Partners at a meeting may be taken without a meeting if a Majority in Interest of the Partners consent thereto in writing.

Section 10.4. Letter Agreements; Schedules. The General Partner may, or may cause the Partnership to, enter or has previously entered, into separate letter agreements with individual Partners with respect to GP-Related Profit Sharing Percentages, Capital Commitment Profit Sharing Percentages or any other matter, in each case on terms and conditions not inconsistent with this Agreement; provided, that, notwithstanding the foregoing, any terms of this Agreement may be made subject to any such letter agreements to the extent provided elsewhere herein. If required by applicable law, such separate letter agreements, or any provision thereof or information contained therein, shall be filed, or disclosed in a Certificate filed, in accordance with the Partnership Act. The General Partner may from time to time execute and deliver to the Partners Schedules which set forth the then current capital balances, GP-Related Profit Sharing Percentages and Capital Commitment Profit Sharing Percentages of the Partners and any other matters deemed appropriate by the General Partner. Such Schedules shall be for information purposes only and shall not be deemed to be part of this Agreement for any purpose whatsoever.

Section 10.5. Governing Law. Except as expressly provided in Section 10.1, this Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta, Canada, without regard to conflicts of law principles. In particular, the Partnership is formed pursuant to the Partnership Act, and the mutual rights, duties and liabilities of the General Partners and Limited Partners (including the Special Limited Partners) shall be as provided therein, except as herein otherwise expressly provided. If any provision of this Agreement shall be held to be invalid, such provision shall be given its meaning to the maximum extent permitted by law and the remainder of this Agreement shall not be affected thereby.

Section 10.6. Successors and Assigns; Third Party Beneficiaries. This Agreement shall be binding upon and shall, subject to the penultimate sentence of Section 6.3(a), inure to the benefit of the parties hereto, their respective heirs and personal representatives, and any successor to a trustee of a trust which is or becomes a party hereto; provided that no person claiming by, through or under a Partner (whether such Partner's heir, personal representative or otherwise), as distinct from such Partner itself, shall have any rights as, or in respect to, a Partner (including the right to approve or vote on any matter or to notice thereof) except the right to receive only those distributions expressly payable to such person pursuant to Articles VI and VIII. Any Partner or Withdrawn Partner shall remain liable for the obligations under this Agreement (including any Net GP-Related Recontribution Amounts and any Capital Commitment Recontribution Amounts) of any transferee of all or any portion of such Partner's or Withdrawn Partner's interest in the Partnership, unless waived by the General Partner. The Partnership shall, if the General Partner determines, in its good faith judgment, based on the standards set forth in Sections 5.8(d)(ii)(A) and 7.4(g)(ii)(A), to pursue such transferee, pursue payment (including any Net GP-Related Recontribution Amounts and/or any Capital Commitment Recontribution Amounts) from the transferee with respect to any such obligations. Nothing in this Agreement is intended, nor shall anything herein be construed, to confer any rights, legal or equitable, on any person other than the Partners and their respective legal representatives, heirs, successors and permitted assigns. Notwithstanding the foregoing, solely to the extent required by the BSSF Europe Agreements, (x) the limited partners in BSSF Europe shall be third-party beneficiaries of the provisions of Sections 5.8(d)(i)(A) and 5.8(d)(ii)(A) (and the definitions relating thereto), solely as they relate to any Clawback Amount (for purpose of this

sentence, as defined in paragraph 9.2.7(b) of the BSSF Europe Agreements), and (y) the amendment of the provisions of Sections 5.8(d)(i)(A) and 5.8(d)(ii)(A) (and the definitions relating thereto), solely as they relate to any Clawback Amount (for purpose of this sentence, as defined in paragraph 9.2.7(b) of the BSSF Europe Agreements), shall be effective against such limited partners only with the Combined Limited Partner Consent (as such term is used in the BSSF Europe Agreements).

Section 10.7. Partner's Will. Each Special Limited Partner shall include in his or her will a provision that addresses certain matters in respect of his or her obligation relating to the Partnership that is satisfactory to the General Partner, and each such Partner and Withdrawn Partner shall confirm annually to the Partnership, in writing, that such provision remains in his or her current will. Where applicable, any estate planning trust of such Partner or Withdrawn Partner to which a portion of such Partner's or Withdrawn Partner's Interest is transferred shall include a provision substantially similar to such provision and the trustee of such trust shall confirm annually to the Partnership, in writing, that such provision or its substantial equivalent remains in such trust. In the event any Limited Partner or Withdrawn Partner fails to comply with the provisions of this Section 10.7 after the Partnership has notified such Partner or Withdrawn Partner of his or her failure to so comply and such failure to so comply is not cured within 30 days of such notice, the Partnership may withhold any and all distributions to such Partner or Withdrawn Partner until the time at which such party complies with the requirements of this Section 10.7.

Section 10.8. Confidentiality. By executing this Agreement, each Partner expressly agrees, at all times during the term of the Partnership and thereafter and whether or not at the time a Partner of the Partnership, to maintain the confidentiality of, and not to disclose to any person other than the Partnership, another Partner or a person designated by the Partnership, any information relating to the business, financial structure, financial position or financial results, clients or affairs of the Partnership that shall not be generally known to the public or the securities industry, except as otherwise required by law or by any regulatory or self-regulatory organization having jurisdiction; provided, however, that any corporate Partner may disclose any such information it is required by law, rule, regulation or custom to disclose. Notwithstanding anything in this Agreement to the contrary, to comply with Treasury Regulation Section 1.6011-4(b)(3)(i), each Partner (and any employee, representative or other agent of such Partner) may disclose to any and all persons, without limitation of any kind, the U.S. federal income tax treatment and tax structure of the Partnership, it being understood and agreed, for this purpose, (1) the name of, or any other identifying information regarding (a) the Partners or any existing or future investor (or any Affiliate thereof) in any of the Partners, or (b) any investment or transaction entered into by the Partners; (2) any performance information relating to any of the Partners or their investments; and (3) any performance or other information relating to previous funds or investments sponsored by any of the Partners, does not constitute such tax treatment or tax structure information.

Section 10.9. Notices. Whenever notice is required or permitted by this Agreement to be given, such notice shall be in writing (including telecopy or similar writing) and shall be given by hand delivery (including any courier service) or telecopy to any Partner at its address or telecopy number shown in the Partnership's books and records or, if given to the General Partner or the Partnership, at the address or telecopy number of the Partnership in New York City. Each such notice shall be effective (i) if given by telecopy, upon dispatch, and (ii) if given by hand delivery, when delivered to the address of such Partner or the General Partner or the Partnership specified as aforesaid.

Section 10.10. Counterparts. This Agreement may be executed in any number of counterparts, all of which together shall constitute a single instrument.

Section 10.11. Power of Attorney. Each Partner hereby irrevocably appoints the General Partner as such Partner's true and lawful representative and attorney-in-fact, acting alone, in such Partner's name, place and stead, to make, execute, sign and file all instruments, documents and certificates which, from time to time, may be required to set forth any amendment to this Agreement or may be required by this Agreement or by the laws of Canada, the Province of Alberta or any other jurisdiction in which the Partnership shall determine to do business, or any political subdivision or agency thereof, to execute, implement and continue the valid and subsisting existence of the Partnership. Such power of attorney is coupled with an interest and shall survive and continue in full force and effect notwithstanding the subsequent Withdrawal from the Partnership of any Partner for any reason and shall not be affected by the disability or incapacity of such Partner.

Section 10.12. Cumulative Remedies. Rights and remedies under this Agreement are cumulative and do not preclude use of other rights and remedies available under applicable law.

Section 10.13. Legal Fees. Except as more specifically provided herein, in the event of a legal dispute (including litigation, arbitration or mediation) between any Partner or Withdrawn Partner and the Partnership, arising in connection with any party seeking to enforce Section 4.1(d) or any other provision of this Agreement relating to the Holdback, the Clawback Amount, the GP-Related Giveback Amount, the Capital Commitment Giveback Amount, the Net GP-Related Recontribution Amount or the Capital Commitment Recontribution Amount, the "losing" party to such dispute shall promptly reimburse the "victorious party" for all reasonable legal fees and expenses incurred in connection with such dispute (such determination to be made by the relevant adjudicator). Any amounts due under this Section 10.13 shall be paid within 30 days of the date upon which such amounts are due to be paid and such amounts remaining unpaid after such date shall accrue interest at the Default Rate.

Section 10.14. Entire Agreement. This Agreement embodies the entire agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants or undertakings, other than those expressly set forth or referred to herein. Subject to Section 10.4, this Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the day and year first above written. In the event that it is impracticable to obtain the signature of any of the Partners to this Agreement, this Agreement shall be binding among the other Partners executing the same.

GENERAL PARTNERS:

BLACKSTONE REAL ESTATE SPECIAL
SITUATIONS EUROPE (CAYMAN) LTD.

By: /s/ Robert L. Friedman

Name: Robert L. Friedman

Title: Director

BLACKSTONE REAL ESTATE SPECIAL
SITUATIONS EUROPE GP L.P.

By: Blackstone Real Estate Special Situations Europe GP
L.L.C., its general partner

By: /s/ Robert L. Friedman

Name: Robert L. Friedman

Title: Chief Legal Officer

LIMITED PARTNERS:

All Limited Partners now and hereafter admitted pursuant to powers of attorney now and hereafter granted to Blackstone Real Estate Special Situations Europe GP L.P.

By: BLACKSTONE REAL ESTATE SPECIAL
SITUATIONS EUROPE GP L.P.,
As Attorney-in-Fact

By: Blackstone Real Estate Special Situations Europe GP
L.L.C., its general partner

By: /s/ Robert L. Friedman
Name: Robert L. Friedman
Title: Chief Legal Officer

/s/ Christopher J. James

Christopher J. James, as Initial Limited Partner, to reflect
his withdrawal from the Partnership

BRECA L.L.C.
AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

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BRECA L.L.C.

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT of BRECA L.L.C., a Delaware limited liability company (the “Company”), dated as of May 1, 2009 by and among Blackstone Holdings III L.P., a Québec société en commandite (the “Managing Member” or “Holdings”), the other members of the Company as set forth in the books and records of the Company, and such other persons that are admitted to the Company as members after the date hereof in accordance herewith.

WITNESSETH

WHEREAS, the Limited Liability Company Agreement of the Company, dated as of April 24, 2009, constitutes the existing limited liability company agreement of the Company (the “Existing Agreement”);

WHEREAS, the parties hereto wish to amend and restate the Existing Agreement in its entirety as hereinafter set forth.

NOW, THEREFORE, the parties agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. Unless the context otherwise requires, the following terms shall have the following meanings for purposes of this Agreement:

“Admission Letter” has the meaning set forth in Section 7.4.

“Affiliate” means, with respect to any Person, any other Person that either, directly or indirectly, controls, is controlled by, or is under common control with, such Person.

“Agreement” means this Amended and Restated Limited Liability Company Agreement, as it may be amended and restated from time to time.

“BCE Agreement” means the limited partnership agreement, limited liability company agreement or other governing document of any limited partnership, limited liability company or other entity named or referred to in the definition of any of “BFREP,” “BFIP,” “BFMEZP,” “BFCOMP” or “Other Blackstone Collateral Entity,” as such limited partnership agreement, limited liability company agreement or other governing document may be amended, supplemented, restated or otherwise modified to date, and as such limited partnership agreement, limited liability company agreement or other governing document may be further amended, supplemented, restated or otherwise modified from time to time, and any other Blackstone Collateral Entity limited partnership agreement, limited liability company agreement or other governing document.

“BCE Investment” means any direct or indirect investment by any Blackstone Collateral Entity.

“BCOM” means (i) Blackstone Communications Partners I L.P., a Delaware limited partnership, and (ii) any other investment vehicle established pursuant to Article 2 of the partnership agreement for the partnership referred to in clause (i) above.

“**BCP VI**” is the collective reference to (i) Blackstone Capital Partners VI L.P., a Delaware limited partnership, (ii) Blackstone Capital Partners VI-Executive Fund L.P., a Delaware limited partnership, and (iii) any alternative investment vehicle relating thereto and any parallel fund.

“**BFCOMP**” means Blackstone Family Communications Partnership I L.P., Blackstone Family Communications Partnership I-SMD L.P. and any other entity that is an Affiliate thereof and has terms substantially similar to those of the foregoing partnerships and is formed in connection with the participation by one or more partners thereof directly or indirectly in investments in securities also purchased by BCOM or any other funds with substantially similar investment objectives to BCOM and that are sponsored or managed by an Affiliate of the Company (which includes serving as general partner of such funds).

“**BFIP**” means Blackstone Capital Associates II L.P., Blackstone Capital Associates III L.P., Blackstone Family Investment Partnership II L.P., Blackstone Family Investment Partnership III L.P., Blackstone Family Investment Partnership IV-A L.P., Blackstone Family Investment Partnership IV-A -SMD L.P., Blackstone Family Investment Partnership V L.P., Blackstone Family Investment Partnership V- SMD L.P., Blackstone Family Investment Partnership VI L.P., Blackstone Family Investment Partnership VI-SMD L.P., and any other entity that is an Affiliate thereof and has terms similar to those of the foregoing partnerships and is formed in connection with the participation by one or more of the partners thereof in investments in securities also purchased by BCP VI or any other fund with substantially similar investment objectives to BCP VI and that are sponsored or managed by an Affiliate of the Company (which includes serving as general partner of such funds).

“**BFMEZP**” means Blackstone Family Mezzanine Partnership-SMD L.P., Blackstone Family Mezzanine Partnership II-SMD L.P., Blackstone Mezzanine Holdings L.P., Blackstone Mezzanine Holdings II L.P., any entity formed to invest side-by-side with any GSO Fund and any other entity that is an Affiliate thereof and that has terms substantially similar to those of the foregoing partnerships or other entities and is formed in connection with the participation by one or more partners or other equity owners thereof directly or indirectly in investments in securities also purchased by BMEZP I, BMEZP II, any GSO Fund or any other funds with substantially similar investment objectives to BMEZP I, BMEZP II or any GSO Fund and that are sponsored or managed by an Affiliate of the Company (which includes serving as general partner of such funds).

“**BFREP**” means Blackstone Real Estate Capital Associates L.P., Blackstone Real Estate Capital Associates II L.P., Blackstone Real Estate Capital Associates III L.P., Blackstone Family Real Estate Partnership L.P., Blackstone Family Real Estate Partnership II L.P., Blackstone Family Real Estate Partnership III L.P., Blackstone Family Real Estate Partnership International-A-SMD L.P., Blackstone Family Real Estate Partnership IV-SMD L.P., Blackstone Family Real Estate Partnership International II-SMD L.P., Blackstone Family Real Estate Partnership V-SMD L.P., Blackstone Family Real Estate Partnership VI-SMD L.P., Blackstone Family Real Estate Partnership Europe III-SMD L.P., Blackstone Family Real Estate Special Situations Partnership - SMD L.P., Blackstone Family Real Estate Special Situations Partnership Europe - SMD L.P., Blackstone Real Estate Holdings L.P., Blackstone Real Estate Holdings II L.P., Blackstone Real Estate Holdings III L.P., Blackstone Real Estate Holdings International - A L.P., Blackstone Real Estate Holdings IV L.P., Blackstone Real Estate Holdings International II L.P., Blackstone Real Estate Holdings V L.P., Blackstone Real Estate Holdings VI L.P., Blackstone Real Estate Holdings Europe III L.P., Blackstone Real Estate Special Situations Holdings II L.P., Blackstone Real Estate Special Situations Holdings Europe L.P. and any other entity that is an Affiliate thereof and that has terms substantially similar to those of the foregoing partnerships and is formed in connection with the participation by one or more partners thereof in real estate and real estate-related investments also purchased by BREP VI, BSSF II or BSSF Europe and any other funds with substantially similar investment objectives to BREP VI, BSSF II or BSSF Europe and that are sponsored or managed by an Affiliate of the Company (which includes serving as general partner of such funds).

“Blackstone” means, collectively, The Blackstone Group L.P., a Delaware limited partnership and any Affiliate thereof (excluding any portfolio companies of any Blackstone sponsored investment funds).

“Blackstone Collateral Entity” means any limited partnership, limited liability company or other entity named or referred to in the definition of any of “BFREP,” “BFIP,” “BFMEZP,” “BFCOMP” or “Other Blackstone Collateral Entity.”

“BMEZP I” means (i) Blackstone Mezzanine Partners L.P., a Delaware limited partnership, and (ii) any other investment vehicle established pursuant to Article 2 of the partnership agreement for the partnership referred to in clause (i) above.

“Blackstone Entity” means any partnership, limited liability company or other entity (excluding any natural persons and any portfolio companies of any Blackstone – sponsored fund) that is an Affiliate of The Blackstone Group L.P.

“BMEZP II” means (i) Blackstone Mezzanine Partners II L.P., a Delaware limited partnership, and (ii) any other investment vehicle established pursuant to Article 2 of the partnership agreement for the partnership referred to in clause (i) above.

“BREP VI” means (i) Blackstone Real Estate Partners VI L.P., Blackstone Real Estate Partners VI.TE.1 L.P., Blackstone Real Estate Partners VI.TE.2 L.P. and Blackstone Real Estate Partners VI.F L.P., each a Delaware limited partnership, (ii) any other Parallel Funds or other Supplemental Capital Vehicles (each as defined in the respective partnership agreements for the partnerships referred to in clause (i) above), or (iii) any other investment vehicle established pursuant to Article 2 of the respective partnership agreements for any of the partnerships referred to in clause (i) above.

“BSSF Europe” means (i) Blackstone Real Estate Special Situations Europe L.P., Blackstone Real Estate Special Situations Europe.1 L.P. and Blackstone Real Estate Special Situations Europe.2 L.P., each a limited partnership formed or to be formed under the laws of the United Kingdom pursuant to the Limited Partnerships Act 1907 of the United Kingdom, (ii) any alternative vehicle, parallel fund or other investment vehicle established pursuant to Article 2 of the partnership agreements for the partnerships referred to in clause (i) above, and (iii) any investment vehicle formed to co-invest with any of the partnerships referred to in clause (i) above using third party capital and that potentially pays Carried Interest Distributions (as such term is used in such partnership agreements).

“BSSF Funds” means the collective reference to (i) BSSF I, (ii) BSSF II and (iii) BSSF Europe.

“BSSF I” means (i) Blackstone Real Estate Special Situations Fund L.P., a Delaware limited partnership, (ii) Blackstone Real Estate Special Situations Offshore Fund Ltd., a Cayman Islands exempted company and (iii) any alternative vehicles thereof or subsidiaries formed in connection therewith.

“BSSF II” means (i) Blackstone Real Estate Special Situations Fund II L.P., a Delaware limited partnership, (ii) Blackstone Real Estate Special Situations Fund II.1 L.P., a Delaware limited partnership, and (iii) Blackstone Real Estate Special Situations Fund II.2 L.P., a Delaware limited partnership, and any alternative vehicles thereof or parallel funds formed in connection therewith.

“Capital Account” means a capital account established for each Member on the books and records of the Company and maintained and adjusted as provided in Articles V and VI. A separate Capital Account shall be established for each Member with respect to each category of Net Income (Loss) (including, without limitation, Fund Net Income (Loss), Other Net Income (Loss) and the Incentive Allocation) as may be determined by the Managing Member in its sole discretion.

“Cause” means the occurrence or existence of any of the following with respect to a Member, as determined fairly, reasonably, on an informed basis and in good faith by the Managing Member: (i) (w) any breach by any Member of any provision of any non-competition agreement, (x) any material breach of this Agreement or any rules or regulations applicable to such Member that are established by the Managing Member, (y) such Member’s deliberate failure to perform his or her duties to the Company or any of its Affiliates, or (z) such Member’s committing to or engaging in any conduct or behavior that is or may be harmful to the Company or any of its Affiliates in a material way as determined by the Managing Member; provided, that in the case of any of the foregoing clauses (w), (x), (y) and (z), the Managing Member has given such Member written notice (a “Notice of Breach”) within fifteen days after the Managing Member becomes aware of such action and such Member fails to cure such breach, failure to perform, conduct or behavior within fifteen days after receipt of such Notice of Breach from the Managing Member (or such longer period, not to exceed an additional fifteen days, as shall be reasonably required for such cure, provided that such Member is diligently pursuing such cure); (ii) any act of fraud, misappropriation, dishonesty, embezzlement or similar conduct against the Company or any of its Affiliates; (iii) conviction (on the basis of a trial or by an accepted plea of guilty or *nolo contendere*) of a felony or crime (including any misdemeanor charge involving moral turpitude, false statements or misleading omissions, forgery, wrongful taking, embezzlement, extortion or bribery), or a determination by a court of competent jurisdiction, by a regulatory body or by a self-regulatory body having authority with respect to securities laws, rules or regulations of the applicable securities industry, that such Member individually has violated any applicable securities laws or any rules or regulations thereunder, or any rules of any such self-regulatory body (including, without limitation, any licensing requirement), if such conviction or determination has a material adverse effect on (A) such Member’s ability to function as a Member, taking into account the services required of such Member and the nature of the business of the Company and its Affiliates, or (B) the business of the Company and its Affiliates; or (iv) any action or conduct that is opposed to the best interest of the Company or any of its Affiliates.

“Class A Interest” has the meaning set forth in Section 5.7(a).

“Class B Interest” has the meaning set forth in Section 5.7(a).

“CMBS” means commercial mortgage-backed securities.

“CMBS Holdings” means Blackstone Real Estate CMBS Offshore Holdings L.P., a Cayman Islands exempted limited partnership.

“CMBS Holdings Partnership Agreement” means the Amended and Restated Agreement of Limited Partnership of CMBS Holdings, dated May 1, 2009, as amended, supplemented or otherwise modified from time to time.

“Code” means the U.S. Internal Revenue Code of 1986, as amended from time to time, or any successor statute. Any reference herein to a particular provision of the Code shall include, where appropriate, the corresponding provision in any successor statute.

“Commitment” with respect to any Member means any commitment made by such Member to contribute capital to the Company.

“Company” has the meaning set forth in the preamble hereto.

“Contingent” means subject to repurchase rights and/or other requirements.

“Covered Person” has the meaning set forth in Section 3.5(a).

“Delaware Arbitration Act” has the meaning set forth in Section 7.1(d).

“Delaware Fund” means Blackstone Real Estate CMBS Fund L.P., a Delaware limited partnership, and, where the context requires, any parallel funds thereof or alternative investment vehicles related thereto.

“Delaware Fund Partnership Agreement” means the Amended and Restated Agreement of Limited Partnership of the Delaware Fund, dated as of May 1, 2009, as amended, supplemented or otherwise modified from time to time.

“Disposable Special Investment” has the meaning set forth in Section 5.7(a).

“Estate Planning Vehicle” has the meaning set forth in Section 6.3.

“Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended.

“Existing Agreement” has the meaning set forth in the preamble hereto.

“Fiscal Year” means a calendar year, or any other period chosen by the Managing Member.

“Fund Agreements” means the collective reference to (i) Delaware Fund Partnership Agreement, (ii) CMBS Holdings Partnership Agreement and (iii) any other limited partnership agreements, operating agreements and other governing documentation of the Funds or the General Partner, in each case, as amended, supplemented or otherwise modified from time to time.

“Funds” means the collective reference to (i) the Delaware Fund, (ii) CMBS Holdings and (iii) any other private investment partnerships for which the Company serves as the direct or indirect general partner and, where the context requires, any parallel funds or alternative investment vehicles related to the foregoing.

“Fund Net Income (Loss)” means any net income (loss) of the Company relating to the Company’s indirect investment of capital in the Funds through the General Partner, but not including (i) Other Net Income (Loss) or (ii) any net income (loss) relating to the Incentive Allocation allocable indirectly to the Company from the Funds through the General Partner in accordance with the applicable Fund Agreements, and any appreciation or depreciation relating thereto. The Managing Member may designate separate categories of Fund Net Income (Loss) as it may determine in its sole discretion.

“GAAP” has the meaning set forth in Section 5.1(b).

“General Partner” means Blackstone Real Estate CMBS Associates L.L.C., a Delaware limited liability company, of which the Company is the Managing Member.

“GSO Fund” means (i) any of GSO Capital Opportunities Fund LP, GSO Capital Opportunities Overseas Fund L.P., GSO Capital Opportunities Overseas Master Fund L.P., GSO Liquidity Partners LP, GSO Liquidity Overseas Partners LP, Blackstone / GSO Capital Solutions Fund

LP, Blackstone / GSO Capital Solutions Overseas Fund L.P. and Blackstone / GSO Capital Solutions Overseas Master Fund L.P., or (ii) any alternative vehicle or parallel fund relating to any of the partnerships referred to in clause (i) above.

“Holdings” has the meanings set forth in the preamble hereto.

“Incentive Allocation” means the incentive allocations or other performance-based allocations of net capital appreciation or net profits allocated by the Funds to the Company indirectly through the General Partner pursuant to the applicable Fund Agreements, excluding any allocations of net capital appreciation or net profits made indirectly to the Company by virtue of its capital invested indirectly in such Funds through the General Partner (which capital, for the avoidance of doubt, shall not include any Incentive Allocation that remains in the Funds and any related capital appreciation).

“Incompetence” means, with respect to any Member, the determination by the Managing Member in its sole discretion, after consultation with a qualified medical doctor, that such Member is incompetent to manage his person or his property.

“Interest” means a limited liability company interest (as defined in § 18-101(8) of the LLC Act) in the Company, including those which are held by a Retaining Withdrawn Member.

“Investment Manager” means Blackstone Real Estate Special Situations Advisors L.L.C., a Delaware limited liability company. The Investment Manager also serves as investment manager to the BSSF Funds.

“Investments” means (i) pools or tranches of CMBS, whether or not publicly traded, (ii) Temporary Investments, (iii) securities or other instruments acquired for hedging purposes related to an Investment directly or indirectly owned by the Funds, and/or (iv) rights, options, futures, foreign exchange transactions and other derivative instruments related to CMBS (including, without limitation, CMBX), in each case, as the Managing Member may determine from time to time (it being understood, for the avoidance of doubt, that the Funds may directly or indirectly own, sell or trade securities and instruments other than CMBS as a result of restructurings, foreclosures, bankruptcies, workouts or other corporate actions in connection with or relating to the CMBS owned by the Funds).

“Investor Note” means a promissory note of a Member evidencing indebtedness incurred by such Member to the Lender or Guarantor for the purpose of financing the purchase of an Interest in the Company and/or the amount of one or more capital contributions to the Company, which is secured by such Interest and all other Interests of such Member in the Company (if any), in each case on terms which were or are approved by the Managing Member; provided, that such promissory note may also evidence indebtedness relating to other interests of such Member in Blackstone Collateral Entities, in which case, such indebtedness shall also be secured by such other interests of such Member in such Blackstone Collateral Entities, in each case on terms which were or are approved by the Managing Member. Such indebtedness shall be prepayable as provided in the Investor Note, any security agreement related thereto and any applicable BCE Agreements and any documentation related thereto. References to “Investor Notes” herein may refer to multiple loans made pursuant to such promissory note, whether made with respect to such Member’s Interest(s) in the Company or in other BCE Investments, and references to an “Investor Note” refer to one such loan as the context requires. In no way shall any indebtedness incurred to acquire Interests in the Company, and, if applicable, interests in other Blackstone Collateral Entities be considered part of the Investor Notes for purposes hereof if the Lender or Guarantor is not the lender or guarantor with respect thereto.

“Lender or Guarantor” means Blackstone, in its capacity as lender or guarantor under the Investor Notes, including any Affiliate of the Company that makes or guarantees loans to enable a Member to acquire Interests or other interests in Blackstone Collateral Entities.

“LLC Act” means the Delaware Limited Liability Company Act, 6 Del.C. § 18-101, et seq. as it may be amended from time to time, and any successor to such statute.

“Losses” has the meaning set forth in Section 3.5(b).

“Majority in Interest of the Members” on any date (a “vote date”) means one or more persons who are Members (including the Managing Member but excluding Nonvoting Special Members) on the vote date and who, as of the last day of the most recent accounting period ending on or prior to the vote date (or as of such later date on or prior to the vote date selected by the Managing Member), have aggregate Profit Sharing Percentages representing at least a majority of the Profit Sharing Percentages of all the persons who are Members (including the Managing Member but excluding Nonvoting Special Members) on the vote date.

“Managing Member” has the meaning set forth in the preamble hereto.

“Member” means any person who is a member of the Company, including the Regular Members, the Managing Member and the Special Members. Except as otherwise specifically provided herein, no group of Members, including the Special Members and any group of Members in the same Member Category, shall have any right to vote as a class on any matter relating to the Company, including, but not limited to, any merger, reorganization, dissolution or liquidation.

“Member Category” means the Managing Member, the Regular Members, the Special Members or the Retaining Withdrawn Members, each referred to as a group for purposes hereof.

“Net Income (Loss)” has the meaning set forth in Section 5.1(a).

“Non-Contingent” means generally not subject to repurchase rights or other requirements.

“Nonvoting Special Member” has the meaning set forth in Section 6.1(a).

“Other Blackstone Collateral Entity” means any Blackstone Entity (other than any limited partnership, limited liability company or other entity named or referred to in the definition of any of “BFREP,” “BFIP,” “BFMEZP” or “BFCOMP”) in which any limited partner interest, limited liability company interest, unit or other interest is pledged to secure any Investor Note.

“Other Net Income (Loss)” for any accounting period means the net income or net loss of the Company for such accounting period as determined on an accrual basis after deduction for expenses of the Company, in accordance with GAAP, excluding (i) Fund Net Income (Loss) and (ii) any net income (loss) relating to the Incentive Allocation allocable indirectly to the Company from the Funds through the General Partner in accordance with the applicable Fund Agreements. The Managing Member may designate separate categories of Other Net Income (Loss) as it may determine in its sole discretion.

“Pass-Thru Member” has the meaning set forth in Section 6.7(c).

“Person” means any individual, partnership, joint venture, corporation, limited liability company, unincorporated organization or association, trust (including the trustees thereof in their capacity as such), government (or agency or subdivision thereof), governmental entity or other entity.

“Profit Sharing Percentage” means, with respect to any Member, such Member’s percentage interest in Net Income (Loss) or any category thereof (including, without limitation, Fund Net Income (Loss), Other Net Income (Loss) and the Incentive Allocation), as determined by the Managing Member and set forth on the books and records of the Company, as such Profit Sharing Percentage may be modified from time to time in accordance herewith. Separate Profit Sharing Percentages may be established for each Member with respect to each separate category of Net Income (Loss).

“Positive Basis” has the meaning set forth in Section 6.7(b).

“Positive Basis Member” has the meaning set forth in Section 6.7(b).

“Regular Member” means any Member, excluding the Managing Member and any Special Members.

“Regulations” means the U.S. Treasury regulations promulgated under the Code.

“Repurchase Period” has the meaning set forth in Section 5.7(c).

“Retaining Withdrawn Member” means a Withdrawn Member who has retained an Interest in the Company following such Withdrawn Member’s Withdrawal Date. A Retaining Withdrawn Member shall be considered a Nonvoting Special Member for all purposes hereof.

“Settlement Date” has the meaning set forth in Section 6.5(a).

“Special Investments” has the meaning set forth in Section 4.04(a) of the Delaware Fund Partnership Agreement.

“Special Investment Account” has the meaning set forth in Section 4.02(a) of the Delaware Fund Partnership Agreement.

“Special Member” means any person shown on the books and records of the Company as a Special Member of the Company.

“Tax Matters Member” has the meaning set forth in Section 6.7(c).

“Temporary Investments” means short-term or temporary investments including, without limitation, investments in money market funds, commercial paper, certificates of deposit, bank debt, trade claims, obligations of the United States, any State thereof, any non-U.S. government or international agency and instrumentalities of the foregoing, bankers’ acceptances, trust receipts and any other short-term or temporary investments of high quality as reasonably determined by the Managing Member in its sole discretion.

“TM” has the meaning set forth in Section 7.2.

“Total Disability” means the inability of a Member substantially to perform the services required of a Regular Member for a period of six consecutive months by reason of physical or mental illness or incapacity and whether arising out of sickness, accident or otherwise.

“Unallocated Percentage” has the meaning set forth in Section 5.3(b).

“Withdraw” or “Withdrawal” with respect to a Member means a Member ceasing to be a member of the Company (except as a Retaining Withdrawn Member) for any reason (including death, Total Disability, Incompetence, removal, resignation or retirement, whether such is voluntary or involuntary) unless the context shall limit the type of withdrawal to a specific reason and “Withdrawn” with respect to a Member means, as aforesaid, a Member who has ceased to be a member of the Company (except as a Retaining Withdrawn Member).

“Withdrawal Date” means, with respect to any Withdrawn Member, the date on which such Withdrawn Member ceases to be a Member of the Company.

“Withdrawn Member” means a Member whose Interest in the Company has been terminated for any reason.

Section 1.2 Terms Generally. The definitions in Section 1.1 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The term “person” includes individuals, partnerships (including limited liability partnerships), companies (including limited liability companies), joint ventures, corporations, trusts, governments (or agencies or political subdivisions thereof) and other associations and entities. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation.”

ARTICLE II

GENERAL PROVISIONS

Section 2.1 Managing, Regular and Special Members. The Members may be Managing Members, Regular Members or Special Members. The Managing Member as of the date hereof is Holdings and the Regular Members as of the date hereof are those persons shown as Regular Members in the books and records of the Company, and the Special Members as of the date hereof are persons shown as Special Members on the signature pages hereof.

Section 2.2 Continuation; Name; Foreign Jurisdictions. The Company was heretofore formed as a limited liability company pursuant to the LLC Act to conduct its activities under the name of BRECA L.L.C. The certificate of formation of the Company may be amended and/or restated from time to time by the Managing Member, as an “authorized person” (within the meaning of the LLC Act). The Managing Member is further authorized to deliver and file any other certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in a jurisdiction in which the Company may wish to conduct business.

Section 2.3 Term. The term of the Company began on the date the Certificate of Formation of the Company was filed and shall continue unless and until terminated as provided herein.

Section 2.4 Purpose; Powers.

(a) The purpose of the Company shall be, directly or indirectly through subsidiaries or Affiliates, (i) to serve as managing member of the general partner of the Funds and perform the functions thereof, (ii) to serve as a direct or indirect general partner and/or limited partner of other partnerships and/or as a member of one or more limited liability companies, (iii) to invest in, and acquire, directly or indirectly, limited partnership interests, limited liability company interests and/or other equity interests in, and/or securities of, any one or more limited partnerships, limited liability companies and/or other entities, and/or receive allocations, fees, distributions and other payments, directly or indirectly, from any one more of such limited partnerships, limited liability companies and/or other

entities, in each case as the Managing Member shall determine, (iv) to carry on such other businesses, perform such other services and make such other investments as are deemed desirable by the Managing Member and as are permitted under the LLC Act and the applicable Fund Agreements, (v) any other lawful purpose, and (vi) to do all things necessary, desirable, convenient and/or incidental thereto.

(b) In furtherance of its purpose, the Company shall have all powers necessary, suitable or convenient for the accomplishment of its purposes, alone or with others, as principal or agent, including the following:

(i) to be and become a direct or indirect general or limited partner of partnerships, a member of limited liability companies, a holder of common and preferred stock of corporations and/or an investor in the foregoing entities or other entities, in connection with the making of investments or the acquisition, holding or disposition of Investments or other property or as otherwise deemed appropriate by the Managing Member in the conduct of the Company's business, and to take any action in connection therewith;

(ii) do any and all acts on behalf of the General Partner and/or the Funds and exercise all rights and remedies thereof with respect to its interest in any Person, firm, corporation or other entity, including, without limitation, the voting or lending of Investments, participation in arrangements with creditors, the institution and settlement or compromise of suits and administrative proceedings and other similar matters;

(iii) cause the General Partner to purchase and sell Investments for the Funds and hold them for investment;

(iv) cause the General Partner to enter into contracts for or in connection with Investments by the Funds (including with respect to foreign exchange transactions, hedging transactions and/or transactions relating to derivative instruments);

(v) cause the General Partner to determine the valuation of Investments and, when deemed appropriate, consult with a valuation agent with respect thereto;

(vi) cause the General Partner to enter into joint venture arrangements, co-investment arrangements with third parties or arrangements relating to investments in other pooled investment vehicles, which shall be subject, in each case, to the terms and conditions of the respective governing document for such transaction, including without limitation, payment of fees or provision for performance allocations (or similar arrangements) with respect thereto;

(vii) cause the General Partner to establish one or more Special Investment Accounts in connection with the Special Investments of the Funds, each of which shall be so denominated on the books of the Funds;

(viii) cause the General Partner to combine purchase or sale orders on behalf of the Funds, with orders for other accounts or vehicles to which the Company or any of its Affiliates may directly or indirectly provide investment services and cause the General Partner to allocate Investments or other assets so purchased or sold, among the Funds and such other vehicles or accounts on a fair and reasonable basis as determined by the Managing Member in its sole discretion;

(ix) appoint and enter into a contract, directly or indirectly through the General Partner, with any Person, including the Investment Manager, to do any and all acts and exercise all rights, powers, privileges and other incidents of ownership or possession with respect to Investments and other property and funds held or owned by the Funds;

(x) cause the General Partner to open, maintain and close accounts with brokers, dealers and custodians, which power shall include the authority to issue all instructions and authorizations to brokers, dealers and custodians regarding Investments and to pay, or authorize the payment and reimbursement of, brokerage commissions (that may be in excess of the lowest rates available), which are paid to brokers who execute transactions for the account of the Funds, who supply or pay the cost of research and brokerage services;

(xi) use “soft dollars” generated by the Funds, to the extent permitted by applicable law to pay for certain research and non-research-related services and products used by the Company and the Investment Manager within the safe harbor afforded by Section 28(e) of the Exchange Act;

(xii) open maintain and close bank accounts and draw and authorize checks, wire transfers or other orders for the payment of monies;

(xiii) cause the General Partner to enter into custodial arrangements regarding the Investments and other assets owned beneficially by the Funds with banks, brokers and other financial institutions, wherever located;

(xiv) cause the General Partner to enter into arrangements with placement agents or similar persons to solicit investors in the Funds which arrangements may provide for the compensation of such persons in return for services rendered;

(xv) directly or indirectly transfer or otherwise deal in, and to exercise all rights, powers, privileges and other incidents of ownership or possession of the Funds with respect to Investments and other property and funds held or owned by the Funds and to secure the payment of such or other obligations of the Funds by possession of, mortgage upon, hypothecation or pledge of, or otherwise deal in, all or part of the property of the Funds whether at the time owned or thereafter acquired;

(xvi) directly or indirectly organize one or more partnerships or corporations or other entities formed to hold record title, as nominee for the Funds, otherwise (whether alone or together with other investment vehicles), to Investments or funds of the Funds;

(xvii) authorize any partner, director, officer, employee or other agent of the Company, the General Partner, the Investment Manager or agent or employee of the Funds to act for and on behalf of the Funds in all matters incidental to the foregoing;

(xviii) make, in its sole discretion, any and all elections for U.S. federal, state, local and non-U.S. tax purposes;

(xix) make, execute, deliver, record and file all certificates, instruments, documents, reports or statements, or any amendment thereto, of any kind necessary or desirable to accomplish the business, purpose and objectives of the General Partner and/or the Funds, in each case as required by any applicable law, agreement or its business judgment;

(xx) do any other act that the Company deems necessary or advisable in connection with the management and administration of the General Partner and/or the Funds;

(xxi) to sue and be sued, to prosecute, settle or compromise all claims against third parties, to compromise, settle or accept judgment to claims against the Company, and to execute all documents and make all representations, admissions and waivers in connection therewith;

(xxii) to distribute, subject to the terms of this Agreement, at any time and from time to time to the Members cash or investments or other property of the Company, or any combination thereof; and

(xxiii) to take such other actions necessary, desirable, convenient or incidental thereto and to engage in such other businesses as may be permitted under Delaware law.

Section 2.5 Registered Office; Place of Business; Registered Agent. The Company shall maintain an office and principal place of business at 345 Park Avenue, New York, New York 10154 or such other place or places as the Managing Member may designate from time to time. The Company shall maintain a registered office at The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County Delaware 19801. The name and address of the Company's registered agent is The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County Delaware 19801. The Managing Member may from time to time change the registered agent or office by an amendment to the certificate of formation of the Company.

ARTICLE III

MANAGEMENT

Section 3.1 Managing Member.

(a) Holdings is the Managing Member as of the date hereof. The Managing Member shall cease to be the Managing Member only if it (i) Withdraws from the Company for any reason or (ii) consents in its sole discretion to resign as the Managing Member. The Managing Member may not be removed without its consent. There may be one or more Managing Members. In the event that one or more other Managing Members is admitted to the Company as such, all references herein to the "Managing Member" in the singular form shall be deemed to also refer to such other Managing Members as may be appropriate. The relative rights and responsibilities of such Managing Members will be as agreed upon from time to time between them.

(b) Upon the Withdrawal from the Company or voluntary resignation of the last remaining Managing Member, all of the powers formerly vested therein pursuant to this Agreement and the LLC Act shall be exercised by a Majority in Interest of the Regular Members.

Section 3.2 Member Voting, etc.

(a) Except as otherwise expressly provided herein and except as may be expressly required by the LLC Act, Regular Members and Special Members as such shall have no right to, and shall not, take part in the management or control of the Company's business or act for or bind the Company, and shall have only the rights and powers granted to them herein.

(b) To the extent a Member is entitled to vote with respect to any matter relating to the Company, such Member shall not be obligated to abstain from voting on any matter (or vote in any particular manner) because of any interest (or conflict of interest) of such Member (or any affiliate thereof) in such matter.

(c) Meetings of the Members may be called only by the Managing Member.

Section 3.3 Management. (a) The management, control and operation of the Company and the formulation and execution of business and investment policy shall be vested in the Managing Member. The Managing Member shall, in its discretion, exercise all powers necessary and convenient for the purposes of the Company, including those enumerated in Section 2.4, on behalf and in the name of the Company. All decisions and determinations (howsoever described herein) to be made by the Managing Member pursuant to this Agreement shall be made in its discretion, subject only to the express terms and conditions of this Agreement (including Section 7.4).

(b) Notwithstanding any provision of this Agreement to the contrary, the Company is hereby authorized, without the need for any further act, vote or consent of any Member, (i) to execute and deliver, and to perform the Company's obligations under, each agreement of the Company (including, without limitation, the applicable Fund Agreements), including, without limitation, serving as the managing member of the general partner of the Funds, (ii) to execute and deliver, as the managing member of the general partner of the Funds, the applicable Fund Agreements, as amended, restated and/or supplemented, and to perform the Company's obligations, and to cause the General Partner and/or the Funds to perform their respective obligations, under the applicable Fund Agreements, and (iii) to take any action, in the applicable capacity, contemplated by or arising out of any applicable Fund Agreements.

(c) The Managing Member and any other person designated by the Managing Member, each acting individually, is hereby authorized and empowered, as an authorized person of the Company within the meaning of the LLC Act, or otherwise (the Managing Member hereby authorizing and ratifying any of the following actions):

(i) to execute and deliver and/or file (in the name and on behalf of the Company, and/or in the name and on behalf of the Company as the managing member of the General Partner) any agreement of the Company (including, without limitation, the applicable Fund Agreements) or of the General Partner or the Funds (including, without limitation, the applicable Fund Agreements) and any amendments, restatements and/or supplements thereof, the certificate of formation of the Company or the General Partner or the certificate of limited partnership of the Funds (and any amendments, restatements and/or supplements of any of the foregoing) and any other certificates, notices, applications and other documents (and any amendments, restatements and/or supplements thereof) to be filed with any government or governmental or regulatory body, including, without limitation, any such document that may be necessary for the Company, the General Partner or the Funds to qualify to do business in a jurisdiction in which the Company, the General Partner or the Funds desires to do business; or

(ii) to prepare or cause to be prepared, and to sign, execute and deliver and/or file (in the name and on behalf of the Company and/or in the name and on behalf of the Company as the managing member of the General Partner), (A) such documents, instruments, certificates and agreements as may be necessary or desirable in furtherance of the Company's, the General Partner's or the Funds' purposes, (B) any certificates, forms, notices, applications and other documents to be filed with any government or governmental or regulatory body on behalf of the Company, the General Partner or the Funds, (C) any certificates, forms, notices, applications and other documents that may be necessary or advisable in connection with any bank account of the Company, the General Partner or the Funds, and all checks, notes, drafts and other documents of the General Partner or the Funds that may be required in connection with any such bank account or any banking facilities or services that may be utilized by the

Company, the General Partner or the Funds, (D) resolutions with respect to any of the foregoing matters (which resolutions, when executed by any person authorized as provided in this Section 3.3(c), each acting individually, shall be deemed to have been adopted by the Members, the Company, the General Partner or the Funds, as applicable, for all purposes), and (E) any amendments, restatements and/or supplements of any of the foregoing.

The authority granted to any person (other than the Managing Member) in this Section 3.3(c) may be revoked at any time by the Managing Member by an instrument in writing signed by the Managing Member.

Section 3.4 Responsibilities of Members.

(a) Unless otherwise determined by the Managing Member in a particular case, each Regular Member shall devote substantially all his time and attention to the businesses of the Company and its Affiliates, and each Special Member shall not be required to devote any time or attention to the businesses of the Company or its Affiliates.

(b) All outside business or investment activities of the Members (including outside directorships or trusteeships), shall be subject to such rules and regulations as are established by the Managing Member from time to time.

(c) The Managing Member may from time to time establish such other rules and regulations applicable to Members as the Managing Member deems appropriate, including rules governing the authority of Members to bind the Company to financial commitments or other obligations.

Section 3.5 Exculpation and Indemnification. (a) Liability to Members. Notwithstanding any other provision of this Agreement, whether express or implied, to the fullest extent permitted by law, no Member nor any of such Member's representatives, agents or advisors nor any partner, member, officer, employee, representative, agent or advisor of the Company or any of its Affiliates (individually, a "Covered Person" and, collectively, the "Covered Persons") shall be liable to the Company or any other Member for any act or omission (in relation to the Company, this Agreement, any related document or any transaction or investment contemplated hereby or thereby) taken or omitted by a Covered Person (other than any act or omission constituting Cause) unless there is a final and non-appealable judicial determination and/or determination of an arbitrator that such Covered Person did not act in good faith and in what such Covered Person reasonably believed to be in, or not opposed to, the best interests of the Company and within the authority granted to such Covered Person by this Agreement, and, with respect to any criminal act or proceeding, had reasonable cause to believe that such Covered Person's conduct was unlawful. Each Covered Person shall be entitled to rely in good faith on the advice of legal counsel to the Company, accountants and other experts or professional advisors, and no action taken by any Covered Person in reliance on such advice shall in any event subject such person to any liability to any Member or the Company. To the extent that, at law or in equity, a Member has duties (including fiduciary duties) and liabilities relating thereto to the Company or to another Member, to the fullest extent permitted by law, such Member acting under this Agreement shall not be liable to the Company or to any such other Member for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they expand or restrict the duties and liabilities of a Member otherwise existing at law or in equity, are agreed by the Members, to the fullest extent permitted by law, to modify to that extent such other duties and liabilities of such Member.

(b) Indemnification. To the fullest extent permitted by law, the Company shall indemnify and hold harmless (but only to the extent of the Company's assets (including, without limitation, the remaining Commitments of the Members) each Covered Person from and against any and

all claims, damages, losses, costs, expenses and liabilities (including, without limitation, amounts paid in satisfaction of judgments, in compromises and settlements, as fines and penalties and legal or other costs and reasonable expenses of investigating or defending against any claim or alleged claim), joint and several, of any nature whatsoever, known or unknown, liquidated or unliquidated (collectively, “Losses”), arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, in which the Covered Person may be involved, or threatened to be involved, as a party or otherwise, by reason of such Covered Person’s management of the affairs of the Company or which relate to or arise out of or in connection with the Company, its property, its business or affairs (other than claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, arising out of any act or omission of such Covered Person constituting Cause); provided, that a Covered Person shall not be entitled to indemnification under this Section with respect to any claim, issue or matter if there is a final and non-appealable judicial determination and/or determination of an arbitrator that such Covered Person did not act in good faith and in what such Covered Person reasonably believed to be in, or not opposed to, the best interest of the Company and within the authority granted to such Covered Person by this Agreement, and, with respect to any criminal act or proceeding, had reasonable cause to believe that such Covered Person’s conduct was unlawful; provided further, that if such Covered Person is a Member or a Withdrawn Member, such Covered Person shall bear its share of such Losses in accordance with such Covered Person’s Profit Sharing Percentage in the Company as of the time of the actions or omissions that gave rise to such Losses. To the fullest extent permitted by law, expenses (including legal fees) incurred by a Covered Person (including, without limitation, the Managing Member) in defending any claim, demand, action, suit or proceeding may, with the approval of the Managing Member, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of a written undertaking by or on behalf of the Covered Person to repay such amount to the extent that it shall be subsequently determined that the Covered Person is not entitled to be indemnified as authorized in this Section, and the Company and its Affiliates shall have a continuing right of offset against such Covered Person’s interests/investments in the Company and such Affiliates and shall have the right to withhold amounts otherwise distributable to such Covered Person to satisfy such repayment obligation. If a Member institutes litigation against a Covered Person which gives rise to an indemnity obligation hereunder, such Member shall be responsible, up to the amount of such Member’s Interests and remaining Commitment, for such Member’s *pro rata* share of the Company’s expenses related to such indemnity obligation, as determined by the Managing Member. The Company may purchase insurance, to the extent available at reasonable cost, to cover losses, claims, damages or liabilities covered by the foregoing indemnification provisions. Members will not be personally obligated with respect to indemnification pursuant to this Section 3.5(b).

Section 3.6 Representations of Members. (a) Each Regular and Special Member by execution of this Agreement (or by otherwise becoming bound by the terms and conditions hereof as provided herein or in the LLC Act) represents and warrants to every other Member and to the Company, except as may be waived by the Managing Member, that he is acquiring each of his Interests for his own account for investment and not with a view to resell or distribute the same or any part thereof, and that no other person has any interest in any such Interest or in the rights of such Member hereunder; provided, that a Member may choose to make transfers for estate and charitable planning purposes (in accordance with the terms hereof). Each Regular and Special Member represents and warrants that he understands that the Interests have not been registered under the Securities Act of 1933, as amended from time to time, and therefore such Interests may not be resold without registration under such Act or exemption from such registration, and that accordingly such Member must bear the economic risk of an investment in the Company for an indefinite period of time. Each Regular and Special Member represents that he has such knowledge and experience in financial and business matters, that he is capable of evaluating the merits and risks of an investment in the Company, and that he is able to bear the economic risk of such investment. Each Regular and Special Member represents that his overall commitment to the Company and other investments which are not readily marketable is not disproportionate to the Member’s net worth

and the Member has no need for liquidity in the Member's investment in Interests. Each Regular and Special Member represents that to the full satisfaction of the Member, the Member has been furnished any materials that he has requested relating to the Company and the offering of Interests and has been afforded the opportunity to ask questions of representatives of the Company concerning the terms and conditions of the offering of Interests and any matters pertaining thereto and to obtain any other additional information relating thereto. Each Regular and Special Member represents that the Member has consulted to the extent deemed appropriate by the Member with the Member's own advisors as to the financial, tax, legal and related matters concerning an investment in Interests and on that basis believes that an investment in the Interests is suitable and appropriate for the Member.

(b) Each Regular and Special Member agrees that the representations and warranties contained in paragraph (a) above shall be true and correct as of any date that such Member makes a capital contribution to the Company, and such Member hereby agrees that such capital contribution shall serve as confirmation thereof.

(c) Each Regular or Special Member certifies that (A) if such Member is a United States person (as defined in Section 7701 of the Code) (x) such Member's name, social security number (or, if applicable, employer identification number) and residence address (if an individual) or principal place of business address (if an entity) provided to the Company and its Affiliates pursuant to an IRS Form W-9, Request for Taxpayer Identification Number and Certification ("W-9") or otherwise are correct, (y) such Member will complete and return a W-9, and (z) such Member will notify the Company within 60 days of a change to foreign (non-United States) status or (B) if such Member is not a United States person (as defined in Section 7701 of the Code) (x) the information on the completed IRS Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding ("W-8BEN") or other applicable form, including but not limited to IRS Form W-8IMY, Certificate of Foreign Intermediary, Foreign Flow-Through Entity, or Certain U.S. Branches for United States Tax Withholding ("W-8IMY"), or otherwise is correct, (y) the Member will complete and return the applicable IRS form, including but not limited to a W-8BEN or W-8IMY and (z) such Member will notify the Company within 60 days of any change of such status. Each Regular or Special Member agrees to properly execute and provide to the Company in a timely manner any tax documentation that may be reasonably required by the Managing Member.

ARTICLE IV

CAPITAL OF THE COMPANY

Section 4.1 Capital Contributions by Members.

(a) Each Regular Member may be required to make capital contributions to the Company at such times and in such amounts as may be determined by the Managing Member from time to time or as may be set forth in such Regular Member's Admission Letter. Special Members shall not be required to make capital contributions to the Company except as specifically set forth in this Agreement or as they otherwise agree; provided, that the Managing Member and any Special Member may agree from time to time that such Special Member shall make an additional capital contribution to the Company.

(b) Each capital contribution by a Member shall be credited to the appropriate Capital Account(s) of such Member in accordance with Section 5.2 and maintained in the books and records of the Company.

(c) The Managing Member may elect on a case-by-case basis with respect to any Member (including any additional Member admitted to the Company pursuant to Section 6.1 but excluding any Member that is also an executive officer of Blackstone) to (i) cause the Company to loan to any such Member the amount of any capital contribution to the Company by such Member on terms determined by the Managing Member, (ii) permit any such Member to make a required capital contribution to the Company in installments on terms determined by the Managing Member or (iii) permit any such Member to incur indebtedness to the Lender or Guarantor for the purpose of financing the purchase of an Interest in the Company and/or the amount of one or more capital contributions to the Company, which indebtedness shall be evidenced by an Investor Note and secured by such Interest, all other Interests of such Member in the Company (if any) and, if applicable, interests of such Member in any Blackstone Collateral Entities, in each case on terms which were or are approved by the Managing Member.

Section 4.2 Interest. There shall be no interest on the balances of the Members' Capital Accounts.

Section 4.3 Partial Withdrawals of Capital. Each Member may make partial withdrawals in respect of such Member's Capital Account(s) in such amounts and at such times as may be permitted by the Managing Member from time to time. Payments with respect to any such partial withdrawals will be made at such times and in cash or in kind as may be determined by the Managing Member.

ARTICLE V

PARTICIPATION IN PROFITS AND LOSSES

Section 5.1 General Accounting Matters.

(a) Net Income (Loss) shall be determined by the Managing Member at the end of each accounting period and shall be allocated as described in Section 5.4. "Net Income (Loss)" means, with respect to any accounting period, the sum of: (i) Fund Net Income (Loss) for such period, (ii) Other Net Income (Loss) for such period, and (iii) the Incentive Allocation for such period. The Managing Member may from time to time (i) establish additional separate categories of Net Income (Loss) with respect to the Company as it may determine (including, without limitation, Net Income (Loss) relating to Special Investments by the Funds) and (ii) calculate and allocate Net Income (Loss) for each such category on a separate basis.

(b) Net Income (Loss) with respect to any accounting period shall be determined in accordance with the accounting method used by the Company for U.S. federal income tax purposes with the following adjustments: (i) any income of the Company that is exempt from U.S. federal income taxation and not otherwise taken into account in computing Net Income (Loss) shall be added to such taxable income or loss; (ii) if any asset has a value on the books of the Company that differs from its adjusted tax basis for U.S. federal income tax purposes, any depreciation, amortization or gain resulting from a disposition of such asset shall be calculated with reference to such value; (iii) upon an adjustment to the value of any asset on the books of the Company pursuant to Regulation Section 1.704-1 (b) (2), the amount of the adjustment shall be included as gain or loss in computing such taxable income or loss; (iv) any expenditures of the Company not deductible in computing taxable income or loss, not properly capitalizable and not otherwise taken into account in computing Net Income (Loss) pursuant to this definition shall be treated as deductible items; (v) any income that is payable to Company employees in respect of "phantom interests" awarded by the Managing Member to employees shall be included as an expense in the calculation of Net Income (Loss), and (vi) items of income and expense

(including interest income and overhead and other indirect expenses) of the Company, Holdings and other Affiliates of the Company shall be allocated among the Company, Holdings and such Affiliates as determined by the Managing Member. Any adjustments to Net Income (Loss) by the Managing Member, including adjustments for items of income accrued but not yet received, unrealized gains, items of expense accrued but not yet paid, unrealized losses, reserves (including reserves for taxes, bad debts, actual or threatened litigation, or any other expenses, contingencies or obligations) and other appropriate items shall be made in accordance with U.S. generally accepted accounting principles (“GAAP”); provided, that the Managing Member shall not be required to make any such adjustments; provided further, that the Managing Member may elect from time to time to calculate and allocate Net Income (Loss) attributable to any item of income or expense or any investment of the Company on a basis separate from the Company’s other business.

(c) An accounting period shall be a Fiscal Year, except that, at the option of the Managing Member, an accounting period will terminate and a new accounting period will begin on the admission date of an additional Member or the Withdrawal Date of a Withdrawn Member, if any such date is not the first day of a Fiscal Year, or on any other date determined by the Managing Member in its sole discretion. If any event referred to in the preceding sentence occurs and the Managing Member does not elect to terminate an accounting period and begin a new accounting period, then the Managing Member may make such adjustments as it deems appropriate to the Members’ Profit Sharing Percentages for the accounting period in which such event occurs (prior to any allocations of Unallocated Percentages or adjustments to Profit Sharing Percentages pursuant to Section 5.3) to reflect the Members’ average Profit Sharing Percentages during such accounting period.

(d) In establishing Profit Sharing Percentages and allocating Unallocated Percentages (if any) pursuant to Section 5.3, the Managing Member may consider such factors as it deems appropriate.

(e) All determinations, valuations and other matters of judgment required to be made for accounting purposes under this Agreement shall be made by the Managing Member and approved by the Company’s independent accountants. Such approved determinations, valuations and other accounting matters shall be conclusive and binding on all Members, all Withdrawn Members, their successors, heirs, estates or legal representatives and any other person, and to the fullest extent permitted by law, no such person shall have the right to an accounting or an appraisal of the assets of the Company or any successor thereto.

Section 5.2 Capital Accounts.

(a) There shall be established for each Member on the books of the Company, to the extent and at such times as may be appropriate, one or more Capital Accounts as the Managing Member may deem to be appropriate for purposes of accounting for such Member’s interests in the capital and Net Income (Loss) of the Company. A separate Capital Account shall be established for each Member with respect to Fund Net Income (Loss), Other Net Income (Loss) and the Incentive Allocation. In addition, the Managing Member may also establish separate Capital Accounts for each Member with respect to any other categories of Net Income (Loss) (if any) (including, without limitation, Net Income (Loss) relating to Special Investments by the Funds) as it may determine in its sole discretion.

(b) As of the end of each accounting period or, in the case of a capital contribution to the Company by one or more of the Members or a distribution by the Company to one or more of the Members, at the time of such contribution or distribution, (i) the appropriate Capital Accounts of each Member shall be credited with the following amounts: (A) the amount of cash and the value of any property contributed by such Member to the capital of the Company during such accounting period

and (B) the Net Income allocated to such Member for such accounting period; and (ii) the appropriate Capital Accounts of each Member shall be debited with the following amounts: (x) the amount of cash, the principal amount of any subordinated promissory note of the Company referred to in Section 6.5 (as such amount is paid) and the value of any property distributed to such Member during such accounting period and (y) the Net Loss allocated to such Member for such accounting period.

Section 5.3 Profit Sharing Percentages

(a) Prior to the beginning of each annual accounting period, the Managing Member shall establish the profit sharing percentage (the “Profit Sharing Percentage”) of each Member in each category of Net Income (Loss) for such annual accounting period pursuant to Section 5.1(a), taking into account such factors as the Managing Member deems appropriate, including those referred to in Section 5.1. The Managing Member may establish different Profit Sharing Percentages for any Member on a Fund-by-Fund basis with respect to each different category of Net Income (Loss) for each such Fund (including, without limitation, Fund Net Income (Loss), Other Net Income (Loss) and the Incentive Allocation) as it may determine in its sole discretion; provided, that each Member’s Profit Sharing Percentage with respect to Fund Net Income (Loss) shall be based on such Member’s Capital Account balance in such Member’s Fund Net Income (Loss) Capital Account as it relates to the aggregate Fund Net Income (Loss) Capital Account balances of all Members. In the case of the Withdrawal of a Member, such Withdrawn Member’s Profit Sharing Percentage shall be allocated by the Managing Member to one or more of the Members in its sole discretion. Except as may be otherwise determined by the Managing Member, in the case of the admission of any Member to the Company as an additional Member, the Profit Sharing Percentages of the other Members shall be reduced on a pro rata basis (based on such Members’ respective Profit Sharing Percentages in effect immediately prior to such admission) by an amount equal to the Profit Sharing Percentage allocated to such new Member pursuant to Section 6.1(b). Notwithstanding the foregoing, the Managing Member may also adjust the Profit Sharing Percentage of any Member for any annual accounting period at the end of such annual accounting period in its sole discretion.

(b) The Managing Member may elect to allocate to the Members less than 100% of the Profit Sharing Percentages of any category for any annual accounting period at the time specified in Section 5.3(a) for the annual fixing of Profit Sharing Percentages (any remainder of such Profit Sharing Percentages being called an “Unallocated Percentage”). Any Unallocated Percentage for any annual accounting period may be allocated by the Managing Member at such later times and to such Members as the Managing Member shall determine; provided, that any Unallocated Percentage in any category of Net Income (Loss) for any annual accounting period that is not allocated by the Managing Member within 90 days after the end of such accounting period shall be deemed to be allocated among all Members (including the Managing Member) with previously allocated Profit Sharing Percentages in such category of Net Income (Loss) proportionately in accordance with such previously allocated Profit Sharing Percentages.

Section 5.4 Allocations of Net Income (Loss). Except as otherwise provided in this Agreement, Net Income (Loss) and, to the extent necessary, individual categories thereof or components of income, gain, loss or deduction, of the Company shall be allocated among the Members in a manner that as closely as possible gives economic effect to the provisions of this Article V and the other relevant provisions of this Agreement, as determined in the reasonable discretion of the Managing Member.

Section 5.5 Liability of Members. Except as otherwise provided in the LLC Act, no Member shall be personally obligated for any debt, obligation or liability of the Company or of any other Member solely by reason of being a Member. In addition, in no way does any of the foregoing limit any Member’s obligations to make capital contributions as provided hereunder.

Section 5.6 Repurchase Rights, etc. . The Managing Member may from time to time establish such repurchase rights and/or other requirements with respect to the Members' Interests in the Company as the Managing Member may determine. The Managing Member shall have authority to (a) withhold any distribution otherwise payable to any Member until any such repurchase rights have lapsed or any such requirements have been satisfied, (b) pay any distribution to any Member that is Contingent as of the distribution date and require the refund of any portion of such distribution that is Contingent as of the Withdrawal Date of such Member, (c) amend any previously established repurchase rights or other requirements from time to time and (d) make such exceptions thereto as it may determine on a case by case basis.

Section 5.7 Distributions. .

(a) The Company shall make distributions of available cash (subject to reserves and other adjustments as provided herein) or other property to the Members at such times and in such amounts as are determined by the Managing Member. The Managing Member shall, if it deems it appropriate, determine the availability for distribution of, and distribute, cash or other property separately for each category of Net Income (Loss) established pursuant to Section 5.1(a). Subject to Section 5.1(d), distributions of cash or other property with respect to Incentive Allocation shall be made among Members in accordance with their respective Profit Sharing Percentages with respect thereto. At any time that a sale, exchange, transfer or other disposition by the Funds of a portion of a Special Investment is being considered by the Company (a " Disposable Special Investment "), at the election of the Managing Member each Member's Interest with respect to such Special Investment shall be vertically divided into two separate Member Interests, an Interest attributable to the Disposable Special Investment (a Member's " Class B Interest "), and an Interest attributable to such Special Investment excluding the Disposable Special Investment (a Member's " Class A Interest "). Distributions (including those resulting from a sale, transfer, exchange or other disposition by the Funds) relating to a Disposable Special Investment shall be made only to holders of Class B Interests with respect to such Special Investment in accordance with their Profit Sharing Percentages relating to such Class B Interests, and distributions (including those resulting from the sale, transfer, exchange or other disposition by the Funds) relating to a Special Investment excluding such Disposable Special Investment shall be made only to holders of Class A Interests with respect to such Special Investment in accordance with their respective Profit Sharing Percentages relating to Class A Interests. Except as provided above, distributions of cash or other property with respect to each category of Net Income (Loss) shall be allocated among the Members in the same proportions as the allocations of Net Income (Loss) of each such category.

(b) Subject to the Company's having sufficient available cash in the reasonable judgment of the Managing Member, the Company shall make cash distributions to each Member with respect to each Fiscal Year of the Company in an aggregate amount at least equal to the total federal, New York state and New York city income taxes that would be payable by such Member with respect to all categories of Net Income (Loss) allocated to such Member for such Fiscal Year, the amount of which shall be calculated (i) on the assumption that each Member is an individual subject to the then prevailing maximum federal, New York state and New York city income tax rates, (ii) taking into account the deductibility of state and local income and other taxes for federal income tax purposes and (iii) taking into account any differential in applicable rates due to the type and character of Net Income (Loss) allocated to such Member and (iv) taking into account any other distribution made to such Member under this Agreement during such Fiscal Year. Notwithstanding the foregoing, the Managing Member may refrain from making any such distribution if, in the reasonable judgment of the Managing Member, such distribution would be prohibited by § 18-607 of the LLC Act.

(c) The Managing Member may provide that a Member's right to distributions and investments of the Company may be subject to repurchase by the Company during such period as the Managing Member shall determine (a "Repurchase Period"). Any Contingent distributions from investments subject to repurchase rights will be withheld by the Company and will be distributed to the recipient thereof (together with interest thereon at rates determined by the Managing Member from time to time) as the recipient's rights to such distributions become Non-Contingent (by virtue of the expiration of the applicable Repurchase Period or otherwise). The Managing Member may elect in an individual case to have the Company distribute any Contingent distribution to the applicable recipient thereof irrespective of whether the applicable Repurchase Period has lapsed. If a Member withdraws from the Company for any reason other than his death, Total Disability or Incompetence, the undistributed share of such Member's Interest that remains Contingent as of the applicable Withdrawal Date shall be repurchased by the Company at a purchase price determined at such time by the Managing Member. Unless determined otherwise by the Managing Member, the repurchased portion thereof will be allocated among the remaining Members in proportion to their respective Profit Sharing Percentages with respect thereto.

Section 5.8 Business Expenses. The Company shall reimburse the Members for reasonable travel, entertainment and miscellaneous expenses incurred by them in the conduct of the Company's business in accordance with rules and regulations established by the Managing Member from time to time.

ARTICLE VI

ADDITIONAL MEMBERS; WITHDRAWAL OF MEMBERS; SATISFACTION AND DISCHARGE OF COMPANY INTERESTS; TERMINATION

Section 6.1 Additional Members. (a) Effective on the first day of any month (or on such other date as shall be determined by the Managing Member in its sole discretion), the Managing Member shall have the right to admit one or more additional persons into the Company as Regular Members or Special Members. The Managing Member shall determine and negotiate with each additional Member all terms of such additional Member's participation in the Company, including such additional Member's initial capital contribution, Profit Sharing Percentage and base salary. Each additional Member shall have such voting rights as may be determined by the Managing Member unless, upon the admission to the Company of any Special Member, the Managing Member shall designate that such Special Member shall not have such voting rights (any such Special Member being called a "Nonvoting Special Member").

(b) Any Profit Sharing Percentages to be allocated to an additional Member as of the date such Member is admitted to the Company, together with any pro rata reduction in all other Members' Profit Sharing Percentages as of such date, shall be established by the Managing Member pursuant to Section 5.3.

(c) Each additional Member may be required to contribute to the Company his pro rata share of the Company's total capital, at such times and in such amounts as shall be determined by the Managing Member in accordance with Section 4.1.

(d) The admission of an additional Member will be evidenced by (i) the execution of a counterpart copy of this Agreement by such additional Member or (ii) the execution of an amendment to this Agreement by all the Members (including the additional Member), as determined by the Managing Member.

Section 6.2 Withdrawal of Members. (a) Any Member (other than the Managing Member) (i) may voluntarily Withdraw from the Company, in whole or in part, at any time upon at least sixty (60) days' prior written notice to the Company, (ii) may be removed from the Company at any time by the Managing Member for any reason or no reason, (iii) shall be deemed to have withdrawn from the Company upon such Member's death, Total Disability or Incompetence, or (iv) shall automatically be removed from the Company to the extent Cause exists with respect thereto; provided, that a Member may not voluntarily Withdraw without the consent of the Managing Member if such Withdrawal would (i) cause the Company to be in default under any of its contractual obligations or (ii) in the reasonable judgment of the Managing Member, have a material adverse effect on the Company or its business; provided further, that to the extent a Withdrawal relates to a Capital Account relating to an investment of capital in the Funds, such Withdrawal may only be made to the extent permitted by the applicable Fund Agreements.

(b) Upon the Withdrawal of any Member, including by the occurrence of any Withdrawal event under the LLC Act with respect to any Member, such Member shall thereupon cease to be a Member.

(c) As of the effective date of a Member's Withdrawal, such Member shall execute a release in favor of the Company and its Members, releasing the Company and its Members from all liabilities to the withdrawing Member in such form as determined by the Managing Member.

(d) If the Managing Member determines that it shall be in the best interests of the Company for any Member (including any Member who has given notice of voluntary Withdrawal pursuant to paragraph (a) above) to Withdraw from the Company (whether or not Cause exists) with respect to such Member's Interest, such Member, upon written notice by the Managing Member to such Member, shall be required to Withdraw with respect to such Member's Interest, as determined by the Managing Member, as of a date specified in such notice, which date shall be on or after the date of such notice. If the Managing Member requires any Member to Withdraw for Cause with respect to such Member's Interest, such notice shall state that it has been given for Cause and shall describe the particulars thereof in reasonable detail.

(e) Upon the Total Disability of a Regular Member, such Member shall thereupon cease to be a Regular Member with respect to such Member's Interest; provided, that the Managing Member may elect to admit such Withdrawn Member to the Company as a Nonvoting Special Member with respect to such Member's Interest, with such Interest as the Managing Member may determine. The determination of whether any Member has suffered a Total Disability shall be made by the Managing Member in its sole discretion after consultation with a qualified medical doctor. In the absence of agreement between the Managing Member and such Member, each party shall nominate a qualified medical doctor and the two doctors shall select a third doctor, who shall make the determination as to Total Disability.

(f) The withdrawal from the Company of any Member shall not, in and of itself, affect the obligations of the other Members to continue the Company during the remainder of its term.

Section 6.3 Company Interests Not Transferable. No Member may sell, assign, pledge or otherwise transfer or encumber all or any portion of such Member's Interest other than as permitted by written agreement between such Member and the Company; provided, that this Section 6.3 shall not impair transfers by operation of law, transfers by will or by other testamentary instrument occurring by virtue of the death or dissolution of a Member, or transfers required by trust agreements; provided further, that a Regular Member may transfer, for estate planning purposes, up to 25% of his Profit Sharing Percentage to any estate planning trust, limited partnership, or limited liability company with respect to which a Regular Member controls investments related to any interest in the Company held therein (an "Estate Planning Vehicle"). Each Estate Planning Vehicle will be a Nonvoting Special

Member. Such Regular Member and the Nonvoting Special Member shall be jointly and severally liable for all obligations of both such Regular Member and such Nonvoting Special Member with respect to the Company, as the case may be. The Managing Member may at its sole option exercisable at any time require any Estate Planning Vehicle to withdraw from the Company on the terms of this Article VI. Except as provided in the second proviso to the first sentence of this Section 6.3, no assignee, legatee, distributee, heir or transferee (by conveyance, operation of law or otherwise) of the whole or any portion of any Member's Interest shall have any right to be a Member without the prior written consent of the Managing Member (which consent may be withheld without giving reason therefor). Notwithstanding the granting of a security interest in the entire Interest of any Member, such Member shall continue to be a Member of the Company.

Section 6.4 Consequences upon Withdrawal of a Member.

(a) The Withdrawal of a Regular Member shall not dissolve the Company if at the time of such Withdrawal there are one or more remaining Regular Members and any one or more of such remaining Regular Members continue the business of the Company (any and all such remaining Regular Members being hereby authorized to continue the business of the Company without dissolution and hereby agreeing to do so). Notwithstanding Section 6.4(b), if upon the Withdrawal of a Regular Member there shall be no remaining Regular Member, the Company shall be dissolved and shall be wound up unless, within 90 days after the occurrence of such Withdrawal, all remaining Special Members agree in writing to continue the business of the Company and to the appointment, effective as of the date of such Withdrawal, of one or more Regular Members.

(b) The Company shall not be dissolved, in and of itself, by the Withdrawal of any Member, but shall continue with the surviving or remaining Members as members thereof in accordance with and subject to the terms and provisions of this Agreement.

Section 6.5 Satisfaction and Discharge of a Withdrawn Member's Interest. (a) The terms of this Section 6.5 shall apply to the Interest of a Withdrawn Member. The term "Settlement Date" shall mean the date as of which a Withdrawn Member's Interest in the Company is settled as determined under paragraph (b) below.

(b) Except where a later date for the settlement of a Withdrawn Member's Interest in the Company may be agreed to by the Managing Member and a Withdrawn Member, a Withdrawn Member's Settlement Date shall be his Withdrawal Date; provided, that if a Withdrawn Member's Withdrawal Date or Settlement Date is not the last day of a month, then the Managing Member may elect in its discretion for the Withdrawal Date or the Settlement Date to be the last day of the month following the Withdrawal Date or Settlement Date as the case may be. During the interval, if any, between a Withdrawn Member's Withdrawal Date and Settlement Date, such Withdrawn Member shall have the same rights and obligations with respect to capital contributions, interest on capital, allocations of Net Income (Loss) and distributions as would have applied had such Withdrawn Member remained a Member of the Company during such period.

(c) In the event of the Withdrawal of a Member, the Managing Member shall promptly after such Withdrawn Member's Settlement Date (i) determine and allocate to the Withdrawn Member's Capital Account such Withdrawn Member's allocable share of the Net Income (Loss) of the Company for the period ending on such Settlement Date in accordance with Article V and (ii) credit the Withdrawn Member's Capital Account with interest in accordance with Section 5.2. In making the foregoing calculations, the Managing Member shall be entitled to establish such reserves (including reserves, taxes, bad debts, unrealized losses, actual or threatened litigation or any other expenses, contingencies or obligations) as it deems appropriate. Except as provided in Section 6.5(c) and unless

otherwise determined by the Managing Member in a particular case, a Withdrawn Member shall not be entitled to receive any amounts or Unallocated Percentage in respect of the accounting period during which such Member Withdraws from the Company (whether or not previously awarded or allocated) or any amounts or Unallocated Percentage in respect of prior accounting periods that have not been paid or allocated (whether or not previously awarded) as of such Withdrawn Member's Withdrawal Date.

(d) From and after the Settlement Date of a Withdrawn Member, such Member's Profit Sharing Percentage in respect of the various categories of Net Income (Loss) of the Company (other than the category of Net Income (Loss) relating to Special Investments as provided in Section 6.5(f)) shall be reduced to zero (or in the case of a partial Withdrawal, shall be reduced pro rata based on the Profit Sharing Percentage represented by the withdrawn Interest as related to the aggregate Profit Sharing Percentage of the relevant Member), and (i) the Profit Sharing Percentage of all of the remaining Members shall be adjusted pro rata to their respective Profit Sharing Percentages at such time or (ii) such Profit Sharing Percentages shall become Unallocated Percentages, in each case, as determined by the Managing Member in its sole discretion.

(e) (i) Upon the Withdrawal from the Company of a Member, such Withdrawn Member thereafter shall not, except as expressly provided in this Section 6.5, have any rights of a Member (including voting rights), and, except as expressly provided in this Section 6.5, such Withdrawn Member shall not have any interest in any category of the Company's Net Income (Loss) (including, without limitation, Fund Net Income (Loss), Other Net Income (Loss) or the Incentive Allocation) or in distributions, investments or other assets related to such Member's Interest. If a Member Withdraws from the Company for any reason other than for Cause, then the Withdrawn Member shall be entitled to receive, at the time or times specified in Section 6.5(h) below, in satisfaction and discharge in full of the Withdrawn Member's Interest in the Company, (x) payment equal to the aggregate positive balance, if any, as of the Settlement Date of the Withdrawn Member's Capital Account (or portion thereof, as applicable), (excluding any Capital Account or portion thereof attributable to any Special Investments) and (y) the Withdrawn Member's Profit Sharing Percentage in respect of the category of Net Income (Loss) of the Company established by the Managing Member relating to Special Investments in which the Withdrawn Member has an interest as of the Settlement Date as provided in paragraph (f) below (which shall be settled in accordance with paragraph (f) below), subject to all the terms and conditions of paragraphs (a)-(p) of this Section 6.5. If the amount determined pursuant to clause (x) above is an aggregate negative balance, the Withdrawn Member shall pay the amount thereof to the Company upon demand by the Managing Member on or after the date of the statement referred to in Section 6.5(h) below; provided, that if the Withdrawn Member was solely a Special Member on his Withdrawal Date, such payment shall be required only to the extent of any amounts payable to such Withdrawn Member pursuant to this Section 6.5. Any aggregate negative balance in the Capital Accounts of a Withdrawn Member who was solely a Special Member, upon the settlement of such Withdrawn Member's Interest in the Company pursuant to this Section 6.5, shall be allocated among the other Members' Capital Accounts in accordance with their respective Profit Sharing Percentages in the categories of Net Income (Loss) giving rise to such negative balance as determined by the Managing Member as of such Withdrawn Member's Settlement Date. In the settlement of any Withdrawn Member's Interest in the Company, no value shall be ascribed to goodwill, the Company name or in anticipation of any value the Company or any successor thereto might have in the event the Company or any interest therein were to be sold in whole or in part.

(ii) Notwithstanding clause (i) of this Section 6.5(e), in the case of a Member whose Withdrawal with respect to such Member's Interest resulted from such Member's death or Incompetence, such Member's estate or legal representative, as the case may be, may elect, at the time described below, to receive a Nonvoting Special Member Interest and retain such Member's Profit Sharing Percentage in the category of Net Income (Loss) established by the Managing Member relating to

Special Investments of the Company in lieu of a cash payment (or promissory note) in settlement of that portion of the Withdrawn Member's Interest. The election referred to above shall be made within 60 days after the Withdrawn Member's Settlement Date, based on a statement of the settlement of such Withdrawn Member's Interest in the Company pursuant to this Section 6.5.

(f) With respect to any Withdrawn Member's Profit Sharing Percentage relating to the category of Net Income (Loss) established by the Managing Member for Special Investments, at the discretion of the Managing Member, such Withdrawn Member may retain such Profit Sharing Percentage and its Capital Account or portion thereof attributable to such Special Investments, in which case such Withdrawn Member (a "Retaining Withdrawn Member") shall become a Nonvoting Special Member. The Member Interest of a Retaining Withdrawn Member pursuant to this paragraph (f) shall be subject to the terms and conditions applicable to Member Interests of any kind hereunder and such other terms and conditions as are established by the Managing Member. At the option of the Managing Member in its sole discretion, the Managing Member and the Retaining Withdrawn Member may agree to have the Company acquire such Interest without the approval of the other Members; provided, that the Managing Member shall reflect in the books and records of the Company the terms of any acquisition pursuant to this sentence.

(g) The Managing Member may elect, in lieu of payment in cash of any amount payable to a Withdrawn Member pursuant to paragraph (e) above, to have the Company issue the Withdrawn Member a subordinated promissory note and/or to distribute in-kind to the Withdrawn Member such Withdrawn Member's pro rata share (as determined by the Managing Member) of any securities or other investments of the Company in relation to such Member's Interest. If any such distributions in-kind are made to a Withdrawn Member in respect of its Interest under this paragraph (g), the amount described in clause (x) of paragraph (e)(i) shall be reduced by the value of such distribution as valued on the latest balance sheet of the Company in accordance with generally accepted accounting principles or, if not appearing on such balance sheet, as reasonably determined by the Managing Member.

(h) Within 120 days after the Settlement Date, the Managing Member shall submit to the Withdrawn Member a statement of the settlement of such Withdrawn Member's Interest in the Company pursuant to this Section 6.5 together with any cash payment, subordinated promissory note and in kind distributions to be made to such Member as shall be determined by the Managing Member. The Managing Member shall submit to the Withdrawn Member supplemental statements with respect to additional amounts payable to or by the Withdrawn Member in respect of the settlement of his Interest in the Company (e.g., payments in respect of Special Investments pursuant to paragraph (f) above or adjustments to reserves pursuant to paragraph (i) below) promptly after such amounts are determined by the Managing Member. To the fullest extent permitted by law, such statements and the valuations on which they are based shall be accepted by the Withdrawn Member without examination of the accounting books and records of the Company or other inquiry. Any amounts payable by the Company to a Withdrawn Member pursuant to this Section 6.5 shall be subordinate in right of payment and subject to the prior payment or provision for payment in full of claims of all present or future creditors of the Company or any successor thereto arising out of matters occurring prior to the applicable date of payment or distribution; provided that such Withdrawn Member shall otherwise rank *pari passu* in right of payment (x) with all persons who become Withdrawn Members and whose Withdrawal Date is within one year before the Withdrawal Date of the Withdrawn Member in question and (y) with all persons who become Withdrawn Members and whose Withdrawal Date is within one year after the Withdrawal Date of the Withdrawn Member in question.

(i) If the aggregate reserves established by the Managing Member as of the Settlement Date in making the foregoing calculations should prove, in the determination of the Managing Member, to be excessive or inadequate, the Managing Member may elect, but shall not be obligated, to pay the Withdrawn Member or his estate such excess, or to charge the Withdrawn Member or his estate such deficiency, as the case may be.

(j) Any amounts owed by the Withdrawn Member to the Company or any of its Affiliates at any time on or after the Settlement Date (e.g., outstanding Company loans or advances to such Withdrawn Member) shall be offset against any amounts payable or distributable by the Company to the Withdrawn Member at any time on or after the Settlement Date or shall be paid by the Withdrawn Member to the Company, in each case as determined by the Managing Member. All cash amounts payable by a Withdrawn Member to the Company under this Section 6.5 shall bear interest from the due date to the date of payment at a floating rate equal to the lesser of (x) the rate of interest publicly announced from time to time by JPMorgan Chase Bank, N.A., as its prime rate or (y) the maximum rate of interest permitted by applicable law. The “due date” of amounts payable by a Withdrawn Member pursuant to Section 6.5(i) above shall be 120 days after a Withdrawn Member’s Settlement Date. The “due date” of amounts payable to or by a Withdrawn Member in respect of Special Investments for which the Withdrawn Member has retained a percentage interest in accordance with paragraph (f) above shall be 120 days after realization with respect to such Special Investment. The “due date” of any other amounts payable by a Withdrawn Member shall be 60 days after the date such amounts are determined to be payable.

(k) At the time of the settlement of any Withdrawn Member’s Interest in the Company pursuant to this Section 6.5, the Managing Member may, to the fullest extent permitted by applicable law, impose any restrictions it deems appropriate on the assignment, pledge, encumbrance or other transfer by such Withdrawn Member of any Interest retained by such Withdrawn Member, any securities or other investments distributed in-kind to such Withdrawn Member or such Withdrawn Member’s right to any payment from the Company.

(l) If a Member is required to Withdraw from the Company with respect to such Member’s Interest for Cause, then his Member Interest shall be settled in accordance with paragraphs (a)-(p) of this Section 6.5; provided, however, that the Managing Member may elect (but shall not be required) to apply any or all the following terms and conditions to such settlement:

(i) In settling the Withdrawn Member’s Interest in the Company as of the applicable Settlement Date, the Managing Member may elect to (A) determine the unrealized Net Income (Loss) attributable to each Special Investment in which such Member has an interest as of the Settlement Date and allocate to the appropriate Capital Account of the Withdrawn Member its allocable share of such unrealized Net Income (Loss) for purposes of calculating the aggregate balance of such Withdrawn Member’s Capital Account pursuant to clause (x) of paragraph (e)(i) above, (B) credit or debit, as applicable, the Withdrawn Member with the balance of his Capital Account or portion thereof attributable to each such Special Investment as of his Settlement Date without giving effect to the unrealized Net Income (Loss) from such Special Investment as of its Settlement Date, which shall be forfeited by the Withdrawn Member or (C) apply the provisions of paragraph (f) above, provided, that the maximum amount of Net Income (Loss) allocable to such Withdrawn Member with respect to any Special Investment shall equal such Member’s percentage interest of the unrealized Net Income, if any, attributable to such Special Investment as of the Settlement Date (the balance of such Net Income (Loss), if any, shall be allocated as determined by the Managing Member). The Withdrawn Member shall not have any continuing interest in any Special Investment to the extent an election is made pursuant to (A) or (B) above.

(ii) Any amounts payable by the Company to the Withdrawn Member pursuant to this Section 6.5 shall be subordinate in right of payment and subject to the prior payment in full of claims of all present or future creditors of the Company or any successor thereto arising out of matters occurring prior to or on or after the applicable date of payment or distribution.

(m) The payments to a Withdrawn Member pursuant to this Section 6.5 may be conditioned on the compliance by such Withdrawn Member with any lawful and reasonable (under the circumstances) restrictions against engaging or investing in a business competitive with that of the Company or any of its subsidiaries and Affiliates for a period not exceeding two years determined by the Managing Member. Upon written notice to the Managing Member, any Withdrawn Member who is subject to noncompetition restrictions established by the Managing Member pursuant to this paragraph (m) may elect to forfeit the principal amount payable in the final installment of his subordinated promissory note, together with interest to be accrued on such installment after the date of forfeiture, in lieu of being bound by such restrictions; provided that if the principal amount of such final installment would exceed \$10 million, such Withdrawn Member shall be required to forfeit only \$10 million thereof and shall still be entitled to receive any remaining balance of such final installment as and when due.

(n) In addition to the foregoing, the Managing Member shall have the right to pay a Withdrawn Member a discretionary additional payment in an amount and based upon such circumstances and conditions as it determines to be relevant. The provisions of this Section 6.5 shall apply to any Member relating to a Member and to any transferee of any interest of such Member pursuant to Section 6.3 if such Member Withdraws from the Company.

(o) (i) The Company will assist a Withdrawn Member or its estate or guardian, as the case may be, in the settlement of the Withdrawn Member's Interest in the Company. Third party costs incurred by the Company in providing this assistance will be borne by the Withdrawn Member or its estate.

(ii) The Company may reasonably determine in good faith to retain outside professionals to provide the assistance to Withdrawn Members or their estates or guardians, as referred to above. In such instances, the Company will obtain the prior approval of a Withdrawn Member or his estate or guardian, as the case may be, prior to engaging such professionals. If the Withdrawn Member (or his estate or guardian) declines to incur such costs, the Company will provide such reasonable assistance as and when it can so as not to interfere with the Company's day-to-day operating, financial, tax and other related responsibilities to the Company and the Members.

(p) Each Member hereby irrevocably appoints the Managing Member as such Member's true and lawful agent, representative and attorney-in-fact, each acting alone, in such Member's name, place and stead, to make, execute, sign and file, on behalf of such Member, any and all agreements, instruments, consents, ratifications, documents and certificates which the Managing Member deems necessary or advisable in connection with any transaction or matter contemplated by or provided for in this Section 6.5, including, without limitation, the performance of any obligation of such Member or the Company or the exercise of any right of such Member or the Company. Such power of attorney is coupled with an interest and shall survive and continue in full force and effect notwithstanding the Withdrawal from the Company of any Member for any reason and shall not be affected by the death, disability or incapacity of such Member.

Section 6.6 Dissolution of the Company . The Managing Member may dissolve the Company prior to the expiration of its term at any time on not less than 60 days' notice of the dissolution date given to the other Members. Upon the dissolution of the Company, and following the payment of creditors of the Company and the making of provisions for the payment of any contingent, conditional or unmatured claims known to the Company as required under the LLC Act, the Members' respective interests in the Company shall be valued and settled in accordance with the procedures set forth in

Sections 5.7 and 6.5 which provide for allocations to the Capital Accounts of the Members and distributions in accordance with the Capital Account balances of the Members. The Managing Member shall be the liquidator. In the event that the Managing Member is unable to serve as liquidator, a liquidating trustee shall be chosen by affirmative vote of a Majority in Interest of the Members voting at a meeting of Members (excluding Nonvoting Special Members).

Section 6.7 Certain Tax Matters. (a) All items of income, gain, loss, deduction and credit of the Company shall be allocated among the Members for federal, state and local income tax purposes in the same manner as such items of income, gain, loss, deduction and credit shall be allocated among the Members pursuant to this Agreement, except as may otherwise be provided herein or by the Code or other applicable law. To the extent Regulations promulgated pursuant to Subchapter K of the Code (including under Sections 704(b) and (c) of the Code) or other applicable law require allocations for tax purposes that differ from the foregoing allocations, the Managing Member may determine the manner in which such tax allocations shall be made so as to comply more fully with such Regulations or other applicable law and, at the same time, preserve the economic relationships among the Members as set forth in this Agreement. In the event there is a net decrease in partnership minimum gain or partner nonrecourse debt minimum gain (determined in accordance with the principles of Regulation Sections 1.704-2(d) and 1.704-2(i)) during any taxable year of the Company, each Member shall be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to its respective share of such net decrease during such year, determined pursuant to Regulations Sections 1.704-2(g) and 1.704-2(i) (5). The items to be so allocated shall be determined in accordance with Regulations Section 1.704-2(f). In addition, this Agreement shall be considered to contain a “qualified income offset” as provided in Regulations Section 1.704-1(b)(2)(ii)(d).

(b) Notwithstanding Section 6.7(a), if the Company realizes capital gains (including short-term capital gains) for federal income tax purposes (“gains”) for any fiscal year during or as of the end of which one or more Positive Basis Members (as hereinafter defined) Withdraw from the Company pursuant to this Article VI, the Managing Member may elect to allocate such gains as follows: (i) to allocate such gains among such Positive Basis Members, pro rata in proportion to the respective Positive Basis (as hereinafter defined) of each such Positive Basis Member, until either the full amount of such gains shall have been so allocated or the Positive Basis of each such Positive Basis Member shall have been eliminated and (ii) to allocate any gains not so allocated to Positive Basis Members to the other Members in such manner as shall equitably reflect the amounts allocated to such Members’ Capital Accounts pursuant to this Agreement.

As used herein, (i) the term “Positive Basis” shall mean, with respect to any Member and as of any time of calculation, the amount by which its aggregate Capital Account balance (determined in accordance with Section 5.2) as of such time exceeds its “adjusted tax basis,” for Federal income tax purposes, in its interest in the Company as of such time (determined without regard to any adjustments made to such “adjusted tax basis” by reason of any transfer or assignment of such interest, including by reason of death, and without regard to such Member’s share of the liabilities of the Company under Section 752 of the Code), and (ii) the term “Positive Basis Member” shall mean any Member who Withdraws from the Company and who has Positive Basis as of the effective date of its Withdrawal, but such Member shall cease to be a Positive Basis Member at such time as it shall have received allocations pursuant to clause (i) of the first paragraph of this Section 6.7(b) equal to its Positive Basis as of the effective date of its Withdrawal.

(c) The Managing Member shall cause to be prepared all federal, state and local tax returns of the Company for each year for which such returns are required to be filed and, after approval of such returns by the Managing Member, shall cause such returns to be timely filed. The Managing Member shall determine the appropriate treatment of each item of income, gain, loss,

deduction and credit of the Company and the accounting methods and conventions under the tax laws of the United States, the several states and other relevant jurisdictions as to the treatment of any such item or any other method or procedure related to the preparation of such tax returns. The Managing Member may cause the Company to make or refrain from making any and all elections permitted by such tax laws. Each Member agrees that he shall not, unless he provides prior notice of such action to the Company, (i) treat, on his individual income tax returns, any item of income, gain, loss, deduction or credit relating to his interest in the Company in a manner inconsistent with the treatment of such item by the Company as reflected on the Form K-1 or other information statement furnished by the Company to such Member for use in preparing his income tax returns or (ii) file any claim for refund relating to any such item based on, or which would result in, such inconsistent treatment. In respect of an income tax audit of any tax return of the Company, the filing of any amended return or claim for refund in connection with any item of income, gain, loss, deduction or credit reflected on any tax return of the Company, or any administrative or judicial proceedings arising out of or in connection with any such audit, amended return, claim for refund or denial of such claim, (A) the Tax Matters Member (as defined below) shall be authorized to act for, and his decision shall be final and binding upon, the Company and all Members except to the extent a Member shall properly elect to be excluded from such proceeding pursuant to the Code, (B) all expenses incurred by the Tax Matters Member in connection therewith (including, without limitation, attorneys', accountants' and other experts' fees and disbursements) shall be expenses of the Company and (C) no Member shall have the right to (1) participate in the audit of any Company tax return, (2) file any amended return or claim for refund in connection with any item of income, gain, loss, deduction or credit reflected on any tax return of the Company (unless he provides prior notice of such action to the Company as provided above), (3) participate in any administrative or judicial proceedings conducted by the Company or the Tax Matters Member arising out of or in connection with any such audit, amended return, claim for refund or denial of such claim or (4) appeal, challenge or otherwise protest any adverse findings in any such audit conducted by the Company or the Tax Matters Member or with respect to any such amended return or claim for refund filed by the Company or the Tax Matters Member or in any such administrative or judicial proceedings conducted by the Company or the Tax Matters Member. The Company and each Member hereby designate any Member selected by the Managing Member as the "tax matters partner" for purposes of Section 6231(a) (7) of the Code (the "Tax Matters Member"). To the fullest extent permitted by applicable law, each Member agrees to indemnify and hold harmless the Company and all other Members from and against any and all liabilities, obligations, damages, deficiencies and expenses resulting from any breach or violation by such Member of the provisions of this Section 6.7 and from all actions, suits, proceedings, demands, assessments, judgments, costs and expenses, including reasonable attorneys' fees and disbursements, incident to any such breach or violation. Each person (for purposes of this Section 6.7(c), called a "Pass-Thru Member") that holds or controls an interest as a Member on behalf of, or for the benefit of, another person or persons, or which Pass-Thru Member is beneficially owned (directly or indirectly) by another person or persons, shall, within 30 days following receipt from the Tax Matters Member of any notice, demand, request for information or similar document, convey such notice or other document in writing to all holders of beneficial interests in the Company holding such interests through such Pass-Thru Member.

(d) Each individual Member shall provide to the Company copies of each federal, state and local income tax return of such Member (including any amendment thereof) within 30 days after filing such return.

Section 6.8 Special Basis Adjustments. In connection with a distribution of Company property to a Member or any assignment or transfer of a Company interest permitted by the terms of this Agreement, the Managing Member may cause the Company, on behalf of the Members and at the time and in the manner provided in Code Section 754 and Regulation Section 1.754-1(b), to make an election to adjust the basis of the Company's property in the manner provided in Sections 734(b) and 743(b) of the Code.

ARTICLE VII
MISCELLANEOUS

Section 7.1 Submission to Jurisdiction; Waiver of Jury Trial. (a) Any and all disputes which cannot be settled amicably, including any ancillary claims of any party, arising out of, relating to or in connection with the validity, negotiation, execution, interpretation, performance or non-performance of this Agreement (including the validity, scope and enforceability of this arbitration provision) shall be finally settled by arbitration conducted by a single arbitrator in New York in accordance with the then-existing Rules of Arbitration of the International Chamber of Commerce. If the parties to the dispute fail to agree on the selection of an arbitrator within thirty (30) days of the receipt of the request for arbitration, the International Chamber of Commerce shall make the appointment. The arbitrator shall be a lawyer and shall conduct the proceedings in the English language. Performance under this Agreement shall continue if reasonably possible during any arbitration proceedings.

(b) Notwithstanding the provisions of paragraph (a), the Managing Member may bring, or may cause the Company to bring, on behalf of the Managing Member or the Company or on behalf of one or more Members, an action or special proceeding in any court of competent jurisdiction for the purpose of compelling a party to arbitrate, seeking temporary or preliminary relief in aid of an arbitration hereunder, and/or enforcing an arbitration award and, for the purposes of this paragraph (b), each Member (i) expressly consents to the application of paragraph (c) of this Section 7.1 to any such action or proceeding, (ii) agrees that proof shall not be required that monetary damages for breach of the provisions of this Agreement would be difficult to calculate and that remedies at law would be inadequate, and (iii) irrevocably appoints the Managing Member as such Member's agent for service of process in connection with any such action or proceeding and agrees that service of process upon any such agent, who shall promptly advise such Member of any such service of process, shall be deemed in every respect effective service of process upon the Member in any such action or proceeding.

(c) (i) EACH MEMBER HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF COURTS LOCATED IN NEW YORK, NEW YORK FOR THE PURPOSE OF ANY JUDICIAL PROCEEDING BROUGHT IN ACCORDANCE WITH THE PROVISIONS OF THIS SECTION 7.1, OR ANY JUDICIAL PROCEEDING ANCILLARY TO AN ARBITRATION OR CONTEMPLATED ARBITRATION ARISING OUT OF OR RELATING TO OR CONCERNING THIS AGREEMENT. Such ancillary judicial proceedings include any suit, action or proceeding to compel arbitration, to obtain temporary or preliminary judicial relief in aid of arbitration, or to confirm an arbitration award. The parties acknowledge that the forum(s) designated by this paragraph (c) have a reasonable relation to this Agreement, and to the parties' relationship with one another.

(ii) The parties hereby waive, to the fullest extent permitted by applicable law, any objection which they now or hereafter may have to personal jurisdiction or to the laying of venue of any such ancillary suit, action or proceeding brought in any court referred to in paragraph (c)(i) of this Section 7.1 and such parties agree not to plead or claim the same.

(d) Notwithstanding any provision of this Agreement to the contrary, this Section 7.1 shall be construed to the maximum extent possible to comply with the laws of the State of Delaware, including the Delaware Uniform Arbitration Act (10 Del. C. § 5701 et seq.) (the "Delaware Arbitration Act"). If, nevertheless, it shall be determined by a court of competent jurisdiction that any provision or wording of this Section 7.1, including any rules of the International Chamber of Commerce, shall be invalid or unenforceable under the Delaware Arbitration Act, or other applicable law, such invalidity shall not invalidate all of this Section 7.1. In that case, this Section 7.1 shall be construed so as to limit any term or provision so as to make it valid or enforceable within the requirements of the Delaware Arbitration Act or other applicable law, and, in the event such term or provision cannot be so limited, this Section 7.1 shall be construed to omit such invalid or unenforceable provision.

Section 7.2 Ownership and Use of the Blackstone Name. The Company acknowledges that Blackstone TM L.L.C. (“TM”), a Delaware limited liability company with a principal place of business at 345 Park Avenue, New York, New York 10154, (or its successors or assigns) is the sole and exclusive owner of the mark and name BLACKSTONE and that the ownership of, and the right to use, sell or otherwise dispose of, the firm name or any abbreviation or modification thereof which consists of or includes BLACKSTONE, shall belong exclusively to TM. The Company shall not be permitted to use the BLACKSTONE name and service mark without the prior written consent of TM. To the extent the Company is permitted to use the BLACKSTONE name and service mark, all services rendered by the Company under the BLACKSTONE mark and name will be rendered in a manner and with quality levels that are consistent with the high reputation heretofore developed for the BLACKSTONE mark by TM and its Affiliates and licensees. The Company understands that, to the extent TM hereinafter permits the Company to use the BLACKSTONE name and service mark, TM may thereafter terminate the Company’s right to use BLACKSTONE at any time in TM’s sole discretion by giving the Company written notice of termination. Promptly following any such termination, the Company will take all steps necessary to change its partnership name to one which does not include BLACKSTONE or any confusingly similar term and cease all use of BLACKSTONE or any term confusingly similar thereto as a service mark or otherwise.

Section 7.3 Written Consent. Any action required or permitted to be taken by a vote of Members at a meeting may be taken without a meeting if a Majority in Interest of the Members consent thereto in writing.

Section 7.4 Admission Letters; Schedules. The Managing Member may, or may cause the Company to, enter into separate letter agreements (“Admission Letters”) with certain Members with respect to capital contributions, Profit Sharing Percentages, benefits or any other matter, in each case, on terms and conditions not inconsistent with this Agreement. The Managing Member may from time to time execute and deliver to the Members schedules which set forth the then current Capital Account balances and Profit Sharing Percentages of the Members and any other matters deemed appropriate by the Managing Member. Such schedules shall be for information purposes only and shall not be deemed to be part of this Agreement for any purpose whatsoever.

Section 7.5 Governing Law; Separability of Provisions. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to principles of conflict of laws. In particular, the Company has been formed pursuant to the LLC Act, and the rights and liabilities of the Members shall be as provided therein, except as herein otherwise expressly provided. If any provision of this Agreement shall be held to be invalid, such provision shall be given its meaning to the maximum extent permitted by law and the remainder of this Agreement shall not be affected thereby.

Section 7.6 Successors and Assigns. This Agreement shall be binding upon and shall, subject to the penultimate sentence of Section 6.3, inure to the benefit of the parties hereto, their respective heirs and personal representatives, and provided that no person claiming by, through or under a Member (whether such Member’s heir, personal representative or otherwise), as distinct from such Member itself, shall have any rights as, or in respect to, a Member (including the right to approve or vote on any matter or to notice thereof) except the right to receive only those distributions expressly payable to such person pursuant to Article VI. Any Member or Withdrawn Member shall remain liable for the obligations under this Agreement of any transferee of all or any portion of such Member’s or Withdrawn Member’s interest in the Company, unless waived by the Managing Member. Nothing in this Agreement is intended, nor shall anything herein be construed, to confer any rights, legal or equitable, in any person other than the Members and their respective legal representatives, heirs, successors and permitted assigns.

Section 7.7 Confidentiality; Restrictive Covenants. By executing this Agreement, each Member expressly agrees, at all times during the term of the Company and thereafter and whether or not at the time a Member of the Company, to maintain the confidentiality of, and not to disclose to any person other than the Company, another Member or a person designated by the Company, any information relating to the business, financial structure, financial position or financial results, clients or affairs of the Company that shall not be generally known to the public or the securities industry, except as otherwise required by law or by any regulatory or self-regulatory organization having jurisdiction; provided, that any corporate Member may disclose any such information it is required by law, rule, regulation or custom to disclose. In addition, each Member shall be subject to the restrictive covenants and other obligations set forth in such Member's Admission Letter.

Section 7.8 Notices. Whenever notice is required or permitted by this Agreement to be given, such notice shall be in writing (including telecopy, email or similar writing) and shall be given by hand delivery (including any courier service) or telecopy or email to any Member at its address, telecopy number or email address shown in the Company's books and records or, if given to the Managing Member or the Company, at the address of the Company provided herein or at the telecopy number or email address of the Company furnished to any Member upon written request of such Member. Each such notice shall be effective (i) if given by telecopy or email, upon dispatch, and (ii) if given by hand delivery, when delivered to the address of such Member, the Managing Member or the Company specified as aforesaid.

Section 7.9 Counterparts. This Agreement may be executed in any number of counterparts, all of which together shall constitute a single instrument.

Section 7.10 Power of Attorney. Each Member (other than the Managing Member) hereby irrevocably appoints the Managing Member as such Member's true and lawful agent, representative and attorney-in-fact, each acting alone, in such Member's name, place and stead, to make, execute, sign and file, on behalf of such Member, any and all agreements, instruments, documents and certificates which the Managing Member deems necessary or advisable in connection with any transaction or matter contemplated by or provided for in this Agreement, including without limitation, the performance of any obligation of such Member or the Company or the exercise of any right of such Member or the Company or an amendment to this Agreement. Such power of attorney is coupled with an interest and shall survive and continue in full force and effect notwithstanding the Withdrawal from the Company of any Member for any reason and shall not be affected by the death, Total Disability or Incompetence of such Member.

Section 7.11 Member's Will. Each Member and Withdrawn Member shall include in his or her will a provision that addresses certain matters in respect of his or her obligations relating to the Company that is satisfactory to the Managing Member and each such Member and Withdrawn Member shall confirm annually to the Company, in writing, that such provision remains in his current will. Where applicable, any estate planning trust of such Member or Withdrawn Member to which a portion of such Member's or Withdrawn Member's Interest is transferred shall include a provision substantially similar to such provision and the trustee of such trust shall confirm annually to the Company, in writing, that such provision or its substantial equivalent remains in such trust. In the event any Member or Withdrawn Member fails to comply with the provisions of this Section 7.11 after the Company has notified such Member or Withdrawn Member of his failure to so comply and such failure to so comply is not cured within 30 days of such notice, the Company may withhold any and all distributions to such Member until the time at which such party complies with the requirements of this Section 7.11.

Section 7.12 Cumulative Remedies. Rights and remedies under this Agreement are cumulative and do not preclude use of other rights and remedies available under applicable law.

Section 7.13 Legal Fees. Except as more specifically provided herein, in the event of a legal dispute (including litigation, arbitration or mediation) between any Member or Withdrawn Member and the Company, arising in connection with any provision of this Agreement, the “losing” party to such dispute shall promptly reimburse the “victorious party” for all reasonable legal fees and expenses incurred in connection with such dispute (such determination to be made by the relevant adjudicator). Any amounts due under this Section 7.13 shall be paid within 30 days of the date upon which such amounts are due to be paid.

Section 7.14 Entire Agreement. This Agreement embodies the entire agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants or undertakings, other than those expressly set forth or referred to herein. Subject to Section 7.4, this Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

* * * * *

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the day and year first above written. In the event that it is impracticable to obtain the signature of any of the Members to this Agreement, this Agreement shall be binding among the other Members executing the same.

MANAGING MEMBER:

BLACKSTONE HOLDINGS III L.P.

By: Blackstone Holdings III GP L.P.,
its General Partner

By: Blackstone Holdings III GP Management L.L.C., its
General Partner

By: /s/ Robert L. Friedman
Name: Robert L. Friedman
Title: Chief Legal Officer and Secretary

MEMBERS:

All Members now and hereafter admitted pursuant to
powers of attorney now and hereafter granted to
Blackstone Holdings III L.P.

By: BLACKSTONE HOLDINGS III L.P., as Attorney-
in-Fact

By: Blackstone Holdings III GP L.P.,
its General Partner

By: Blackstone Holdings III GP Management L.L.C., its
General Partner

By: /s/ Robert L. Friedman
Name: Robert L. Friedman
Title: Chief Legal Officer and Secretary

CHIEF EXECUTIVE OFFICER CERTIFICATION

I, Stephen A. Schwarzman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended June 30, 2009 of The Blackstone Group L.P.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls over financial reporting.

Date: August 7, 2009

/s/ Stephen A. Schwarzman

Stephen A. Schwarzman

Chief Executive Officer

of Blackstone Group Management L.L.C.

CHIEF FINANCIAL OFFICER CERTIFICATION

I, Laurence A. Tosi, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended June 30, 2009 of The Blackstone Group L.P.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls over financial reporting.

Date: August 7, 2009

/s/ Laurence A. Tosi

Laurence A. Tosi

Chief Financial Officer

of Blackstone Group Management L.L.C.

**Certification of the Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of The Blackstone Group L.P. (the "Partnership") on Form 10-Q for the period ended June 30, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stephen A. Schwarzman, Chief Executive Officer of Blackstone Group Management L.L.C., the general partner of the Partnership, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

Date: August 7, 2009

/s/ Stephen A. Schwarzman

Stephen A. Schwarzman

Chief Executive Officer

of Blackstone Group Management L.L.C.

* The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

**Certification of the Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of The Blackstone Group L.P. (the "Partnership") on Form 10-Q for the period ended June 30, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Laurence A. Tosi, Chief Financial Officer of Blackstone Group Management L.L.C., the general partner of the Partnership, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

Date: August 7, 2009

/s/ Laurence A. Tosi

Laurence A. Tosi

Chief Financial Officer

of Blackstone Group Management L.L.C.

* The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.