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 MARCH 31, 2008**

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	**20-8875684**
(State or other jurisdiction of incorporation or organization)	**(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 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 ☐	Accelerated filer ☐
Non-accelerated filer ☒ (do not check if a smaller reporting company)	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 May 1, 2008 was 153,374,707. The number of the Registrant's non-voting common units representing limited partner interests outstanding as of May 1, 2008 was 101,334,234.

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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 section entitled "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2007, 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 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 (1) prior to the consummation of our reorganization into a holding partnership structure in June 2007 as described under "Item 1. Financial Information—Financial Statements—Notes to Condensed Consolidated and Combined Financial Statements (Unaudited)—Note 1. Organization and Basis of Presentation—Reorganization of the Partnership", to Blackstone Group, which comprised certain consolidated and combined entities historically under the common ownership of (a) our two founders, Mr. Stephen A. Schwarzman and Mr. Peter G. Peterson, and our other senior managing directors, (b) selected other individuals engaged in some of our businesses and (c) a subsidiary of American International Group, Inc., to whom we refer collectively as our "predecessor owners" or "pre-IPO owners," and (2) after our reorganization, to The Blackstone Group L.P. and its consolidated subsidiaries. Unless the context otherwise requires, references in this report to the ownership of our founders and other Blackstone personnel include the ownership of personal planning vehicles and family members of these individuals.

"Blackstone Funds," "our funds" and "our investment funds" refer to the corporate private equity funds, real estate funds, funds of hedge funds, debt funds, collateralized loan obligation ("CLO") vehicles, proprietary hedge funds and closed-end mutual funds that are managed by Blackstone. "Our carry funds" refer to the corporate private equity funds, real estate funds and debt funds that are managed by Blackstone. "Our hedge funds" refer to the funds of hedge funds and proprietary hedge funds that are managed by Blackstone.

"Assets under management" refers to the assets we manage. Our assets under management equal the sum of:

(1) the fair market 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 market value of co-investments arranged by us that were made by limited partners of our corporate private equity and real estate 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, proprietary hedge funds and closed-end mutual funds; and

(3) the amount of capital raised for our CLOs.

Our calculation of 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. Our definition of assets under management is not based on any definition of assets under management that is set forth in the agreements governing the investment funds that we manage.

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)

	March 31, 2008	December 31, 2007
Assets		
Cash and Cash Equivalents	$ 672,669	$ 868,629
Cash Held by Blackstone Funds	117,514	163,696
Investments	7,058,802	7,145,156
Accounts Receivable	224,439	213,086
Due from Brokers	564,945	812,250
Investment Subscriptions Paid in Advance	8,170	36,698
Due from Affiliates	695,179	855,854
Intangible Assets, Net	1,247,135	604,681
Goodwill	1,689,976	1,597,474
Other Assets	174,499	99,366
Deferred Tax Assets	763,056	777,310
Total Assets	$ 13,216,384	$ 13,174,200
Liabilities and Partners' Capital		
Loans Payable	$ 451,653	$ 130,389
Amounts Due to Non-Controlling Interest Holders	107,114	269,901
Securities Sold, Not Yet Purchased	1,084,235	1,196,858
Due to Affiliates	1,123,832	831,609
Accrued Compensation and Benefits	207,000	188,997
Accounts Payable, Accrued Expenses and Other Liabilities	210,987	250,445
Total Liabilities	3,184,821	2,868,199
Commitments and Contingencies		
Non-Controlling Interests in Consolidated Entities	5,886,187	6,079,156
Partners' Capital		
Partners' Capital (common units: 260,653,696 issued; 260,008,534 and 259,826,700 outstanding as of March 31, 2008 and December 31, 2007, respectively)	4,144,519	4,226,500
Accumulated Other Comprehensive Income	857	345
Total Partners' Capital	4,145,376	4,226,845
Total Liabilities and Partners' Capital	$ 13,216,384	$ 13,174,200

See notes to condensed consolidated and combined financial statements.

THE BLACKSTONE GROUP L.P.

Condensed Consolidated and Combined Statements of Income (Unaudited)
(Dollars in Thousands, Except Unit and Per Unit Data)

	Three Months Ended March 31,	
	2008	2007
Revenues		
Management and Advisory Fees	$ 309,409	$ 447,402
Performance Fees and Allocations	(188,687)	662,498
Investment Income (Loss) and Other	(52,199)	116,468
Total Revenues	68,523	1,226,368
Expenses		
Compensation and Benefits	977,147	79,207
Interest	2,743	11,122
General, Administrative and Other	95,221	28,132
Fund Expenses	22,952	53,689
Total Expenses	1,098,063	172,150
Other Income (Loss)		
Net Gains (Losses) from Fund Investment Activities	(215,636)	3,036,482
Income (Loss) Before Non-Controlling Interests in Income (Loss) of Consolidated Entities and Provision for Taxes	(1,245,176)	4,090,700
Non-Controlling Interests in Income (Loss) of Consolidated Entities	(998,457)	2,944,654
Income (Loss) Before Provision for Taxes	(246,719)	1,146,046
Provision for Taxes	4,274	13,970
Net Income (Loss)	$ (250,993)	$1,132,076
Net Loss Per Common Unit		
Basic	$ (0.97)	
Diluted	$ (0.97)	
Weighted-Average Common Units Outstanding		
Basic	259,860,669	
Diluted	259,860,669	
Revenues Earned from Affiliates		
Management and Advisory Fees	$ 28,407	$ 229,944

See notes to condensed consolidated and combined financial statements.

THE BLACKSTONE GROUP L.P.

Condensed Consolidated Statement of Changes in Partners' Capital (Unaudited)
(Dollars in Thousands Except Unit Data)

	Common Units	Partners' Capital	Accumulated Other Compre-hensive Income	Total Partners' Capital	Compre-hensive Income (Loss)
Balance at December 31, 2007	259,826,700	$4,226,500	$ 345	$4,226,845	
Purchase of Interests from Predecessor Owners		(44,072)		(44,072)	
Net Loss		(250,993)		(250,993)	$ (250,993)
Currency Translation Adjustment			512	512	512
Equity-based Compensation		213,084		213,084	
Delivery of Vested Deferred Restricted Common Units	181,834				
Balance at March 31, 2008	260,008,534	$4,144,519	$ 857	$4,145,376	$ (250,481)

See notes to condensed consolidated and combined financial statements.

THE BLACKSTONE GROUP L.P.

Condensed Consolidated and Combined Statements of Cash Flows (Unaudited)
(Dollars in Thousands)

	Three Months Ended March 31,	
	2008	2007
Operating Activities		
Net Income (Loss)	$ (250,993)	$ 1,132,076
Adjustments to Reconcile Net Income (Loss) to		
Net Cash Provided by (Used in) Operating Activities:		
Blackstone Funds Related:		
Non-Controlling Interests in Income (Loss) of Consolidated Entities	(788,477)	744,923
Net Realized (Gains) Losses on Investments	256	(1,050,641)
Changes in Unrealized (Gains) Losses on Investments Allocable to Blackstone Group	62,823	(520,424)
Non-Cash Performance Fees and Allocations	76,279	—
Equity-Based Compensation Expense	914,671	—
Intangible Amortization	33,528	—
Other Non-Cash Amounts Included in Net Income	3,845	(13,007)
Cash Flows Due to Changes in Operating Assets and Liabilities:		
Cash Held by Blackstone Funds	46,183	457,611
Due from Brokers	247,304	(192,816)
Accounts Receivable	(9,139)	55,023
Due from Affiliates	212,292	(13,485)
Other Assets	(29,122)	15,583
Accrued Compensation and Benefits	(46,299)	(23,108)
Accounts Payable, Accrued Expenses and Other Liabilities	(64,339)	93,609
Due to Affiliates	14,261	(62,214)
Amounts Due to Non-Controlling Interest Holders	(59,485)	(41,043)
Blackstone Funds Related:		
Investments Purchased	(10,013,010)	(6,080,748)
Cash Proceeds from Sale of Investments	9,764,576	4,154,706
Net Cash Provided by (Used in) Operating Activities	115,154	(1,343,955)
Investing Activities		
Purchase of Furniture, Equipment and Leasehold Improvements	(7,219)	(3,068)
Cash Paid for Acquisition, net of cash acquired	(336,571)	—
Changes in Restricted Cash	(45,128)	—
Net Cash Used in Investing Activities	(388,918)	(3,068)
Financing Activities		
Distributions to Non-Controlling Interest Holders in Consolidated Entities	(183,353)	(2,663,894)
Contributions from Non-Controlling Interest Holders in Consolidated Entities	96,523	4,539,138
Contributions from Predecessor Owners	—	90,304
Distributions to Predecessor Owners	—	(1,050,820)
Purchase of Interests from Predecessor Owners	(79,627)	—
Proceeds from Loans Payable	285,781	2,518,352
Repayment of Loans Payable	(41,610)	(2,090,778)
Net Cash Provided by Financing Activities	77,714	1,342,302
Effect of Exchange Rate Changes on Cash and Cash Equivalents	90	1,027
Net Decrease in Cash and Cash Equivalents	(195,960)	(3,694)
Cash and Cash Equivalents, Beginning of Period	868,629	129,443
Cash and Cash Equivalents, End of Period	$ 672,669	$ 125,749

See notes to condensed consolidated and combined financial statements.

THE BLACKSTONE GROUP L.P.

Condensed Consolidated and Combined Statements of Cash Flows (Unaudited)—(Continued)
(Dollars in Thousands)

	Three Months Ended March 31,	
	2008	2007
Supplemental Disclosures of Cash Flow Information		
Payments for Interest	$ 2,931	$ 3,957
Payments for Income Taxes	$ 11,845	$ 16,967
Supplemental Disclosure of Non-Cash Operating Activities		
Net Activities Related to Investment Transactions of Consolidated Blackstone Funds	$ —	$(17,091)
Supplemental Disclosure of Non-Cash Investing Activities and Financing Activities		
Net Activities Related to Capital Transactions of Consolidated Blackstone Funds	$ —	$(17,091)
Exchange of Founders and Senior Managing Directors' Interests in Blackstone Holdings:		
Deferred Tax Asset	$ 4,440	$ —
Due to Affiliates	$ (3,774)	$ —
Partners' Capital	$ (666)	$ —
Acquisition of GSO Capital Partners LP:		
Fair Value of Assets Acquired	$1,018,747	$ —
Cash Paid for Acquisition	(356,972)	—
Fair Value of Non-Controlling Interests in Consolidated Entities and Liabilities Assumed	(381,375)	—
Units to be Issued	$ 280,400	$ —

See notes to condensed consolidated and combined financial statements.

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 based in New York. The alternative asset management businesses include the management of corporate private equity funds, real estate funds, funds of hedge funds, debt funds, collateralized loan obligation ("CLO") vehicles, proprietary hedge funds, closed-end mutual funds and related entities that invest in such funds, collectively referred to as the "Blackstone Funds." 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 and combined 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 and combined 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 and combined financial statements are presented fairly and that estimates made in preparing its condensed consolidated and combined 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 and combined financial statements should be read in conjunction with the audited consolidated and combined financial statements included in the Partnership's Annual Report on Form 10-K filed with the Securities and Exchange Commission.

The accompanying unaudited condensed consolidated and combined financial statements include (1) subsequent to the reorganization as described below, the consolidated accounts of Blackstone, and (2) prior to the reorganization the entities engaged in the above businesses under the common ownership of the two founders of Blackstone, Stephen A. Schwarzman and Peter G. Peterson (the "Founders"), Blackstone's other senior managing directors and selected other individuals engaged in some of Blackstone's businesses, personal planning vehicles beneficially owned by the families of these individuals and a subsidiary of American International Group, Inc. ("AIG"), collectively referred to as the "predecessor owners".

Certain of the Blackstone Funds are included in the condensed consolidated and combined financial statements of the Partnership. Consequently, the condensed consolidated and combined 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 in the condensed consolidated and combined financial statements. The consolidation of these Blackstone Funds has no net effect on the Partnership's Net Income or Partners' Capital.

The Partnership's interest in Blackstone Holdings (see "Reorganization of the Partnership" 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 interest for the economic interests of limited partners of the Blackstone Holdings partnerships.

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

Reorganization of the Partnership —The Partnership was formed as a Delaware limited partnership on March 12, 2007. The Partnership is managed and operated by its general partner, Blackstone Group Management L.L.C., which is in turn wholly-owned and controlled by the Founders and Blackstone's other senior managing directors.

Blackstone's business was historically conducted through a large number of entities as to which there was no single holding entity but which were separately owned by its predecessor owners. In order to facilitate the initial public offering, as described in further detail below, the predecessor owners completed a reorganization as of the close of business on June 18, 2007 (the "Reorganization") whereby, with certain limited exceptions, each of the operating entities of the predecessor organization and the intellectual property rights associated with the Blackstone name, were contributed ("Contributed Businesses") to five newly-formed holding partnerships (Blackstone Holdings I L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P., Blackstone Holdings IV L.P. and Blackstone Holdings V L.P. (collectively, "Blackstone Holdings")) or sold to wholly-owned subsidiaries of the Partnership (which in turn contributed them to Blackstone Holdings). The Partnership, through wholly-owned subsidiaries, is the sole general partner of each of the Blackstone Holdings partnerships.

The Reorganization was accounted for as an exchange of entities under common control for the interests in the Contributed Businesses which were contributed by the Founders and the other senior managing directors (collectively, the "Control Group") and as an acquisition of non-controlling interests using the purchase method of accounting for all the predecessor owners other than the Control Group pursuant to Statement of Financial Accounting Standard ("SFAS") No. 141, *Business Combinations* ("SFAS No. 141").

Blackstone also entered into an exchange agreement with holders of partnership units in Blackstone Holdings (other than the Partnership's wholly-owned subsidiaries) so that these holders, subject to the vesting, minimum retained ownership requirements and transfer restrictions set forth in the partnership agreements of the Blackstone Holdings partnerships, may up to four times each year exchange their Blackstone Holdings Partnership Units for Blackstone Common Units on a one-for-one basis, subject to customary conversion rate adjustments for splits, unit distributions and reclassifications. A Blackstone Holdings limited partner must exchange one partnership unit in each of the five Blackstone Holdings partnerships to effect an exchange for one common unit in the Partnership. The terms "Blackstone Holdings Partnership Unit" or "partnership unit in/of Blackstone Holdings" refer collectively to a partnership unit in each of the Blackstone Holdings partnerships.

Undistributed earnings of the Contributed Businesses through the date of the Reorganization inured to the benefit of the predecessor owners.

Initial Public Offering— On June 27, 2007, the Partnership completed the initial public offering ("IPO") of its common units representing limited partner interests in the Partnership. Upon the completion of the IPO, public investors indirectly owned approximately 14.1% of the equity in Blackstone. Concurrently with the IPO, the Partnership completed the sale of non-voting common units, representing approximately 9.3% of the equity in Blackstone, to Beijing Wonderful Investments, an investment vehicle established by the People's Republic of

China with respect to its foreign exchange reserve. Beijing Wonderful Investments is restricted in the future from engaging in a purchase of Blackstone Common Units that would result in its equity interest in Blackstone exceeding 10%.

The Partnership contributed the proceeds from the IPO and the sale of non-voting common units to Beijing Wonderful Investments to its wholly-owned subsidiaries, which in turn used these proceeds to (1) purchase interests in the Contributed Businesses from the predecessor owners (which interests were then contributed to Blackstone Holdings in exchange for newly-issued Blackstone Holdings Partnership Units) and (2) purchase additional newly-issued Blackstone Holdings Partnership Units from Blackstone Holdings.

Consolidation and Deconsolidation of Blackstone Funds— In accordance with GAAP, a number of the Blackstone Funds were historically consolidated into Blackstone's combined financial statements.

Concurrently with the Reorganization, the Contributed Businesses that act as a general partner of a consolidated Blackstone fund (with the exception of Blackstone's proprietary hedge funds and four of the funds of hedge funds) took the necessary steps to grant rights to the unaffiliated investors in each respective fund to provide that a simple majority of the fund's unaffiliated investors will have the right, without cause, to remove the general partner of that fund or to accelerate the liquidation date of that fund in accordance with certain procedures. The granting of these rights resulted in the deconsolidation of such investment funds from the Partnership's consolidated financial statements and the accounting of Blackstone's interest in these funds under the equity method. With the exception of certain funds of hedge funds, these rights became effective on June 27, 2007 for all Blackstone Funds where these rights were granted. The effective date of these rights for the applicable funds of hedge funds was July 1, 2007. The consolidated results of these funds have been reflected in the Partnership's condensed consolidated and combined financial statements up to the effective date of these rights.

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 leveraged finance marketplace, with $11.49 billion of assets under management as of March 31, 2008. GSO manages a multi-strategy credit hedge fund, a mezzanine fund, a senior debt fund and various CLO vehicles. GSO's results from the date of acquisition have been included in the Marketable Alternative Asset Management segment.

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* . For those funds which the Partnership consolidates, such funds reflect their investments, including Securities Sold, Not Yet Purchased, 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 from Fund Investment Activities in the Condensed Consolidated and Combined Statements of Income. 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). Additionally, the majority-owned and controlled investments of the Blackstone Funds (the "Portfolio Companies") are not consolidated by these funds. 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* .

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 "bid" price at the close of business on such date and if sold short, at the "ask" price at the close of business on such date. 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. Direct investments in hedge funds ("Investee Funds") are stated at fair value, based on the information provided by the Investee Funds' management, which reflects our share of the fair value of the net assets of the investment fund.

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 and combined 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. 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 earnings before interest, taxes, depreciation and amortization ("EBITDA"), public market or private transactions, valuations for comparable companies and other measures. With respect to real estate investments, the measures considered in determining fair values include capitalization rates ("cap rates"), sales of comparable assets and replacement costs. Analytical methods used to estimate the fair value of private investments include the discounted cash flow method and/or cap rate analysis. A sensitivity analysis is applied to the estimated future cash flows using various factors depending on the investment, including assumed growth rates (in cash flows), cap rates (for determining terminal values) and appropriate discount rates to determine a range of reasonable values or to compute a projected return on investment. Valuations may also be derived by reference to observable valuation measures for comparable companies (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 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.

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 and Combined Statements of Income as Net Gains from Fund Investment Activities.

Securities transactions are recorded on a trade date basis.

3. ACQUISITIONS, GOODWILL AND INTANGIBLE ASSETS

Acquisition of Non-Controlling Interests at Reorganization

Pursuant to the Reorganization transaction described in Note 1, the Partnership acquired interests in the predecessor businesses from the predecessor owners. These interests were acquired, in part, through an exchange of Blackstone Holdings Partnership Units and, in part, through the payment of cash.

This transaction has been accounted for partially as a transfer of interests under common control and, partially, as an acquisition of non-controlling interests in accordance with SFAS No. 141. The vested Blackstone Holdings Partnership Units received by the Control Group in the Reorganization are reflected in the condensed consolidated and combined financial statements as non-controlling interests at the historical cost of the interests they contributed, as they are considered to be the Control Group of the predecessor organization. The vested Blackstone Holdings Partnership Units received by holders not included in the Control Group in the Reorganization are accounted for using the purchase method of accounting under SFAS No. 141 and reflected as non-controlling interests in the condensed consolidated financial statements at the fair value of the interests contributed as these holders are not considered to have been in the group controlling Blackstone prior to the Reorganization. Additionally, ownership interests were purchased with proceeds from the IPO. The cash paid in excess of the cost basis of the interests acquired from members of the Control Group has been charged to equity. Cash payments related to the acquisition of interests from holders outside of the Control Group has been accounted for using the purchase method of accounting.

The total consideration paid to holders outside of the Control Group was $2.79 billion and reflected (1) 69,093,969 Blackstone Holdings Partnership Units issued in the exchange, the fair value of which was $2.14 billion based on the initial public offering price of $31.00 per common unit, and (2) cash of $647.6 million. Accordingly, the Partnership has reflected the acquired tangible assets at the fair value of the consideration paid. The excess of the purchase price over the fair value of the tangible assets acquired approximated $2.34 billion, the remaining balance of which has been reported in the captions Goodwill and Intangible Assets in the Condensed Consolidated Statement of Financial Condition as of March 31, 2008. The finite-lived intangible assets of $876.3 million reflect the value ascribed for the future fee income relating to contractual rights and client or investor relationships for management, advisory and incentive fee arrangements as well as for those rights and relationships associated with the future carried interest income from the corporate private equity, real estate and debt funds. The residual amount representing the purchase price in excess of tangible and intangible assets (including other liabilities of $55.2 million) is $1.52 billion and has been recorded as Goodwill.

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

During the period ended March 31, 2008, the Partnership finalized the purchase price allocation, including the determination of goodwill attributable to the reporting segments, as provided in the tables below for the acquisition of non-controlling interests at Reorganization.

Purchase Price	$2,789,469
Goodwill	$1,516,720
Finite-Lived Intangible Assets/Contractual Rights	876,270
Other Liabilities	(55,158)
Increase to Non-Controlling Interests in Consolidated Entities	2,337,832
Net Assets Acquired, at Fair Value	451,637
Preliminary Purchase Price Allocation	$2,789,469

Acquisition of GSO Capital Partners LP

In March 2008, the Partnership completed the acquisition of GSO, an alternative asset manager specializing in the leveraged finance marketplace. The purchase consideration of GSO consisted of cash and Blackstone Holdings Partnership Units valued at acquisition closing at $635 million in the aggregate, plus up to an additional targeted $310 million to be paid over the next five years contingent upon the realization of specified earnings targets over that period. The Partnership also incurred $7.8 million of acquisition costs. Additionally, profit sharing and other compensatory payments subject to performance and vesting may be paid to the GSO personnel.

This transaction has been accounted for as an acquisition using the purchase method of accounting under SFAS No. 141. The Partnership is in the process of finalizing this purchase price allocation, including the determination of goodwill attributable to the Partnership's reportable segments in relation to this acquisition. To the extent that the estimates used in the preliminary purchase price allocation need to be adjusted further, the Partnership will do so upon making that determination but not later than one year from the date of the acquisition.

The preliminary purchase price allocation for the GSO acquisition is as follows:

Finite-Lived Intangible Assets/Contractual Rights	$522,000
Goodwill	173,256
Other Liabilities	(55,447)
Net Assets Acquired, at Fair Value	3,000
Preliminary Purchase Price Allocation	$642,809

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

The Condensed Consolidated Statement of Income for the three months ended March 31, 2008 includes the results of GSO's operations from the date of acquisition, March 3, 2008, through March 31, 2008. Supplemental information on an unaudited pro forma basis, as if the GSO acquisition had been consummated as of January 1, 2008 and January 1, 2007, respectively, is as follows:

	Three Months Ended March 31, (Unaudited)	
	2008	2007
Total Revenues	$ 93,874	$1,347,944
Net Income (Loss)	$(256,250)	$1,113,039
Net Loss per Common Unit		
Basic	$ (0.99)	N/A
Diluted	$ (0.99)	N/A

The unaudited pro forma supplemental information is based on estimates and assumptions, which the Partnership believes are reasonable; it is not necessarily indicative of the Partnership's Condensed Consolidated and Combined Financial Condition or Statements of Income in future periods or the results that actually would have been realized had the Partnership and GSO been a combined entity during the periods presented.

Goodwill and Intangible Assets

The following table outlines changes to the carrying amount of Goodwill and Intangible Assets:

	Goodwill	Intangible Assets
Balance at December 31, 2007	$1,597,474	$ 604,681
Additions—GSO Acquisition	173,256	522,000
Purchase Price Adjustments—Reorganization	(80,754)	153,982
Amortization	—	(33,528)
Balance at March 31, 2008	$1,689,976	$1,247,135

Total Goodwill has been allocated to each of the Partnership's segments as follows: Corporate Private Equity—$694,512, Real Estate—$421,739, Marketable Alternative Asset Management—$504,851, and Financial Advisory—$68,873.

Amortization expense is included in General, Administrative and Other in the accompanying Condensed Consolidated and Combined Statements of Income. Amortization of intangible assets held at March 31, 2008 is expected to be approximately $155.6 million for the year ending December 31, 2008.

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

4. INVESTMENTS

Investments

A condensed summary of Investments consist of the following:

	March 31, 2008	December 31, 2007
Investments of Consolidated Blackstone Funds	$ 3,933,928	$ 3,992,638
Equity Method Investments	2,143,937	1,971,228
Performance Fees and Allocations Related Investments	950,845	1,150,264
Other Investments	30,092	31,026
	$ 7,058,802	$ 7,145,156

Blackstone's share of Investments of Consolidated Blackstone Funds totaled $949.4 million and $996.4 million at March 31, 2008 and December 31, 2007, respectively. Equity Method Investments represents investments in non-consolidated funds as described below, of which Blackstone's share totaled $1.94 billion and $1.88 billion at March 31, 2008 and December 31, 2007, respectively.

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:

	Fair Value		Percentage of Investments of Consolidated Blackstone Funds	
Geographic Region / Instrument Type / Industry Description or Investment Strategy	March 31, 2008	December 31, 2007	March 31, 2008	December 31, 2007
United States and Canada				
Investment Funds, principally related to marketable alternative asset management funds				
Credit Driven	$ 845,045	$ 905,047	21.5%	22.7%
Diversified Investments	749,545	756,654	19.1%	19.0%
Other	136,870	138,723	3.5%	3.5%
Investment Funds Total (Cost: 2008 $1,586,558; 2007 $1,547,297)	1,731,460	1,800,424	44.1%	45.2%
Partnership and LLC Interests, principally related to corporate private equity and real estate funds				
Real Estate, including Consumer Business	208,179	216,406	5.3%	5.4%
Other	125,285	128,235	3.1%	3.3%
Partnership and LLC Interests Total (Cost: 2008 $256,388; 2007 $260,372)	333,464	344,641	8.4%	8.7%
Equity Securities, principally related to marketable alternative asset management and corporate private equity funds				
Common Stock				
Manufacturing	332,428	383,937	8.5%	9.5%
Energy	222,449	144,783	5.7%	3.6%
Real Estate, including Consumer Business	89,107	2,047	2.3%	0.1%
Technology, Media and Telecommunications	42,490	67,116	1.1%	1.7%
Financial Services	28,769	100,719	0.7%	2.5%
Other	134,558	159,619	3.3%	3.9%
Common Stock Total (Cost: 2008 $876,618; 2007 $827,842)	849,801	858,221	21.6%	21.3%
Other, principally preferred stock and warrants (Cost: 2008 $1,471; 2007 $10,099)	1,428	13,987	—	0.4%
Equity Securities Total (Cost: 2008 $878,089; 2007 $837,941)	851,229	872,208	21.6%	21.7%
Debt Instruments, principally related to marketable alternative asset management funds (Cost: 2008 $7,368; 2007 $7,757)	7,048	7,507	0.2%	0.2%
United States and Canada Total (Cost: 2008 $2,728,403; 2007 $2,653,367)	2,923,201	3,024,780	74.3%	75.8%

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Geographic Region / Instrument Type / Industry Description or Investment Strategy	Fair Value		Percentage of Investments of Consolidated Blackstone Funds	
	March 31, 2008	December 31, 2007	March 31, 2008	December 31, 2007
Europe				
Partnership and LLC Interests Total (Cost: 2008 $45,921; 2007 $45,859)	57,963	54,089	1.5%	1.4%
Equity Securities, principally related to corporate private equity funds				
Common Stock				
Manufacturing	294,016	302,524	7.5%	7.6%
Other	182,696	65,558	4.6%	1.6%
Common Stock Total (Cost: 2008 $430,684; 2007 $345,325)	476,712	368,082	12.1%	9.2%
Preferred Stock, principally Real Estate including Consumer Business (Cost: 2008 $5,208; 2007 $162,328)	5,178	205,511	0.1%	5.1%
Other, principally interest rate swaps (Cost: 2008 $8,733; 2007 $5,584)	10,854	4,733	0.3%	0.1%
Equity Securities Total (Cost: 2008 $444,625; 2007 $513,237)	492,744	578,326	12.5%	14.4%
Debt Instruments, principally related to marketable alternative asset management funds (Cost: 2008 $522; 2007 $480)	446	452	—	—
Europe Total (Cost: 2008 $491,068; 2007 $559,576)	551,153	632,867	14.0%	15.8%
Asia				
Equity Securities, principally related to corporate private equity and marketable alternative asset management funds				
Manufacturing	145,888	104,529	3.7%	2.6%
Other	177,945	146,700	4.5%	3.7%
Equity Securities Total (Cost: 2008 $324,860; 2007 $223,382)	323,833	251,229	8.2%	6.3%
Asia Total (Cost: 2008 $324,860; 2007 $223,382)	323,833	251,229	8.2%	6.3%
Other Total (principally related to corporate private equity and marketable alternative asset management funds) (Cost: 2008 $130,594; 2007 $63,918)	135,741	83,762	3.5%	2.1%
Total Investments of Consolidated Blackstone Funds (Cost: 2008 $3,674,925; 2007 $3,500,243)	$3,933,928	$ 3,992,638	100.0%	100.0%

At March 31, 2008 and December 31, 2007, there were no individual investments, which includes consideration of derivative contracts, with fair values exceeding 5.0% of Blackstone's net assets. At March 31, 2008 and December 31, 2007, consideration was given as to whether any individual consolidated funds of hedge funds, feeder fund or any other affiliate exceeded 5.0% of Blackstone's net assets. At March 31, 2008 and December 31, 2007, Blackport Capital Fund Ltd. had a fair value of $823.2 million and $903.3 million, respectively, and was the sole feeder fund investment to exceed the 5.0% threshold at each date.

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

	Fair Value		Percentage of Securities Sold Not Yet Purchased	
Geographic Region / Instrument Type / Industry Class	March 31, 2008	December 31, 2007	March 31, 2008	December 31, 2007
United States – Equity Instruments				
Utilities	$ 286,439	$ 360,952	26.5%	30.2%
Manufacturing	258,279	214,820	23.8%	17.9%
Real Estate, including consumer business	100,129	135,710	9.2%	11.3%
Transportation	83,046	—	7.7%	–
Financial Services	45,700	208,146	4.2%	17.4%
Technology, Media and Telecommunications	39,084	69,105	3.6%	5.8%
Index Funds	—	—	–	–
Pharmaceutical	—	—	–	–
Other	118	26,255	–	2.2%
United States Total (Proceeds: 2008 $829,626; 2007 $1,013,691)	812,795	1,014,988	75.0%	84.8%
Europe – Equity Instruments				
Manufacturing	124,109	39,165	11.4%	3.3%
Financial Services	22,432	—	2.1%	–
Utilities	185	—	–	–
Other	—	26,398	–	2.2%
Europe Total (Proceeds: 2008 $119,896; 2007 $60,331)	146,726	65,563	13.5%	5.5%
All other regions – Equity Instruments – Manufacturing (Proceeds: 2008 $132,033; 2007 $122,167)	124,714	116,307	11.5%	9.7%
Total (Proceeds: 2008 $1,081,555; 2007 $1,196,189)	$1,084,235	$1,196,858	100.0%	100.0%

Realized and Net Change in Unrealized Gains (Losses) from Blackstone Funds. Net Gains from Fund Investment Activities on the Condensed Consolidated and Combined Statements of Income 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 March 31,	
	2008	2007
Realized Gains (Losses)	$ (25,692)	$1,050,641
Net Change in Unrealized Gains (Losses)	(480,225)	2,720,155
	$(505,917)	$3,770,796

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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 within Investments. The liabilities of the consolidated VIEs are non-recourse to Blackstone's general credit.

At March 31, 2008, Blackstone was the primary beneficiary of VIEs whose gross assets were $1.26 billion, which is the carrying amount of such financial assets in the condensed consolidated financial statements. The nature of these VIEs includes investments in corporate private equity, real estate, debt and funds of hedge funds assets.

Blackstone is also a significant variable interest holder in other VIEs which are not consolidated, as Blackstone is not the primary beneficiary. These VIEs represent certain Blackstone Funds that are funds of hedge funds. At March 31, 2008, gross assets of these entities were approximately $812.5 million. Blackstone's aggregate maximum exposure to loss was approximately $249.8 million as of March 31, 2008. Blackstone's involvement with these entities began on the dates that they were formed, which range from July 2002 to January 2006.

Performance Fees and Allocations

Blackstone manages corporate private equity funds, real estate funds, debt funds, funds of hedge funds and hedge funds that are not consolidated. The Partnership records as revenue the amount that would be due pursuant to the fund agreements at each period end as if the fair value of the investments were realized as of such date. In certain performance fee arrangements related to hedge funds in the marketable alternative asset management 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, debt funds, funds of hedge funds and hedge 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 and Other. That amount reflects the fair value gains and losses of the associated funds' underlying investments.

A summary of Blackstone's equity method investments follows:

	Equity Held		Equity in Net Income (Loss)	
		December 31,	Three Months Ended March 31,	
	March 31, 2008	2007	2008	2007
Equity Method Investments	$2,143,937	$1,971,228	$(133,639)	$11,549

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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 March 31,	
	2008	2007
Realized Gains (Losses)	$ 256	$ (50)
Net Change in Unrealized Gains (Losses)	(514)	1,138
	$(258)	$1,088

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 and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices 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 included 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, debt 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, an investment's level within the fair value hierarchy 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 March 31, 2008:

	Total	Level I	Level II	Level III
Investments of Consolidated Blackstone Funds	$3,933,928	$1,677,421	$10,664	$2,245,843
Other Investments	30,092	1,251	—	28,841
Securities Sold, Not Yet Purchased	1,084,235	1,084,235	—	—

Blackstone's share of Investments of Consolidated Blackstone Funds totaled $949.4 million and $996.4 million at March 31, 2008 and December 31, 2007, respectively.

The following table summarizes the Level III investments by valuation methodology as of March 31, 2008:

Fair Value Based on	Corporate Private Equity	Real Estate	Marketable Alternative Asset Management	Total Investment Company Holdings
Third-Party Fund Managers	—	—	76.1%	76.1%
Specific Valuation Metrics	12.6%	9.6%	1.7%	23.9%
Total	12.6%	9.6%	77.8%	100.0%

The changes in investments measured at fair value for which the Partnership has used Level III inputs to determine fair value are as follows:

	Three Months Ended March 31, 2008
Balance, December 31, 2007	$ 2,362,542
Purchases (Sales), Net	23,256
Realized and Unrealized Gains (Losses), Net	(111,114)
Balance, March 31, 2008	$ 2,274,684
Changes in Unrealized Gains (Losses) Included in Earnings Related to Investments Still Held at Reporting Date	$ (125,061)

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

5. LOANS PAYABLE

In connection with the acquisition of GSO, the Partnership assumed credit facilities with aggregate available credit of $76.8 million and outstanding borrowings of $73.3 million at March 31, 2008. The loans are used in conjunction with working capital, capital asset financing and to fund GSO's general partner investments to its funds.

Note 12 provides a subsequent events update related to Blackstone's 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

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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. Prior to the Reorganization, Blackstone provided for New York City unincorporated business tax for certain entities based on a statutory rate of 4%.

Blackstone's effective income tax rate was approximately 1.73% and 1.22% for the three months ended March 31, 2008 and 2007, respectively. Blackstone's effective tax rate for the three months ended March 31, 2008 was 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. Blackstone's effective tax rate for the three months ended March 31, 2007 was due to the following: prior to the Reorganization, Blackstone provided for New York City unincorporated business tax on certain businesses that were subject to such tax and corporate income tax on certain non-U.S. corporate entities.

7. NET LOSS PER COMMON UNIT

The Weighted-Average Common Units Outstanding, Basic and Diluted, are calculated as follows:

	Three Months Ended March 31, 2008	
	Basic	Diluted
The Blackstone Group L.P. Weighted -Average Common Units Outstanding	259,860,669	259,860,669
Total Weighted-Average Common Units Outstanding	259,860,669	259,860,669

Basic and diluted net loss per common unit are calculated as follows:

	Three Months Ended March 31, 2008	
	Basic	Diluted
Net Loss Available to Common Unit Holders	$ (250,993)	$ (250,993)
Weighted-Average Common Units Outstanding	259,860,669	259,860,669
Net Loss per Common Unit	$ (0.97)	$ (0.97)

For the three months ended March 31, 2008, a total of 35,347,379 deferred restricted common units and 826,948,454 Blackstone Holdings Partnership Units were anti-dilutive and as such have been excluded from the calculation of diluted earnings per unit.

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.

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Approximately $300 million of the authorization was intended to offset the issuance of units as part of the consideration in the GSO acquisition. In March 2008, Blackstone repurchased a combination of 8,319,101 vested and unvested Blackstone Holdings Partnership Units as part of the unit repurchase program for a total cost of $124.8 million.

8. EQUITY-BASED COMPENSATION

The Partnership granted equity-based compensation awards to Blackstone's senior managing directors, non-partner professionals, non-professionals and selected external advisors primarily in connection with the IPO. As of January 1, 2008, the Partnership had the ability to grant 162,109,845 units under the Partnership's 2007 Equity Incentive Plan during the year ended December 31, 2008.

For the three months ended March 31, 2008, the Partnership recorded compensation expense of $914.7 million in relation to its equity-based awards with a corresponding tax benefit of $5.4 million. As of March 31, 2008, there was $11.38 billion of estimated unrecognized compensation expense related to non-vested equity-based compensation arrangements. That cost is expected to be recognized over a weighted-average period of 5.3 years.

Total vested and unvested outstanding units, including Blackstone Common Units, Blackstone Holdings Partnership Units and deferred restricted common units, were 1,115,442,543 as of March 31, 2008. Total outstanding unvested phantom units were 956,595 as of March 31, 2008.

A summary of the status of the Partnership's non-vested equity-based awards as of March 31, 2008 and a summary of changes for the three months ended March 31, 2008, are presented below:

	Blackstone Holdings		The Blackstone Group L.P.			
			Equity Settled Awards		Cash Settled Awards	
Unvested Units	Partnership Units	Weighted-Average Grant Date Fair Value	Deferred Restricted Common Units	Weighted-Average Grant Date Fair Value	Phantom Units	Weighted-Average Grant Date Fair Value
Balance, December 31, 2007	439,153,982	$ 31.00	34,734,870	$ 26.65	967,923	$ 27.23
Granted	753,838	17.64	478,922	17.98	15,341	15.02
Repurchased	(7,510,488)	31.00	—	—	—	—
Vested	(16,331)	31.00	(210,586)	24.00	—	—
Exchanged	(127,200)	31.00	166,271	19.64	3,333	15.11
Forfeited	—	—	(337,666)	25.25	(30,002)	25.98
Balance, March 31, 2008	432,253,801	$ 30.98	34,831,811	$ 26.54	956,595	$ 27.00

During the three months ended March 31, 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. A percentage of the cash settlement was paid up front to the senior managing directors and the remaining percentage of the settlement will be held in escrow and in certain cases earned over a specified service period. The Partnership recognized total compensation expense of $167.2 million, which is included in the total equity-based compensation expense of $914.7 million, related to the modifications and cash settlement. Additional compensation expense related to the

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portion of the settlement held in escrow will be recognized over the specified service period which ranges from approximately 18 to 50 months.

Units Expected to Vest

The following unvested units, as of March 31, 2008, are expected to vest:

	Units	Weighted-Average Service Period in Years
Blackstone Holdings Partnership Units	401,854,610	4.9
Deferred Restricted Blackstone Common Units	28,076,988	5.9
Total Equity Settled Awards	429,931,598	5.0
Phantom Units	807,375	1.8

Acquisition of GSO Capital Partners L.P.

In conjunction with the acquisition of GSO, the Partnership entered into equity-based compensation arrangements with certain GSO senior managing directors and other personnel. The arrangements stipulate that the recipient receive cash, equity instruments or a combination of cash and equity instruments to be earned over service periods ranging from three to five years or based upon the realization of specified earnings targets over the period 2008 through 2012. For the non-performance dependent compensation arrangements, the Partnership will recognize the estimated expense on a straight-line basis over the service period. For the performance-based compensation arrangements tied to specified earnings targets, the Partnership estimates compensation expense based upon whether it is probable that forecasted earnings will meet or exceed the required earnings targets and if so, recognizes the expense over the earnings period.

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9. RELATED PARTY TRANSACTIONS

Affiliate Receivables and Payables

Blackstone Group considers its Founders, other senior managing directors, employees, the Blackstone Funds and the Portfolio Companies to be affiliates. As of March 31, 2008 and December 31, 2007, Due from Affiliates and Due to Affiliates were comprised of the following:

	March 31, 2008	December 31, 2007
Due from Affiliates		
Primarily Interest Bearing Advances Made on Behalf of Predecessor Owners and Blackstone Employees for Investments in Blackstone Funds	$ 238,972	$ 143,849
Payments Made on Behalf of Non-Consolidated Entities	136,904	204,701
Investments Redeemed in Non-Consolidated Funds of Funds	174,227	363,176
Management and Performance Fees Due from Non-Consolidated Funds of Funds	69,497	90,696
Amounts due from Portfolio Companies	73,557	43,683
Advances Made to Predecessor Owners and Blackstone Employees	2,022	9,749
	$ 695,179	$ 855,854
Due to Affiliates		
Due to Predecessor Owners in Connection with the Tax Receivable Agreement	$ 685,345	$ 689,119
Distributions Received on Behalf of Predecessor Owners and Blackstone Employees	69,322	71,065
Due to Predecessor Owners and Blackstone Employees	280,400	65,995
Distributions Received on Behalf of Non-Consolidated Entities	87,850	3,315
Payments Made by Non-Consolidated Entities	915	2,115
	$1,123,832	$ 831,609

Interests of the Founders, Other Senior Managing Directors and Employees

In addition, the Founders, other senior managing directors and employees invest on a discretionary basis in the consolidated 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 March 31, 2008 and December 31, 2007, the Founders', other senior managing directors' and employees' investments aggregated $1.23 billion and $1.27 billion, respectively, and the Founders', other senior managing directors' and employees' share of the Non-Controlling Interests in Income (Loss) of Consolidated Entities aggregated $(66.4) million and $155.7 million for the three months ended March 31, 2008 and 2007, respectively.

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 $1.5 million and $2.0 million for the three months ended March 31, 2008 and 2007, respectively.

Contingent Repayment Guarantee

Blackstone personnel who have received carried interest distributions have guaranteed payment on a several basis (subject to a cap) to the corporate private equity, real estate and debt 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 Blackstone fails to fulfill its clawback obligation, if any.

Tax Receivable Agreements

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 the predecessor owners. In addition, holders of partnership units in Blackstone Holdings 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 the predecessor owners 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 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 $685.3 million over the next 15 years. The present value of these estimated payments totals $185.6 million assuming a 15% discount rate and using an estimate of 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.

10. COMMITMENTS AND CONTINGENCIES

Guarantees —Blackstone had approximately $12.0 million of letters of credit outstanding to provide collateral support related to a credit facility at March 31, 2008.

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 March 31, 2008, such guarantees amounted to $34.7 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 March 31, 2008.

Investment Commitments —The general partners of the Blackstone Funds had unfunded commitments to each of their respective funds totaling $993.6 million as of March 31, 2008.

Certain of Blackstone's funds of hedge funds not consolidated in these financial statements have unfunded investment commitments to unaffiliated hedge funds of $3.03 billion as of March 31, 2008. 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 from Fund Investment Activities in the Condensed Consolidated and Combined Statements of Income are gains from Blackstone Fund investments. The portion of net gains attributable to non-controlling interest holders is included within Non-Controlling Interests in Income of Consolidated Entities. Net gains 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 recorded to date exceeds the amount due to Blackstone based on cumulative results. If, at March 31, 2008, 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 $1.67 billion, on an after tax basis, at an assumed tax rate of 35.0%. As of March 31, 2008, Blackstone did not have any clawback obligation based upon the performance of the Blackstone Funds.

Contingent Performance Fees and Allocations —Performance fees and allocations related to marketable alternative asset management funds for the three months ended March 31, 2008 included $27.9 million attributable to arrangements 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 March 31, 2008, 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 reportable 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.
- Marketable Alternative Asset Management—Blackstone's Marketable Alternative Asset Management segment whose consistent focus is current earnings is comprised of its management of funds of hedge funds, debt funds, CLOs, proprietary hedge funds and publicly-traded closed-end mutual funds. GSO's results from the date of acquisition have been included in this segment.
- 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.

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

These business segments are differentiated by their various sources of income, with the Corporate Private Equity, Real Estate and Marketable Alternative Asset Management 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 Net Income excluding the impact of income taxes and transactional related items including non-cash charges associated with equity-based compensation and the amortization of intangibles. However, the historical condensed combined financial statements prior to the IPO do not include non-cash charges nor do such financial statements reflect compensation expenses including profit-sharing arrangements associated with our senior managing directors, departed partners and other selected employees which were accounted for as partnership distributions prior to the IPO but are now included as a component of compensation and benefits expense. Therefore, ENI is equivalent to Income Before Provision for Taxes in the historical combined financial statements prior to the IPO. ENI is used by the management of Blackstone's segments in making resource deployment and compensation decisions.

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 and combined 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 reportable segments as of and for the three months ended March 31, 2008:

	March 31, 2008 and the Three Months then Ended				
	Corporate Private Equity	Real Estate	Marketable Alternative Asset Management	Financial Advisory	Total Reportable Segments
Segment Revenues					
Management and Advisory Fees	$ 69,763	$ 78,142	$ 104,315	$ 68,563	$ 320,783
Performance Fees and Allocations	(163,430)	(30,062)	5,058	—	(188,434)
Investment Income (Loss) and Other	(23,050)	(176)	(79,383)	2,597	(100,012)
Total Revenues	(116,717)	47,904	29,990	71,160	32,337
Expenses					
Compensation and Benefits	(80,752)*	35,688	56,273	46,967	58,176
Other Operating Expenses	22,200	16,160	18,307	11,061	67,728
Total Expenses	(58,552)	51,848	74,580	58,028	125,904
Economic Net Income (Loss)	$ (58,165)	$ (3,944)	$ (44,590)	$ 13,132	$ (93,567)
Segment Assets	$2,986,718	$2,816,786	$3,431,188	$445,610	$9,680,302

* The credit balance in Compensation and Benefits for the Corporate Private Equity segment is primarily the result of a $112.5 million clawback of prior period carried interest allocations made to certain partners that are participating in the Partnership's profit sharing arrangements.

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

The following table reconciles the Total Reportable Segments to Blackstone's Income (Loss) Before Provision for Taxes and Total Assets as of and for the three months ended March 31, 2008:

	March 31, 2008 and the Three Months then Ended		
	Total Reportable Segments	Consolidation Adjustments	Blackstone Consolidated
Revenues	$ 32,337	$ 36,186(a)	$ 68,523
Expenses	$ 125,904	$ 972,159(b)	$ 1,098,063
Other Income (Loss)	$ —	$ (215,636)(c)	$ (215,636)
Economic Net Income (Loss)	$ (93,567)	$ (153,152)(d)	$ (246,719)
Total Assets	$9,680,302	$3,536,082(e)	$13,216,384

(a) The Revenues adjustment principally represents management and performance fees and allocations earned from Blackstone Funds to arrive at Blackstone consolidated and combined 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 and combined expenses.

(c) The Other Income (Loss) adjustment results from the following:

	Three Months Ended March 31, 2008
Fund Management Fees and Performance Fees and Allocations Eliminated in Consolidation	$ (39,320)
Fund Expenses Added in Consolidation	22,794
Non-Controlling Interests in Income of Consolidated Entities	(199,110)
Total Consolidation Adjustments	$ (215,636)

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

	Three Months Ended March 31, 2008
Economic Net Income (Loss)	$ (93,567)
Consolidation Adjustments	
Amortization of Intangibles	(33,528)
Transaction-Related Compensation Charges	(918,971)
Decrease in Loss Associated with Non-Controlling Interests in Income (Loss) of Consolidated Entities Primarily Relating to the Blackstone Holdings Partnership Units Held by Blackstone Holdings Limited Partners	799,347
Total Adjustments	(153,152)
Income (Loss) Before Provision for Taxes	$ (246,719)

(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 and combined assets.

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

The following table presents financial data for Blackstone's four reportable segments for the three months ended March 31, 2007:

	Three Months Ended March 31, 2007				
	Corporate Private Equity	Real Estate	Marketable Alternative Asset Management	Financial Advisory	Total Reportable Segments
Segment Revenues					
Management and Advisory Fees	$ 59,758	$246,901	$ 62,968	$92,525	$ 462,152
Performance Fees and Allocations	140,423	476,358	68,061	–	684,842
Investment Income and Other	27,096	63,472	25,261	1,684	117,513
Total Revenues	227,277	786,731	156,290	94,209	1,264,507
Expenses					
Compensation and Benefits	17,278	18,328	28,631	15,911	80,148
Other Operating Expenses	12,185	6,429	14,495	5,204	38,313
Total Expenses	29,463	24,757	43,126	21,115	118,461
Economic Net Income	$197,814	$761,974	$ 113,164	$73,094	$1,146,046

The following table reconciles the Total Reportable Segments to Blackstone's Income Before Provision for Taxes for the three months ended March 31, 2007:

	Three Months Ended March 31, 2007		
	Total Reportable Segments	Consolidation Adjustments	Blackstone Consolidated and Combined
Revenues	$1,264,507	$ (38,139)(a)	$1,226,368
Expenses	$ 118,461	$ 53,689(b)	$ 172,150
Other Income	$ —	$3,036,482(c)	$3,036,482
Economic Net Income	$1,146,046	$ —	$1,146,046

(a) The Revenues adjustment principally represents management and performance fees and allocations earned from Blackstone Funds to arrive at Blackstone combined 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 and combined expenses.

(c) The Other Income adjustment results from the following:

	Three Months Ended March 31, 2007
Fund Management Fees and Performance Fees and Allocations Eliminated in Consolidation	$ 38,139
Fund Expenses Added in Consolidation	53,689
Non-Controlling Interests in Income of Consolidated Entities	2,944,654
Total Consolidation Adjustments	$ 3,036,482

12. SUBSEQUENT EVENTS

On May 12, 2008 Blackstone renewed its existing credit facility by entering into a new $1.0 billion revolving credit facility ("New Credit Facility") with Blackstone Holdings I L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P., Blackstone Holdings IV L.P., and Blackstone Holdings V L.P., as joint and several co-borrowers. The New Credit Facility provides for revolving credit borrowings with a final maturity date of May 2009. 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 contains customary representations, covenants and events of default applicable to the co-borrowers and certain of their subsidiaries. Covenants include limitations on incurrence of liens, indebtedness, employee loans and advances, mergers, consolidations, asset sales and certain acquisitions, lines of business, amendment of partnership agreements, ownership of core businesses, and restricted payments. Financial covenants consist of a maximum net leverage ratio and a requirement to keep a minimum amount of fee generating assets under management, each tested quarterly. The New Credit Facility is unsecured and unguaranteed.

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 and combined financial statements and the related notes included in this Quarterly Report on Form 10-Q.

During 2007 we consummated a number of significant transactions, including the reorganization on June 18, 2007, the concurrent completion of our initial public offering and sale of non-voting common units to Beijing Wonderful Investments on June 27, 2007, and the deconsolidation of a number of Blackstone Funds (effective June 27, 2007 and July 1, 2007). These transactions have had significant effects on many of the items within our condensed consolidated and combined financial statements and affect the comparison of the current year's period with those of the prior year.

On March 3, 2008, we acquired GSO Capital Partners L.P. and certain of its affiliates ("GSO"). GSO is an alternative asset manager specializing in the leveraged finance marketplace with $11.49 billion of assets under management. GSO manages a multi-strategy credit hedge fund, a mezzanine fund, a senior debt fund and various collateralized loan obligation ("CLO") vehicles. GSO's results from the date of acquisition are included in our Marketable Alternative Asset Management segment.

Our Business

Blackstone is one of the largest independent alternative asset managers in the world. We also provide a wide 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. Through our corporate private equity funds we pursue transactions throughout the world, including leveraged buyout acquisitions of seasoned companies, transactions involving start-up businesses in established industries, turnarounds, minority investments, corporate partnerships and industry consolidations.
- **Real Estate.** Our Real Estate segment is diversified geographically and across a variety of sectors. We launched our first real estate fund in 1994 and have managed six general real estate funds and two internationally focused real estate funds. Our real estate funds have made significant investments in lodging, major urban office buildings, distribution and warehousing centers and a variety of real estate operating companies.
- **Marketable Alternative Asset Management.** Established in 1990, our marketable alternative asset management segment is comprised of our management of funds of hedge funds, debt funds and CLOs, proprietary hedge funds and publicly-traded closed-end mutual funds. These products are intended to provide investors with greater levels of current income and for certain products, a greater level of liquidity.
- **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 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 a preferred 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 cyclicality of the different businesses in which we operate. Net investment gains and resultant investment income generated by the Blackstone Funds, principally corporate private equity and real estate funds, are driven by value created by our 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 fundamentals of the portfolio company, the portfolio company's industry, the overall economy as well as other market conditions.

Our most significant expense is compensation and benefits. Prior to our initial public offering ("IPO") in June 2007, all payments for services rendered by our senior managing directors and selected other individuals engaged in our businesses had been accounted for as partnership distributions rather than as employee compensation and benefits expense. Following the IPO, we have included all payments for services rendered by our senior managing directors as employee compensation and benefits expense. Currently, some senior managing directors and certain other personnel share in profits based on their Blackstone Holdings Partnership Units as well as receive a portion of the carried interest income earned with respect to certain of the funds. Other employees receive cash compensation and own restricted deferred common units and phantom cash settled awards.

Significant Transactions

Blackstone's Reorganization, Initial Public Offering and Consolidation and Deconsolidation of Blackstone Funds

During 2007 we consummated a number of significant transactions, including the reorganization on June 18, 2007 (the "Reorganization") whereby the pre-IPO operating entities were contributed to the newly-formed Blackstone Holdings Partnerships (collectively, "Blackstone Holdings") or sold to wholly-owned subsidiaries of Blackstone (which in turn contributed them to Blackstone Holdings), the concurrent completion of our IPO and sale of non-voting common units to Beijing Wonderful Investments on June 27, 2007, and the deconsolidation of a number of Blackstone Funds (effective June 27, 2007 and July 1, 2007). These transactions have had significant effects on many of the items within our condensed consolidated and combined financial statements and are described in "Item 1. Financial Information—Financial Statements—Notes to Condensed Consolidated and Combined Financial Statements (Unaudited)—Note 1. Organization and Basis of Presentation".

Acquisition of GSO Capital Partners L P

On March 3, 2008, we acquired GSO, an alternative asset manager specializing in the credit markets, with $11.49 billion of assets under management at March 31, 2008. GSO manages a multi-strategy credit hedge fund, a mezzanine fund, a senior debt fund and various CLO vehicles. GSO's results from the date of acquisition have been included in our Marketable Alternative Asset Management segment.

The purchase price consisted of cash and Blackstone Holdings Partnership Units valued at acquisition closing at $635 million in the aggregate, plus up to an additional targeted $310 million to be paid over the next five years contingent upon the realization of specified earnings targets over that period. The Partnership also incurred $7.8 million in acquisition costs. Additionally, profit sharing and other compensatory payments subject to performance and vesting may be paid to the GSO personnel.

Key Financial Measures and Indicators

Revenues

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

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 fees charged directly to funds, fund investors and fund portfolio companies (including management, transaction and monitoring fees). Such fees are based upon the contractual terms of investment advisory and related agreements and are recognized as earned over the specified contract period. Our investment advisory agreements generally require that the investment advisor share a portion of certain fees and expenses with the limited partners of the fund. These shared items ("management fee reductions") reduce the management fees received from the limited partners.

(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 preferential allocations of profits ("carried interest") which are a component of our general partner interests in the corporate private equity, real estate and debt funds. We are entitled to carried interest from an investment fund in the event investors in the fund achieve cumulative investment returns in excess of a specified rate. We record as revenue the amount that would be due to us pursuant to the fund agreements at each period end as if the fair value of the investments were realized as of such date. In certain performance fee arrangements related to funds of hedge funds and hedge funds in our Marketable Alternative Asset Management segment, we are 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.

Investment Income . Blackstone invests in corporate private equity funds, real estate funds, debt funds, funds of hedge funds and hedge 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 and Other. 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 85-12. These funds generate realized and unrealized gains from underlying corporate private equity and real estate investments and investments in marketable alternative asset management 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.

Expenses

Compensation and Benefits Expense. Prior to the IPO in June 2007, our compensation and benefits expense reflected compensation (primarily salary and bonus) paid or accrued solely to our non-senior managing director employees. Subsequent to our IPO, 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) profit sharing-based compensation payments for Blackstone personnel and profit sharing interests in carried interest.

(1) *Employee Compensation and Benefits* . Our compensation costs reflect the increased investment in people as we expand geographically and create new products and businesses. Prior to the IPO, all payments for services rendered by our senior managing directors and selected other individuals

engaged in our businesses have been accounted for as partnership distributions rather than as employee compensation and benefits expense. As a result, our employee compensation and benefits expense had not reflected amounts for services rendered by these individuals. Following the IPO, we have included all payments for services rendered by our senior managing directors as employee compensation and benefits expense.

(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 primarily associated with our IPO. The expense is recognized over the corresponding service period of the underlying grant.

(3) *Profit Sharing Arrangements* . We have implemented profit sharing arrangements for Blackstone personnel working in our businesses across our different operations designed to achieve a relationship between compensation levels and results that are appropriate for each operation given prevailing market conditions. 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 in the carried interest earned in relation to these funds in order to better align their interests with our own and with those of the investors in these funds. Departed partners are also entitled to their vested share of carried interest distributions received and (as other partners) 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 up to the amount of the after-tax 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 may 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. As part of the Reorganization, we acquired interests in our businesses from Blackstone personnel. We accounted for the acquisition of the interests from Blackstone personnel other than our Founders and other senior managing directors using the purchase method of accounting, and reflected the excess of the purchase price over the fair value of the tangible assets acquired and liabilities assumed as goodwill and intangible assets in our Condensed Consolidated Statement of Financial Condition. We have recorded $876.3 million of finite lived intangible assets (in addition to $1.52 billion of goodwill). We have been amortizing these finite lived intangibles over their estimated useful lives, which range between three and fifteen years, using the straight line method. In addition, as part of the Reorganization, Blackstone personnel received 827,516,625 Blackstone Holdings Partnership Units, of which 439,711,537 were unvested. The grant date fair value of the unvested Blackstone Holdings Partnership Units (which is based on the initial public offering price per common unit of $31.00) is charged to expense as the Blackstone Holdings Partnership Units vest over the assumed service periods, which range up to eight years from the date of the IPO, on a straight line basis. The amortization of these finite lived intangible assets and of this non-cash equity-based compensation will increase our expenses substantially during the relevant periods and, as a result, we expect to record significant net losses for a number of years.

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

Non-Controlling Interests in Income of Consolidated Entities

Prior to the IPO, non-controlling interests in income of consolidated entities has primarily consisted of interests of unaffiliated third-party investors and AIG's investments in Blackstone Funds pursuant to AIG's mandated limited partner capital commitments, on which we receive carried interest allocations and which we refer to collectively as "Limited Partners" or "LPs" as well as discretionary investments by Blackstone personnel and employees. Non-controlling interests related to the corporate private equity, real estate and debt funds are subject to on-going realizations and distributions of proceeds therefrom during the life of a fund with a final

distribution at the end of each respective fund's term, which could occur under certain circumstances in advance of or subsequent to that fund's scheduled termination date. Non-controlling interests related to our funds of hedge funds and hedge funds are generally subject to annual, semi-annual or quarterly withdrawal or redemption by investors in our hedge funds following the expiration of a specified period of time when capital may not be withdrawn (typically between one and three years). When redeemed amounts become legally payable to investors in our hedge funds on a current basis, they are reclassified as a liability. On the date of the Reorganization, such non-controlling interests were initially recorded at their historical carry-over basis as those interests remained outstanding and were not being exchanged for Blackstone Holdings Partnership Units.

Following the IPO, we are no longer consolidating most of our investment funds, as we granted to the unaffiliated investors the right, without cause, to remove the general partner of each applicable fund or to accelerate the liquidation of each applicable fund in accordance with certain procedures (see "—Blackstone's Reorganization, Initial Public Offering and Consolidation and Deconsolidation of Blackstone Funds"), and accordingly non-controlling interests in income of consolidated entities related to the Limited Partner interests in the deconsolidated funds were subsequently no longer reflected in our financial results. However, 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 investment funds that remain consolidated. 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 a non-controlling interest in The Blackstone Group L.P.'s condensed consolidated and combined financial statements.

Income Taxes

Prior to the IPO, we operated as a partnership or limited liability company for U.S. federal income tax purposes and primarily as a corporate entity in non-U.S. jurisdictions. As a result, our income was 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. Income taxes shown on The Blackstone Group's historical combined income statements are attributable to the New York City unincorporated business tax and other income taxes on certain entities located in non-U.S. jurisdictions.

Following the IPO, the Blackstone Holdings partnerships and certain of their subsidiaries continue to operate in the United States 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 will continue to be subject to New York City unincorporated business taxes or non-U.S. income taxes. 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 condensed consolidated and combined 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, other bills relating to the taxation of investment partnerships have previously been introduced in the U.S. House of Representatives. In November 2007, the House Ways & Means Committee approved a bill 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 starting in 2010, 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. If any such proposed legislation were to be enacted and it applied to us, it would materially increase the amount of taxes payable by Blackstone and its unitholders.

Operating Metrics

The alternative asset management business is a complex business that is unusual due to its ability to support rapid growth without requiring substantial capital investment. However, there also can be volatility associated with its earnings and cash flow. 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 in portfolio investments of our corporate private equity and real estate funds as to which we receive fees or a carried interest allocation); (2) the net asset value of our funds of hedge funds, proprietary hedge funds and closed-end mutual funds; and (3) the amount of capital raised for our CLOs. The assets under management measure also includes assets under management relating to our own and our employees' investments in funds for which we charge either no or nominal management fees. As a result of raising new funds with sizeable capital commitments, increases in the net asset values of our funds and their retained profits and our acquisition of GSO, our assets under management have increased significantly over the periods presented.

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 portfolio investments of our corporate private equity and real estate funds as to which we receive fees or a carried interest allocation. Over our history we have earned aggregate multiples of invested capital for realized and partially realized investments of 2.6x and 2.5x in our corporate private equity and real estate funds, respectively.

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

Business Environment

Blackstone's businesses are materially affected by conditions in the financial markets and economic conditions in the United States, Western Europe, Asia and to some extent elsewhere in the world.

Fixed income and equity markets accelerated their declines in the first quarter of 2008, with U.S., European and Asian equity indices down significantly and credit spreads widening substantially in the first quarter. Reduced liquidity, which was evident in the second half of 2007, also accelerated in the first quarter of 2008. Commercial banks and investment banks further reduced the carrying value of some of their fixed income holdings and increased their credit reserves. The U.S. and other governments continued to inject liquidity into the financial system and lower benchmark lending rates. For the first time in its history, the U.S. Federal Reserve opened its discount window to securities brokerage firms.

Lenders severely restricted commitments to new debt, which limited industry-wide leveraged acquisition activity levels in both corporate and real estate markets. Recently announced private equity-led acquisitions and real estate acquisitions have mostly been smaller in size, and mergers and acquisition activity has declined, which collectively have had a significant impact on several of our businesses.

U.S. economic indicators point to a slowdown in growth, while at the same time, the price of global commodities has risen. The combination of a slowdown of the U.S. economy and a rise of commodity prices could have negative implications for other global economies and markets.

The duration of current economic and market conditions is unknown.

Condensed Consolidated and Combined Results of Operations

Following is a discussion of our condensed consolidated and combined results of operations for the three month periods ended March 31, 2008 and 2007. 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 condensed consolidated and combined results of operations and certain key operating metrics for the three month periods ended March 31, 2008 and 2007.

	Three Months Ended March 31,		2008 vs. 2007	
	2008	2007	$	%
	(Dollars in Thousands)			
Revenues				
Management and Advisory Fees	$ 309,409	$ 447,402	$ (137,993)	(31)%
Performance Fees and Allocations	(188,687)	662,498	(851,185)	(128)%
Investment Income (Loss) and Other	(52,199)	116,468	(168,667)	(145)%
Total Revenues	68,523	1,226,368	(1,157,845)	(94)%
Expenses				
Compensation and Benefits	977,147	79,207	897,940	1134%
Interest	2,743	11,122	(8,379)	(75)%
General, Administrative and Other	95,221	28,132	67,089	238%
Fund Expenses	22,952	53,689	(30,737)	(57)%
Total Expenses	1,098,063	172,150	925,913	538%
Other Income (Loss)				
Net Gains (Losses) from Fund Investment Activities	(215,636)	3,036,482	(3,252,118)	(107)%
Income (Loss) Before Non- Controlling Interests in Income (Loss) of Consolidated Entities and Provision for Taxes	(1,245,176)	4,090,700	(5,335,876)	(130)%
Non-Controlling Interests in Income (Loss) of Consolidated Entities	(998,457)	2,944,654	(3,943,111)	(134)%
Income (Loss) Before Provision for Taxes	(246,719)	1,146,046	(1,392,765)	(122)%
Provision for Taxes	4,274	13,970	(9,696)	(69)%
Net Income (Loss)	$ (250,993)	$ 1,132,076	$ (1,383,069)	(122)%
Assets Under Management (at Period End)	$113,530,571	$83,135,056	$30,395,515	37%
Capital Deployed:				
Limited Partner Capital Invested	$ 709,321	$ 3,940,171	$ (3,230,850)	(82)%

Three Months Ended March 31, 2008 Compared to Three Months Ended March 31, 2007

Revenues

Revenues were $68.5 million for the three months ended March 31, 2008, a decrease of $1.16 billion or 94% compared with the three months ended March 31, 2007. The change was due to decreases of $851.2 million in Performance Fees and Allocations, $168.7 million in Investment Income (Loss) and Other and $138.0 million in Management and Advisory Fees.

The lower Performance Fees and Allocations resulted from decreases of $303.9 million in our Corporate Private Equity segment, $506.4 million in our Real Estate segment, and $63.0 million in our Marketable Alternative Asset Management segment. The change in Investment Income (Loss) and Other was principally due

to decreases of $50.1 million in our Corporate Private Equity segment, $63.6 million in our Real Estate segment and $104.6 million in our Marketable Alternative Asset Management segment. The change in Management and Advisory Fees was primarily due to decreases in our Real Estate and Financial Advisory segments of $168.8 million and $24.0 million, respectively, partially offset by an increase in our Marketable Alternative Asset Management segment of $41.3 million.

As described above in "—Business Environment", equity and debt markets experienced declines in the first quarter of 2008 which caused us to reduce the carrying values of certain investments despite the fact that we have no current intentions to sell these investments. For the three months ended March 31, 2008, the net value of the Corporate Private Equity segment's underlying portfolio decreased by approximately 5% as compared to an increase in net value of approximately 5% during the three months ended March 31, 2007. Most all of this segment's negative Performance Fees and Allocations and Investment Income (Loss) and Other in the quarter was attributable to a decline in the value of our funds' investment in Deutsche Telekom AG notwithstanding increased profitability at the company. The decline in value was due to a decrease in its publicly traded share price from €15.03 at December 31, 2007 to €10.55 at March 31, 2008, which reflected a decline in the German stock market and in telecommunications stocks during the quarter. On balance, potential decreases in the multiples of many of our other investments were generally offset by increased cash flows resulting from improved operating performance.

For the three months ended March 31, 2008, Performance Fees and Allocations and Investment Income (Loss) and Other in our Real Estate segment decreased from high levels in the comparable 2007 period, when the net value of underlying portfolio investments increased 33%. In the first quarter of 2008, the net value of underlying portfolio investments declined 1%. The segment's Management Fees decreased by $168.8 million because transaction fees returned to lower levels as compared to the substantial transaction fee resulting from our funds' acquisition of Equity Office Properties Trust in February 2007. Fund management fees increased by $29.0 million primarily due to $7.50 billion of additional Assets Under Management, including $1.25 billion of co-investments, raised since March 31, 2007, as well as a full quarter of management fees from Blackstone Real Estate Partners VI ("BREP VI"), which commenced in February 2007.

Lower Performance Fees and Allocations and Investment Income (Loss) and Other in our Marketable Alternative Asset Management segment in the first quarter of 2008 resulted from modest declines in the investment performance of our funds, in contrast to investment gains in the comparable 2007 quarter. These results reflected overall market declines during the first quarter of 2008. Management Fees increased $41.3 million primarily as a result of a $25.20 billion increase in Assets Under Management, primarily due to an increase in Assets Under Management of $11.21 billion from our funds of hedge funds and the addition of $11.49 billion due to the acquisition of GSO.

The change in our Financial Advisory segment was primarily driven by lower fund placement fees and mergers and acquisitions advisory fees, partially offset by an increase in fees earned from our restructuring and reorganization advisory services.

Expenses

Expenses were $1.10 billion for the three months ended March 31, 2008, an increase of $925.9 million compared with the three months ended March 31, 2007. The change reflected higher Compensation and Benefits of $897.9 million, principally resulting from the amortization of non-cash compensation primarily related to equity-based awards of $914.7 million, partially offset by a decrease in compensation reflecting a $112.5 million accrual for certain partners' clawback obligations since the negative Performance Fees and Allocations in the three months ended March 31, 2008 would cause a clawback of carried interest previously received by these partners. The accrual for clawback obligations was accounted for as a reduction in compensation costs. The net addition of personnel to support the growth of each of our business segments, including expansion into Asia and our expanding hedge fund businesses, also contributed to the increase in Compensation and Benefits. Additionally, General, Administrative and Other increased $67.1 million primarily due to $33.5 million of amortization expense associated with our intangible assets related to our IPO and an increase of $20.6 million of

fees due to the costs of being a public company. Our expenses are primarily driven by levels of business activity, revenue growth and headcount expansion. In addition, we expect Compensation and Benefits, General, Administrative and Other to increase in absolute dollars in 2008 related to costs associated with being a public company.

Other Income (Loss)

Other Income (Loss) was $(215.6) million for the three months ended March 31, 2008, a decrease of $3.25 billion compared with the three months ended March 31, 2007. The change was due to the deconsolidation of certain of our funds in our Corporate Private Equity, Real Estate and Marketable Alternative Asset Management segments as described above in "—Blackstone's Reorganization, Initial Public Offering and Consolidation and Deconsolidation of Blackstone Funds." These gains (losses) arose at the Blackstone Funds level, of which $(199.1) million of losses and $2.94 billion of gains were allocated to non-controlling interest holders for the three months ended March 31, 2008 and March 31, 2007, respectively.

Assets Under Management

Assets Under Management were $113.53 billion at March 31, 2008, an increase of $30.40 billion or 37% compared with March 31, 2007. The increase was comprised of increases in our Marketable Alternative Asset Management and Real Estate segments of $25.20 billion and $6.80 billion, respectively, primarily due to $11.49 billion from our acquisition of GSO, $11.21 billion from our funds of hedge funds and $7.50 billion of capital, including $1.25 billion of co-investments, raised by our Real Estate segment. This was partially offset by a decrease of $1.61 billion in our Corporate Private Equity segment due to approximately $4.83 billion of realizations that more than offset $2.43 billion of additional capital raised for Blackstone Capital Partners V ("BCP V").

Capital Deployed

Limited Partner Capital Invested was $709.3 million for the three months ended March 31, 2008, a decrease of $3.23 billion or 82% compared with the three months ended March 31, 2007. The change reflects a decrease in size and volume of investment activity in the three months ended March 31, 2008, compared to the prior year period that most notably reflected our real estate funds' acquisition of Equity Office Properties Trust for $3.27 billion in February 2007.

Segment Analysis

Discussed below are our results of operations for each of our reportable segments. This information is reflected in the manner utilized by our senior management to make operating decisions, assess performance and allocate resources. A key performance measure historically used by management is Economic Net Income (Loss) ("ENI"). References to "our" sectors or investments refer to portfolio companies and investments of the underlying funds that we manage.

ENI represents net income (loss) excluding the impact of income taxes and transaction related items, including non-cash charges associated with equity-based compensation and the amortization of intangibles. However, our historical condensed combined financial statements prior to the IPO do not include these non-cash charges nor do such financial statements reflect compensation expenses including profit-sharing arrangements associated with our senior managing directors, departed partners and other selected employees which were accounted for as partnership distributions prior to our IPO but are now included as a component of compensation and benefits expense for the three months ended March 31, 2008. Therefore, ENI is equivalent to income before taxes in our historical condensed combined financial statements prior to our IPO. ENI is used by management for our segments in making resource deployment and compensation decisions.

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 and combined 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 and combined GAAP basis. Furthermore, segment expenses are lower than related amounts presented on a consolidated and combined 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 March 31,		2008 vs. 2007	
	2008	2007	$	%
	(Dollars in Thousands)			
Segment Revenues				
Management Fees	$ 69,763	$ 59,758	$ 10,005	17%
Performance Fees and Allocations	(163,430)	140,423	(303,853)	(216)%
Investment Income (Loss) and Other	(23,050)	27,096	(50,146)	(185)%
Total Revenues	(116,717)	227,277	(343,994)	(151)%
Expenses				
Compensation and Benefits	(80,752)	17,278	(98,030)	(567)%
Other Operating Expenses	22,200	12,185	10,015	82%
Total Expenses	(58,552)	29,463	(88,015)	(299)%
Economic Net Income (Loss)	$ (58,165)	$197,814	$(255,979)	(129)%

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

	Three Months Ended March 31,		2008 vs. 2007	
	2008	2007	$	%
	(Dollars in Thousands)			
Assets Under Management (at Period End)	$30,651,023	$32,260,609	$(1,609,586)	(5)%
Capital Deployed:				
Limited Partner Capital Invested	$ 340,119	$ 56,695	$ 283,424	500%

Three Months Ended March 31, 2008 Compared to Three Months Ended March 31, 2007

Revenues

Revenues were $(116.7) million for the three months ended March 31, 2008, a decrease of $344.0 million compared with the prior year. The change was due to a decrease of $303.9 million in Performance Fees and Allocations and a decrease of $50.1 million in Investment Income (Loss) and Other, partially offset by an increase of $10.0 million in Management Fees. The net value of the Corporate Private Equity segment's underlying portfolio decreased by approximately 5% in the first quarter of 2008, compared to an increase in net value of approximately 5% in the first three months of 2007. Most of this segment's negative Performance Fees and Allocations and Investment Income and Other was driven by a decline in the net carrying value of the underlying funds' portfolio investment in Deutsche Telekom AG notwithstanding increased profitability at the company. This investment declined significantly due to a decrease in its publicly traded share price from €15.03 at December 31, 2007 to €10.55 at March 31, 2008, which reflected a decline in the German stock market and in telecommunications stocks during the quarter. On balance, potential decreases in the multiples of many of our other investments were generally offset by increased cash flows resulting from improved operating performance.

The increase in Management Fees was primarily driven by an increase in fund management fees of $8.5 million, primarily as a result of $2.43 billion of additional capital raised for BCP V since March 31, 2007.

Expenses

Expenses were $(58.6) million for the three months ended March 31, 2008, a decrease of $88.0 million compared with the prior year. The decrease was primarily due to a decrease in Compensation and Benefits of $98.0 million resulting from the clawback obligation of prior period carried interest allocations from certain partners totaling $112.5 million primarily due to the decrease in carrying value of Deutsche Telekom AG in the first quarter of 2008. This was partially offset by profit sharing arrangements associated with our senior managing directors which were accounted for as partnership distributions prior to our IPO. Additionally, Other Operating Expenses increased $10.0 million principally due to an $8.6 million increase in professional fees primarily related to the costs of being a public company.

Assets Under Management

Assets Under Management were $30.65 billion at March 31, 2008, a decrease of $1.61 billion or 5% compared with March 31, 2007. The decrease was primarily due to realizations of approximately $4.83 billion. This was partially offset by $2.43 billion of additional capital raised for BCP V since March 31, 2007.

Capital Deployed

Limited Partner Capital Invested was $340.1 million for the three months ended March 31, 2008, an increase of $283.4 million compared with the prior year due to an increase in the size and volume of investment activity as compared with the prior year.

Real Estate

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

	Three Months Ended March 31,		2008 vs. 2007	
	2008	2007	$	%
	(Dollars in Thousands)			
Segment Revenues				
Management Fees	$ 78,142	$246,901	$(168,759)	(68)%
Performance Fees and Allocations	(30,062)	476,358	(506,420)	(106)%
Investment Income (Loss) and Other	(176)	63,472	(63,648)	(100)%
Total Revenues	47,904	786,731	(738,827)	(94)%
Expenses				
Compensation and Benefits	35,688	18,328	17,360	95%
Other Operating Expenses	16,160	6,429	9,731	151%
Total Expenses	51,848	24,757	27,091	109%
Economic Net Income (Loss)	$ (3,944)	$761,974	$(765,918)	(101)%

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

	Three Months Ended March 31,		2008 vs. 2007	
	2008	2007	$	%
	(Dollars in Thousands)			
Assets Under Management (at Period End)	$26,278,298	$19,473,455	$ 6,804,843	35%
Capital Deployed:				
Limited Partner Capital Invested	$ 369,202	$ 3,883,476	$(3,514,274)	(90)%

Three Months Ended March 31, 2008 Compared to Three Months Ended March 31, 2007

Revenues

Revenues were $47.9 million for the three months ended March 31, 2008, a decrease of $738.8 million or 94% compared with the three months ended March 31, 2007. The change was due to reductions of $506.4 million in Performance Fees and Allocations, $168.8 million in Management Fees and $63.6 million in Investment Income (Loss) and Other. Performance Fees and Allocations and Investment Income (Loss) and Other decreased from high levels in the comparable 2007 period, when the net value of underlying portfolio investments increased 33%. In the first quarter of 2008, the net value of underlying portfolio investments declined 1%. For the three months ended March 31, 2007, carrying value increases were driven by accretive sales within our office portfolio and improvements in exit multiples and operating results of our limited service hospitality portfolio. The segment's Management Fees decreased by $168.8 million because transaction fees returned to lower levels as compared to the substantial transaction fees resulting from our funds' acquisition of Equity Office Properties Trust in February 2007. Fund management fees increased by $29.0 million primarily due to $7.50 billion of additional Assets Under Management, including $1.25 billion of co-investments, raised since March 31, 2007, as well as a full quarter of management fees from BREP VI, which commenced in February 2007.

Expenses

Expenses were $51.8 million for the three months ended March 31, 2008, an increase of $27.1 million compared with the three months ended March 31, 2007. The change was primarily driven by an increase in Compensation and Benefits of $17.4 million, principally related to compensation expenses including profit sharing arrangements associated with our senior managing directors, departed partners and other selected employees which were accounted for as partnership distributions prior to our IPO. Headcount additions required as a result of our increased investment activity, due to expansion into Asia and the launch of new funds, also contributed to the increase in Compensation and Benefits. Other Operating Expenses increased $9.7 million, primarily driven by an increase in professional fees of $7.6 million due to the costs of being a public company.

Assets Under Management

Assets Under Management were $26.28 billion at March 31, 2008, an increase of $6.80 billion or 35% compared with March 31, 2007. The change was primarily due to $7.50 billion of additional capital, including $1.25 billion of co-investments, raised for since March 31, 2007.

Capital Deployed

Limited Partner Capital Invested was $369.2 million for the three months ended March 31, 2008, a decrease of $3.51 billion or 90% compared with the three months ended March 31, 2007. The change reflects a decrease in the size of consummated transactions, compared to the prior year period that most notably reflected our funds' acquisition of Equity Office Properties Trust for $3.27 billion in February 2007.

Marketable Alternative Asset Management

The following table presents our results of operations for our Marketable Alternative Asset Management segment:

	Three Months Ended March 31,		2008 vs. 2007	
	2008	2007	$	%
	(Dollars in Thousands)			
Segment Revenues				
Management Fees	$104,315	$ 62,968	$ 41,347	66%
Performance Fees and Allocations	5,058	68,061	(63,003)	(93)%
Investment Income (Loss) and Other	(79,383)	25,261	(104,644)	(414)%
Total Revenues	29,990	156,290	(126,300)	(81)%
Expenses				
Compensation and Benefits	56,273	28,631	27,642	97%
Other Operating Expenses	18,307	14,495	3,812	26%
Total Expenses	74,580	43,126	31,454	73%
Economic Net Income (Loss)	$ (44,590)	$113,164	$(157,754)	(139)%

The following operating metric is used in the management of this business segment:

	March 31,		2008 vs. 2007	
	2008	2007	$	%
	(Dollars in Thousands)			
Assets Under Management	$56,601,250	$31,400,992	$25,200,258	80%

Three Months Ended March 31, 2008 Compared to Three Months Ended March 31, 2007

Revenues

Revenues were $30.0 million for the three months ended March 31, 2008, a decrease of $126.3 million or 81% compared with the three months ended March 31, 2007. The greatest driver of the decline in the quarter was a decrease of $104.6 million in Investment Income (Loss) and Other and a $63.0 million decline in Performance Fees and Allocations, both of which principally resulted from modest declines in the investment performance of our funds in contrast to investment gains in the comparable 2007 quarter. These results reflected overall market declines during the first quarter of 2008. Management Fees increased $41.3 million primarily as a result of an increase in Assets Under Management of $11.21 billion in our funds of hedge funds business primarily resulting from significant inflows from our globally diverse investor base.

Expenses

Expenses were $74.6 million for the three months ended March 31, 2008, an increase of $31.5 million or 73% compared with the three months ended March 31, 2007. The change was primarily due to an increase in Compensation and Benefits of $27.6 million, principally related to compensation expenses including profit sharing arrangements associated with our senior managing directors and other selected employees which were accounted for as partnership distributions prior to our IPO. Personnel additions to support asset growth, expansion into new business initiatives and the creation of new investment products contributed to the increase in Compensation and Benefits. Additionally, Other Operating Expenses increased $3.8 million, primarily due to an increase in professional fees associated with raising capital and costs of being a public company partially offset by a decrease in interest expense driven by decreased investment activity.

Assets Under Management

Assets Under Management were $56.60 billion at March 31, 2008, a net increase of $25.20 billion or 80% compared with March 31, 2007. The increase was primarily due to significant inflows from our globally diverse investor base in our funds of hedge funds, which contributed $11.21 billion, or 44%, to the overall increase. Our proprietary hedge funds and our CLOs contributed $1.49 billion and $1.04 billion, respectively, to the overall increase. Additionally, the acquisition of GSO contributed $11.49 billion to the overall increase.

Financial Advisory

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

	Three Months Ended March 31,		2008 vs. 2007	
	2008	2007	$	%
	(Dollars in Thousands)			
Segment Revenues				
Advisory Fees	$68,563	$92,525	$(23,962)	(26)%
Investment Income and Other	2,597	1,684	913	54%
Total Revenues	71,160	94,209	(23,049)	(24)%
Expenses				
Compensation and Benefits	46,967	15,911	31,056	195%
Other Operating Expenses	11,061	5,204	5,857	113%
Total Expenses	58,028	21,115	36,913	175%
Economic Net Income	$13,132	$73,094	$(59,962)	(82)%

Three Months Ended March 31, 2008 Compared to Three Months Ended March 31, 2007

Revenues

Revenues were $71.2 million for the three months ended March 31, 2008, a decrease of $23.0 million or 24% compared with the three months ended March 31, 2007. The decrease was primarily driven by decreases of $34.8 million in fees generated from our fund placement business and $5.1 million from our corporate and mergers and acquisitions advisory services, partially offset by a $16.0 million increase in fees earned from our restructuring and reorganization advisory services. The principal reason for the decrease in our fund placement business revenues compared with the three months ended March 31, 2007 was a substantial fee related to one transaction which closed during the three months ended March 31, 2007. 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 $58.0 million for the three months ended March 31, 2008, an increase of $36.9 million compared with the three months ended March 31, 2007. The increase was primarily due to an increase in Compensation and Benefits of $31.1 million, principally related to compensation expenses associated with our senior managing directors which were accounted for as partnership distributions prior to our IPO. Personnel additions in our fund placement and corporate and mergers and acquisitions businesses also contributed to the overall increase in compensation expense. Additionally, Other Operating Expenses increased $5.9 million, principally due to increased professional fees of $2.9 million primarily due to the costs of being a public company and other costs of $2.5 million primarily due to the expansion of our London-based corporate and mergers and acquisitions advisory services business.

Liquidity and Capital Resources

Historical Liquidity and Capital Resources

On a historical basis we have drawn on the capital resources of Blackstone personnel together with the committed capital from our Limited Partners in order to fund the investment requirements of the Blackstone Funds. In addition, we require capital resources to support the working capital needs of our businesses as well as to fund growth and investments in new business initiatives. We have multiple sources of liquidity to meet these capital needs, including accumulated earnings in the businesses and access to the committed credit facility described below.

Our historical Condensed Consolidated and Combined Statements of Cash Flows reflect the cash flows of the Blackstone operating businesses as well as those of our consolidated Blackstone Funds. The assets of the consolidated Blackstone Funds, on a gross basis, were much larger than the assets of our operating businesses and therefore had a substantial effect on the reported cash flows reflected in our statement of cash flows. As stated above in "Combined Results of Operations," our assets under management, which are primarily representative of the net assets within the Blackstone Funds, have grown significantly during the periods reflected in our condensed consolidated and combined financial statements. This growth is a result of these funds raising and investing capital, and generating gains from investments, during these periods. Their cash flows, which were historically reflected in our combined statement of cash flows, increased substantially as a result of this growth. More specifically, the primary cash flow activities of the consolidated Blackstone Funds have historically been in (1) raising capital from their investors, which have historically been reflected as non-controlling interests of consolidated entities in our condensed consolidated and combined financial statements, (2) using this capital to make investments, (3) financing certain investments with debt, (4) generating cash flow from operations through the realization of investments, and (5) distributing cash flow to investors. The Blackstone Funds are treated as investment companies for accounting purposes and therefore these amounts are included in cash flows from operations. As described above under "—Blackstone's Reorganization, Initial Public Offering and Consolidation and Deconsolidation of Blackstone Funds," we consummated a number of significant transactions, including the deconsolidation of a number of Blackstone Funds (effective June 27 and July 1, 2007), which have had significant effects on many of the items within our condensed consolidated and combined financial statements.

We have managed our historical liquidity and capital requirements by focusing on our deconsolidated cash flows. Our primary cash flow activities on the basis of deconsolidating the Blackstone Funds are (1) generating cash flow from operations, (2) funding general partner capital commitments to Blackstone Funds, (3) generating income from investment activities, (4) funding capital expenditures, (5) funding new business initiatives, (6) borrowings and repayments under credit agreements and (7) distributing cash to owners. Cash distributed to unitholders may be provided through cash flows from operations, distributions received from Blackstone Funds or borrowings from our credit facility described below.

We have managed the historical liquidity and capital requirements of Blackstone by focusing on our cash flows before the consolidation of the Blackstone Funds and the effect of normal changes in assets and liabilities which we anticipate will be settled for cash within one year. Normal movements in our short-term assets and liabilities do not affect our distribution decisions given our current and historically available borrowing capability. We use adjusted cash flow from operations as a supplemental non-GAAP measure to assess liquidity and amounts available for distribution to owners. See a discussion of our cash distribution policy under "—Our Future Sources of Cash and Liquidity Needs." As noted above, in accordance with GAAP, certain of the Blackstone Funds are consolidated into the condensed consolidated and combined financial statements of Blackstone, notwithstanding the fact that Blackstone has only a minority economic interest in these funds. Consequently, Blackstone's condensed consolidated and combined financial statements reflect the cash flow of the consolidated Blackstone Funds on a gross basis rather than the cash flow attributable to Blackstone. Adjusted cash flow from operations is therefore intended to reflect the cash flow attributable to Blackstone and is equal to cash flow from operations presented in accordance with GAAP, adjusted for cash flow relating to changes in our

operating assets and liabilities, Blackstone Funds-related investment activity, net realized gains on investments, differences in the timing of realized gains between Blackstone and Blackstone Funds, non-controlling interest related to departed partners and non-controlling interests in income of consolidated entities and other non-cash adjustments. We believe that adjusted cash flow from operations provides investors with useful information on the cash flows of Blackstone Group relating to our required capital investments and our ability to make annual cash distributions. However, adjusted cash flow from operations should not be considered in isolation or as an alternative to cash flow from operations presented in accordance with GAAP.

Following is a reconciliation of Net Cash Provided by (Used In) Operating Activities presented on a GAAP basis to Adjusted Cash Flow from Operations:

	Three Months Ended March 31,	
	2008	2007
	(Dollars in Thousands)	
Net Cash Provided by (Used in) Operating Activities	$ 115,154	$(1,343,955)
Changes in Operating Assets and Liabilities	(311,656)	(289,160)
Blackstone Funds Related Investment Activities	248,434	1,926,042
Net Realized Gains on Investments	(256)	1,050,641
Non-controlling Interests in Income of Consolidated Entities	788,477	(744,923)
Other Non-Cash Adjustments	(3,845)	13,007
Adjusted Cash Flow from Operations	$ 836,308	$ 611,652

Operating Activities

Our Net Cash Flow Provided by Operating Activities was $115.2 million for the three months ended March 31, 2008, an increase of $1.46 billion compared to Net Cash Flow Used in Operating Activities of $1.34 billion for the three months ended March 31, 2007. Our operating activities generated cash inflows from the reduction of amounts due from affiliates and brokers of $459.6 million during the three months ended March 31, 2008. These inflows were partially offset by a $248.4 million usage of cash for the purchases of investments by consolidated Blackstone Funds, after proceeds from sales of investments.

For the three months ended March 31, 2007, our operating cash usage primarily consisted of $1.93 billion of net purchases of investments by consolidated Blackstone Funds, after proceeds from sales of investments. This outflow was partially offset by net income of $1.13 billion, which included $520.4 million of non-cash increases of unrealized gains on investments.

Investing Activities

Our Net Cash Flow Used in Investing Activities was $388.9 million for the three months ended March 31, 2008, an increase of $385.9 million compared with the three months ended March 31, 2007. The increase from 2007 was primarily due to our acquisition of GSO in March 2008. The total aggregate cost of the acquisition of $642.8 million included cash of $336.6 million, net of cash acquired, Blackstone Holdings Partnership Units to be delivered and acquisition costs. Additionally, up to a targeted $310 million of additional consideration may be paid in a combination of cash and/or equity instruments or over the next five years contingent upon the realization of specified earnings targets over that period.

For the three months ended March 31, 2007, our Net Cash Flow Used in Investing Activities was the purchase of furniture, equipment and leasehold improvements.

Financing Activities

Our Net Cash Provided by Financing Activities was $77.7 million for the three months ended March 31, 2008, a decrease of $1.26 billion from the three months ended March 31, 2007. For the three months ended

March 31, 2008, our financing activities generated cash inflows primarily from the borrowing on loans payables, net of repayments, of $244.2 million and contributions from Non-controlling interest holders of $96.5 million related to the funding of capital commitments. These inflows were partially offset by distributions to non-controlling interest holders in consolidated entities of $183.4 million and the purchase of interests from predecessor owners of $79.6 million.

For the three months ended March 31, 2007, our financing activities generated cash inflows of $1.34 billion principally due to contributions from non-controlling interest holders in consolidated entities, net of distributions, of $1.88 billion and borrowing on loans payables, net of repayments, of $427.6 million. These inflows were partially offset by distributions to our predecessor owners of $1.05 billion.

Our Future 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 asset management and financial advisory businesses, including through funding a portion of our general partner commitments to and alongside our carry funds, (2) provide capital to facilitate our expansion into new businesses that are complementary to our existing asset management and financial advisory businesses and that can benefit from being affiliated with us, (3) pay operating expenses, including cash compensation to our employees, (4) fund 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 in accordance with our distribution policy. Our own capital commitments to our funds and funds we invest in as of March 31, 2008, consisted of the following:

Fund	Original Commitment	Remaining Commitment
	(Dollars in Thousands)	
Corporate Private Equity and Related Funds		
BCP V	$ 629,356	$ 334,223
BCP IV	150,000	25,039
BCOM	50,000	6,578
Real Estate Funds		
BREP VI	750,000	454,007
BREP V	52,545	10,363
BREP International II	31,600	6,887
BREP IV	50,000	3,720
BREP International	20,000	3,695
Marketable Alternative Asset Management		
BMEZZ II	17,692	8,625
BMEZZ	41,000	1,377
Strategic Alliance	50,000	41,541
Value Recovery	25,000	19,730
Credit Liquidity Partners	32,244	32,244
GSO—Mezzanine Fund	58,646	23,323
GSO—Liquidity Partners	47,332	22,232
Total	$2,005,415	$ 993,584

Taking into account generally expected market conditions, we believe that the sources of liquidity described below will be sufficient to fund our working capital requirements.

In addition to the cash we received in connection with our IPO, we receive cash from time to time from (1) cash generated from operations, (2) carried interest and incentive income realizations and (3) realizations on the investments that we make. (The amount of cash received from the latter two sources in particular may vary

substantially from year to year and quarter to quarter depending on the frequency—and size—of realization events experienced by our investment funds. Our available capital will be adversely affected if there are prolonged periods of few substantial realizations from our investment funds accompanied by substantial capital calls from those investment funds.) We expect to use this cash to assist us in making cash distributions to our common unitholders on a quarterly basis in accordance with our distribution policy. Our ability to make cash distributions to our common 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. Cash distributed to unitholders may be provided through cash flows from operations, distributions from the entities that comprise our business or borrowings from our existing or future credit facilities.

Under the Delaware Limited Partnership Act, we may not make a distribution to a partner if after the distribution all our liabilities, other than liabilities to partners on account of their partnership interests and liabilities for which the recourse of creditors is limited to specific property of the partnership, would exceed the fair value of our assets. If we were to make such an impermissible distribution, any limited partner who received a distribution and knew at the time of the distribution that the distribution was in violation of the Delaware Limited Partnership Act would be liable to us for the amount of the distribution for three years. In addition, the terms of our revolving credit facility impose a maximum net leverage ratio which may prohibit us from making certain distributions. Subject to a notice period and a cure period, distributions in violation of the terms of our revolving credit facility would result in a default under our revolving credit facility.

In the future, we may also issue additional common units and other securities to investors and our employees with the objective of increasing our available capital which would be used for purposes similar to those noted above.

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 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. Approximately $300 million of our authorization was intended to offset the issuance of units as part of the consideration in the GSO acquisition. In March 2008, we repurchased a combination of 8,319,101 vested and unvested Blackstone Holdings Partnership Units as part of the unit repurchase program for a total cost of $124.8 million.

We intend to use leverage opportunistically and over time to create the most efficient capital structure for Blackstone and our public common unitholders. We do not anticipate approaching significant leverage levels over the next year or two since the net proceeds from the IPO and the sale of non-voting common units to the Beijing Wonderful Investments are expected to be our principal source of financing for our business during that period. However, our debt-to-equity ratio may increase substantially in the future. This strategy will expose us to the typical risks associated with the use of substantial leverage, including affecting the credit ratings that may be assigned to our debt by rating agencies.

On May 12, 2008, we renewed our existing credit facility by entering into a new $1.0 billion revolving credit facility (“New Credit Facility”) with Blackstone Holdings I L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P., Blackstone Holdings IV L.P., and Blackstone Holdings V L.P., as joint and several co-borrowers. The New Credit Facility provides for revolving credit borrowings, with a final maturity date of May 2009. 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 contains customary representations, covenants and events of default applicable to the co-borrowers and certain of their subsidiaries. Covenants include limitations on incurrence of liens, indebtedness, employee loans and advances, mergers, consolidations, asset sales and certain acquisitions, lines of business, amendment of partnership agreements, ownership of core businesses, and restricted payments. Financial covenants consist of a maximum net leverage ratio and a requirement to keep a minimum amount of fee generating assets under management, each tested quarterly. The New Credit Facility is unsecured and unguaranteed.

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 corporate private equity funds and real estate funds make direct or indirect investments in companies that utilize leverage in their capital structure, including leverage incurred by the portfolio company resulting from the structuring of the fund's investment in the portfolio company. The degree of leverage employed varies among portfolio companies based on market conditions and the portfolio company's financial situation. Our corporate private equity funds and real estate funds do not monitor leverage employed by their portfolio companies in the aggregate. However, for companies under our funds' control or over which our funds have significant influence, it is our policy to endeavor to cause the portfolio company to maintain appropriate controls over its liquidity and interest rate exposures.

Our Marketable Alternative Asset Management entities use leverage within their funds 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 are purchasing securities on margin, utilizing collateralized financing and using derivative instruments. The fair value of derivatives generally will be between 0% to 20% of these funds' net asset values. Generally, gross leverage will be in the range of 0% to 300% of these funds' net asset values, and net leverage exposure on certain of these funds is generally in the range of 0% to 90% of such funds' net asset values. Additionally, these funds generally hold between 0% to 35% of their net asset values in cash and cash equivalents.

Critical Accounting Policies

We prepare our condensed consolidated and combined 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. Our assumptions and our actual results may be affected negatively based on changing circumstances or changes in our analyses. 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 the notes to our condensed consolidated and combined financial statements for a summary of our significant accounting policies.

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 VIE's, 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 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 significant 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.

In those cases where our investment is less than 20% (3% in the case of partnership interests) and significant influence does not exist, such investments are carried at fair value.

Revenue Recognition

Revenues consist of primarily management and advisory fees, performance fees and allocations and investment income and other revenues. Our revenue recognition policies are as follows:

(1) *Fund Management Fees* . Fund management fees are comprised of fees charged directly to funds, fund investors and fund portfolio companies (including management, transaction and monitoring fees). Such fees are based upon the contractual terms of investment advisory and related agreements and are recognized as earned over the specified contract period. Our investment advisory agreements generally require that the investment advisor share a portion of certain fees and expenses with the limited partners of the fund. These shared items ("management fee reductions") reduce the management fees received from the limited partners.

(2) *Advisory Fees.* Financial 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 preferential allocations of profits ("carried interest") which are a component of our general partner interests in the corporate private equity, real estate and debt funds. We are entitled to carried interest from an investment fund in the event investors in the fund achieve cumulative investment returns in excess of a specified rate. We record as revenue the amount that would be due to us pursuant to the fund agreements at each period end as if the fair value of the investments were realized as of such date. In certain performance fee arrangements related to funds of hedge funds and hedge funds in our Marketable Alternative Asset Management segment, we are 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.

Investment Income . Blackstone invests in corporate private equity funds, real estate funds, debt funds, funds of hedge funds and hedge 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 and Other. 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 85-12. These funds generate realized and unrealized gains from underlying

corporate private equity and real estate investments and investments in marketable alternative asset management 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.

Investments, at Fair Value

The Blackstone Funds are, for GAAP purposes, investment companies under the AICPA Audit and Accounting Guide *Investment Companies* . For those funds which the Partnership consolidates, such funds reflect their investments, including securities sold, not yet purchased, on the Condensed Consolidated and Combined Statements of Financial Condition at their estimated fair value, with unrealized gains and losses resulting from changes in fair value reflected as a component of Net Gains from Fund Investment Activities in the Condensed Consolidated and Combined Statements of Income. Fair value is the amount that would be received to sell the investments or transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price). Additionally, these funds do not consolidate their majority-owned and controlled investments. We have retained the specialized accounting of the Blackstone Funds pursuant to EITF Issue No. 85-12, *Retention of Specialized Accounting for Investments in Consolidation* .

Effective January 1, 2007 we, as well as our carry funds, adopted Statement of Financial Accounting Standards ("SFAS") No. 157, *Fair Value Measurements* ("SFAS No. 157"), which among other things, requires enhanced disclosures about financial instruments carried at fair value. See Notes 2 and 4 to the condensed consolidated and combined financial statements for the additional information about the level of market observability associated with investments carried at fair value.

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's judgment taking into consideration a combination of internal and external factors. Internal factors that are considered are described below. The external factors associated with our valuations vary by asset class but are broadly driven by the market considerations discussed at "—Business Environment" above.

Investments for which market prices are not observable are generally either private investments in the equity of operating companies or real estate properties or investments in funds managed by others. Fair values of private investments are determined by reference to projected earnings before interest, taxes, depreciation and amortization ("EBITDA"), public market or private transactions, valuations for comparable companies and other measures. With respect to real estate investments, the measures considered in determining fair values include capitalization rates ("cap rates"), sales of comparable assets and replacement costs. Analytical methods used to estimate the fair value of private investments include the discounted cash flow method and/or cap rate analysis. A sensitivity analysis is applied to the estimated future cash flows using various factors depending on the investment, including assumed growth rates (in cash flows), cap rates (for determining terminal values) and appropriate discount rates to determine a range of reasonable values or to compute a projected return on investment. Valuations may also be derived by reference to observable valuation measures for comparable companies (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 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.

After our adoption of SFAS 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 included in Level I include listed equities and listed derivatives. As

required by SFAS 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, 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, an investment's level within the fair value hierarchy 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 it considers factors specific to the investment.

Recent Accounting Pronouncements

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* ("SFAS No. 159"). SFAS No. 159 permits entities to choose to measure many financial instruments and certain other items at fair value, with changes in fair value recognized in earnings. SFAS No. 159 was effective as of the beginning of the first fiscal year that begins after November 15, 2007. The Partnership adopted SFAS No. 159 as of January 1, 2008. The adoption of SFAS No. 159 did not have a material impact on the Partnership's consolidated financial statements.

In June 2007, the EITF reached consensus on Issue No. 06-11, *Accounting for Income Tax Benefits of Dividends on Share-Based Payment Awards* ("EITF 06-11"). EITF 06-11 requires that the tax benefit related to dividend equivalents paid on restricted stock units, which are expected to vest, be recorded as an increase to additional paid-in capital. EITF 06-11 was applied prospectively for tax benefits on dividends declared in fiscal years beginning after December 15, 2007. The adoption of EITF 06-11 as of January 1, 2008 did not have a material impact on Blackstone's consolidated financial statements.

In December 2007, the FASB issued SFAS No. 141(R), *Business Combinations* ("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 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.

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 noncontrolling (minority) interests as equity (as opposed to as a liability or mezzanine equity) and provides guidance on the accounting for transactions between an entity and

noncontrolling interests. SFAS No. 160 applies prospectively as of January 1, 2009, except for the presentation and disclosure requirements which will be applied retrospectively for all periods presented.

In March 2008, the FASB issued SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities* ("SFAS No. 161"). SFAS No. 161 is intended to improve financial reporting about derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand how those instruments and activities are accounted for; how and why they are used; and their effects on an entity's financial position, financial performance, and cash flows. SFAS No. 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. The Partnership is currently evaluating the impact that the adoption of SFAS No. 161 will have on the Partnership's financial statement disclosures.

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 is currently evaluating the impact that EITF 07-4 may have on the consolidated financial statements.

In April 2008, the FASB issued Staff Position No. FAS 142-3, *Determination of the Useful Life of Intangible Assets* ("FSP No. 142-3"). FSP 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 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. Early adoption is prohibited. 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.

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, debt and funds of hedge 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 and combined 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 and combined financial statements for a discussion of guarantees.

Contractual Obligations, Commitments and Contingencies

The following table sets forth information relating to our contractual obligations as of March 31, 2008 on a consolidated basis and on a basis deconsolidating the Blackstone Funds:

Contractual Obligations	April 1, 2008 to December 31, 2008	2009–2010	2011–2012	Thereafter	Total
			(Dollars in Thousands)		
Operating Lease Obligations (1)	$ 27,311	$ 87,657	$ 91,954	$ 384,523	$ 591,445
Purchase Obligations	821	1,529	—	—	2,350
Blackstone Operating Entities Loan and Credit Facilities Payable (2)	307,604	84,030	32,245	11,404	435,283
Interest on Blackstone Operating Entities Loan and Credit Facilities Payable (3)	9,525	11,205	2,039	1,194	23,963
Blackstone Funds Debt Obligations Payable (4)	16,370	—	—	—	16,370
Interest on Blackstone Funds Debt Obligations Payable (5)	112	—	—	—	112
Blackstone Fund Capital Commitments to Investee Funds (6)	8,043	—	—	—	8,043
Due to Predecessor Owners in Connection with Tax Receivable Agreement (7)	17,715	45,516	81,168	609,971	754,370
Blackstone Operating Entities Capital Commitments to Blackstone Funds (8)	993,584	—	—	—	993,584
Consolidated Contractual Obligations	1,381,085	229,937	207,406	1,007,092	2,825,520
Blackstone Funds Debt Obligations Payable (4)	(16,370)	—	—	—	(16,370)
Interest on Blackstone Funds Debt Obligations Payable (5)	(112)	—	—	—	(112)
Blackstone Fund Capital Commitments to Investee Funds (6)	(8,043)	—	—	—	(8,043)
Blackstone Operating Entities Contractual Obligations	$ 1,356,560	$229,937	$207,406	$1,007,092	$2,800,995

(1) 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 March 31, 2008.

(2) Represents borrowings under our revolving credit facilities and for employee term facilities program and for a corporate debt investment program.

(3) 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 March 31, 2008, at spreads to market rates pursuant to the financing agreements, and range from 3.50% to 7.00%.

(4) These obligations are those of the Blackstone Funds.

(5) 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 March 31, 2008, at spreads to market rates pursuant to the financing agreements, and range from 3.15% to 6.34%.

(6) 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.

(7) Represents obligations by the Partnership's corporate subsidiaries' to make payments under the Tax Receivable Agreement to the predecessor owners for the tax savings realized from the taxable purchases of their interests in connection with the Reorganization. The timing of the payments is dependent on the tax savings actually realized as determined annually.

(8) 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 $12.0 million of letters of credit outstanding to provide collateral support related to a credit facility at March 31, 2008.

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 March 31, 2008, such guarantees amounted to $34.7 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 and combined financial statements as of March 31, 2008.

Clawback Obligations

At March 31, 2008, due to the funds' performance results, none of the general partners of our corporate private equity, real estate and debt funds had a clawback obligation to any limited partners of the funds. Since the inception of the funds, the general partners have not been required to make a clawback payment.

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. There are no material market risk exposures to our net gains from fund investment activities after consideration of the allocation to non-controlling interest holders.

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 corporate private equity, real estate and debt funds involves a detailed analysis of potential acquisitions, and asset management teams are assigned to oversee the operations, strategic development, financing and capital deployment decisions of each portfolio investment. These key investment decisions are subject to approval by the applicable investment committee, which is comprised of members of Blackstone senior management.
- In our capacity as advisor to certain of our marketable alternative asset management 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-flow 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) capital commitments to a Blackstone fund, (2) capital invested in a Blackstone fund or (3) the net asset value, or NAV, of a Blackstone fund, as described in our consolidated and combined financial statements. Management fees will only be directly affected by changes in market risk factors to the extent they are based on NAV. 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. The proportion of our management fees that are based on NAV is dependent on the number and types of Blackstone Funds in existence and the current stage of each fund's life cycle. For the three months ended March 31, 2008 and after considering the effect of the deconsolidation of certain funds of hedge funds on July 1, 2007, approximately 34% of our fund management fees were based on the NAV of the applicable funds.

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 March 31, 2008, 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 $44.9 million on an annual basis, (2) performance fees and allocations would decrease by $384.3 million, and (3) investment income would decrease by $228.7 million. 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 $19.97 billion, 89%, Real Estate $17.42 billion, 100%, and Marketable Alternative Asset Management $40.25 billion, and 74%, 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, the fair value of our Level III assets also varies significantly based on a number of factors and inputs such as relevant transactions, financial metrics, and industry comparatives, amongst others. (See "Part II, Item 1A. Risk Factors" below. Also see "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 strategy is to hold investments and securities until market conditions are beneficial for investment sales.

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-US dollar currencies. We estimate that as of March 31, 2008, a 10% decline in the rate of exchange against the U.S. dollar would have the following effects: (1) management fees would decrease by $8.0 million on an annual basis, (2) performance fees and allocations would decrease by $81.8 million and (3) investment income would decrease by $22.2 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 March 31, 2008, we estimate that interest expense relating to variable rate debt obligations payable would increase by $4.5 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 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 and evaluating our disclosure controls and procedures, management recognized that disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Additionally, 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 we cannot provide absolute 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 quarterly report, our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) are effective, in all material respects, 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. We are not currently subject to any pending judicial, administrative or arbitration proceedings that we expect to have a material impact on our results of operations or financial condition. See "— Item 1A. Risk Factors" below.

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 complaint also includes three purported sub-classes of plaintiffs seeking damages and/or restitution and comprised of shareholders of three companies, including one purchased by an investor group that included one of our private equity funds. In February 2008, a virtually identical lawsuit was filed in the same court (and subsequently consolidated with the previous action) by a purported class of shareholders of the one company referred to in the preceding sentence that was purchased by an investor group that included one of Blackstone's private equity funds.

In May 2007, Aladdin Solutions, Inc. ("Aladdin"), an acquisition vehicle set up by Blackstone Capital Partners V ("BCP"), entered into a merger agreement with Alliance Data Systems Corporation ("ADS") providing for BCP's acquisition of ADS (the "Merger Agreement"). Among the preconditions to the closing of this transaction was receipt of the required approval by the Office of the Comptroller of the Currency (the "OCC") of the change in control of an important subsidiary of ADS, a credit card bank (the "Bank"). The Merger Agreement obligated Aladdin to use its "reasonable best efforts" to obtain OCC approval. Aladdin made extensive efforts to secure that approval, but the OCC put forth onerous and unacceptable demands as a condition to providing its approval. Despite months of discussions with the OCC, the OCC continued to insist on various demands that in BCP's opinion would be materially harmful to BCP's investment in ADS, and therefore on April 18, 2008 Aladdin exercised its right to terminate the Merger Agreement due to the failure to obtain the required OCC approval. Later that same day, ADS filed an action against BCP in New York Supreme Court claiming that Aladdin failed to use its reasonable best efforts to obtain OCC approval and therefore breached the provisions of the Merger Agreement. In the suit, ADS seeks to collect a $170 million business interruption fee which is payable to ADS by Aladdin (and guaranteed by BCP) if Aladdin breaches its obligations under the Merger Agreement. (Under the terms of BCP's limited partnership agreement, Blackstone would ultimately bear approximately 50% of any payment made in respect of such business interruption fee.) In essence, ADS is contending that Aladdin was required to accede to the demands put forth by the OCC regardless of how onerous those demands were. However, Blackstone believes that a reasonable best efforts obligation does not require a party to a merger agreement to do things that are materially adverse to its prospective investment. Blackstone believes that Aladdin fulfilled its obligation to use its reasonable best efforts to obtain OCC approval and therefore that it did not breach the Merger Agreement in any way.

In April and May 2008, four substantially identical complaints were brought in the United States District Court for the Southern District of New York against Blackstone, Stephen A. Schwarzman and Michael A. Puglisi (Blackstone's Chairman and Chief Executive Officer and its Chief Financial Officer respectively). These suits purport to be class actions on behalf of purchasers of Blackstone common units in Blackstone's June 21, 2007 initial public offering and claim that the prospectus for the initial public offering was false and misleading for failing to disclose that certain investments made by Blackstone private equity funds were performing poorly at the time of the initial public offering and were materially impaired.

Blackstone believes that all of 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, 2007, 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 flow and adversely affect our financial condition" in our annual report on Form 10-K for the year ended December 31, 2007.

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.

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

No purchases of our common units were made by us or on our behalf during the three months ended March 31, 2008. (See "Part I. Financial Information—Item 1. Financial Statements—Notes to Condensed Consolidated and Combined Financial Statements—Note 7. Net Loss Per Common Unit".)

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 entered into in connection with charitable gifts, 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

On May 12, 2008, we renewed our existing credit facility by entering into a new $1.0 billion revolving credit facility ("New Credit Facility") with Blackstone Holdings I L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P., Blackstone Holdings IV L.P., and Blackstone Holdings V L.P., as joint and several co-borrowers. The New Credit Facility provides for revolving credit borrowings, with a final maturity date of May 2009. 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 contains customary representations, covenants and events of default applicable to the co-borrowers and certain of their subsidiaries. Covenants include limitations on incurrence of liens, indebtedness, employee loans and advances, mergers, consolidations, asset sales and certain acquisitions, lines of business, amendment of partnership agreements, ownership of core businesses, and restricted payments. Financial covenants consist of a maximum net leverage ratio and a requirement to keep a minimum amount of fee generating assets under management, each tested quarterly. The New Credit Facility is unsecured and unguaranteed.

ITEM 6. EXHIBITS

Exhibit Index:

10.13	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. and Blackstone Holdings V L.P., JPMorgan Chase Bank, N.A., as Administrative Agent, and the Lenders party thereto.
10.19.1	Amendment No. 1 dated as of January 1, 2008 to the Second Amended and Restated Agreement of Limited Partnership of Blackstone Real Estate Management Associates International L.P., dated as of May 31, 2007, by and among BREA International (Cayman) Ltd. and certain limited partners.
10.20.1	Amendment No. 1 dated as of January 1, 2008 to the Second Amended and Restated Agreement of Limited Partnership of Blackstone Real Estate Management Associates International II L.P., dated as of May 31, 2007, by and among BREA International (Cayman) II Ltd. and certain limited partners.
10.26.1	Amendment No. 1 dated as of January 1, 2008 to the Second Amended and Restated Limited Liability Company Agreement of BREA VI L.L.C., dated as of May 31, 2007, by and among Blackstone Holdings III L.P. and certain members of BREA VI L.L.C.
10.28	Amended and Restated Limited Liability Company Agreement of BCLA L.L.C., dated as of April 15, 2008, by and among Blackstone Holdings III L.P. and certain members of BCLA L.L.C.
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 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: May 15, 2008

The Blackstone Group L.P.

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

/s/ MICHAEL A. PUGLISI

Name: **Michael A. Puglisi**
Title: **Chief Financial Officer**

Exhibit 10.13

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. and
BLACKSTONE HOLDINGS V L.P.,
as Co-Borrowers,

The Lenders Party Hereto

and

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

J.P. MORGAN SECURITIES INC.,
as Sole Lead Arranger and Bookrunner

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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. and BLACKSTONE HOLDINGS V L.P., as Co-Borrowers (collectively, the " Borrowers "), the LENDERS party hereto and JPMORGAN CHASE BANK, N.A., as administrative agent (in such capacity, the " Administrative Agent ").

The Borrowers 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 Borrowers, 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 $1,000,000,000.

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.

" Agreement " means this Credit Agreement.

" Agreement of Limited Partnership " means the limited partnership agreement of each Borrower by and among its general partner and its limited partners.

" Alternate Base Rate " means, for any day, a rate per annum equal to the greater of (a) the Prime Rate in effect on such day and (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. Any change in the Alternate Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective from and including the effective date of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

" Applicable Hedge Fund Assets " means, the sum of, (i) 65% of the amount on such date of investments of the Borrowers and the Subsidiaries in hedge fund investments that can be redeemed by the Borrowers or the Subsidiaries within three months upon appropriate notice; (ii) 50% of the amount on such date of investments of the Borrowers and the Subsidiaries in hedge fund investments that can be redeemed by the Borrowers or the Subsidiaries within six months upon appropriate notice; (iii) 42% of the amount on such date of investments of the Borrowers and the Subsidiaries in hedge fund investments that can be redeemed by the Borrowers or the Subsidiaries within twelve months upon appropriate notice; and (iv) 35% of the amount on such date of investments of the Borrowers and the Subsidiaries in hedge fund investments that cannot be redeemed by the Borrowers or the Subsidiaries within one year upon appropriate notice (it being understood that, if redeemed, payment in respect of such redemptions must occur within three months of the applicable redemption date for such investment to be included in (i)-(iv) above).

" 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, with respect to any Borrowing, or with respect to the commitment fees payable hereunder, as the case may be, the applicable rate per annum set forth below under the caption "Eurodollar Spread", "ABR Spread" or "Commitment Fee Rate", as the case may be, based upon the Leverage Ratio as of the relevant date of determination:

Leverage Ratio	Eurodollar Spread	ABR Spread	Commitment Fee Rate
Category 1 Less than 3.5 to 1	1.50%	0.50%	0.375%
Category 2 Greater than or equal to 3.5 to 1 and less than 4.0 to 1	1.75%	0.75%	0.375%
Category 3 Greater than or equal to 4.0 to 1	2.50%	1.50%	0.500%

Each change in the Applicable Rate resulting from a change in the Leverage Ratio shall be effective with respect to all Loans outstanding, and with respect to the commitment fees payable hereunder, on and after the date of delivery to the Administrative Agent of the financial statements and certificates required by Section 5.04(a) or (b) and Section 5.04(c) indicating such change and until the date immediately preceding the next date of delivery of such financial statements and certificates indicating another such change. Notwithstanding the foregoing, until the Borrowers shall have delivered the financial statements of the Borrowers and certificates required by Section 5.04(b) and (c) for the fiscal quarter ending on March 31, 2008, the Leverage Ratio shall be deemed to be in Category 1 for purposes of determining the Applicable Rate. In addition, (i) at any time during which the Borrowers have failed to deliver the financial statements and certificates required by Section 5.04(a), (b) or (c) and (ii) at any time after the occurrence and during the continuance of an Event of Default, the Leverage Ratio shall be deemed to be in Category 3 for purposes of determining the Applicable Rate.

" 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 Borrowers or the Subsidiaries or their Affiliates for the purpose of funding loans or advances to employees or Affiliates of the Borrowers, the Subsidiaries or their Affiliates the proceeds of which are invested in funds managed by the Borrowers 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 a Borrower.

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

" Borrower Joinder Agreement " means a Borrower Joinder Agreement among the Borrowers, an Eligible Additional Borrower and the Administrative Agent substantially in the form of Exhibit C.

" Borrowers " has the meaning assigned to such term in the caption hereof; provided that such term shall also include any Person that becomes a borrower hereunder pursuant to Section 2.19.

" 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, 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 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 JPMorgan Prime Market Fund, JPMorgan 100% Treasury Fund or 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.

" 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 noncash 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 Borrowers in accordance with GAAP.

For purposes of calculating Combined EBITDA for any period of four consecutive fiscal quarters (each, a " Reference Period "), (i) if at any time during such Reference Period (and after the Effective Date) a Borrower or any of the Subsidiaries shall have made any Material Disposition (as defined below), the Combined EBITDA for such Reference Period shall be calculated after giving pro forma effect thereto and (ii) if during such Reference Period (and after the Effective Date) the Borrowers or any of the Subsidiaries shall have made a Material Acquisition, Combined EBITDA for such Reference Period shall be calculated after giving *pro forma* effect thereto as if such Material Acquisition 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 of the Borrowers 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 Borrower 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 Borrower or any Subsidiaries in excess of $25,000,000. For purposes hereof, Combined EBITDA: (a) for the fiscal quarter ended March 31, 2007, shall be deemed to be $196,026,000 and (b) for the fiscal quarter ended June 30, 2007, shall be deemed to be $113,758,000.

" Combined Segment Net Income " means, for any period, the combined segment net income of the Borrowers 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, 2007, 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 2.06 and (b) 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 $1,000,000,000.

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

" 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 (i) 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 (ii) making investments, including without limitation investments in funds of the type specified in clause (i).

" 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.

" 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.

" Disclosed Matters " means the actions, suits and proceedings and the environmental matters disclosed in Schedule 3.08.

" 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 (ii) 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 the Blackstone Group's Annual Report on form 10-K for the fiscal year ending December 31, 2007, 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 Borrower " 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 Borrowers that an Eligible Additional Borrower 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 Borrower 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 to 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 Borrower 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 the Borrowers, 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 Borrower 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 Borrower 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 the Borrower 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 Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower 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.

" 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 a 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 a 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 December 22, 2003, as amended, among Blackstone Group Holdings L.P., the lenders party thereto and the Administrative Agent.

" 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 Borrowers or of the direct or indirect general partner, sole member or managing member thereof.

" Foreign Lender " means, with respect to any Borrower, any Lender that is organized under the laws of a jurisdiction other than that in which such 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.

" 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, Blackstone Holdings IV GP L.P., a Delaware limited partnership and Blackstone Holdings V GP L.P., a Quebec limited partnership, each in its capacity as a general partner of a Borrower for so long as such Person shall remain a general partner of any Borrower, and shall include each other Person which from time to time may be or become a general partner of any Borrower.

" 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.

" Granting Lender " has the meaning assigned to such term in Section 9.04(i).

" 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.

" 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.

" Indemnity, Subrogation and Contribution Agreement " means the Indemnity, Subrogation and Contribution Agreement among the Borrowers and the Administrative Agent substantially in the form of Exhibit D.

" 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 2.05.

" 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 (i) 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 (ii) 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.

" 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.

" Loan Documents " shall mean this Agreement and the Indemnity, Subrogation and Contribution Agreement.

" 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 Borrowers and the Subsidiaries, taken as a whole, or (b) the ability of any of the Borrowers 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 Borrowers 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 May 11, 2009.

" Moody's " means Moody's Investors Service, Inc.

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

" 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 Borrower 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 Borrower 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 Borrowers or any Subsidiaries (in each case other than for recourse to (i) such Seasoning Subsidiary and (ii) any other Subsidiary or any Borrower (including letters of credit issued for the account of a Borrower or such other Subsidiary) the principal component of which constitutes Indebtedness permitted under Section 6.01(a), in the case of a Borrower, or 6.01 (g), 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 " has the meaning assigned to such term in Section 9.13.

" 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.

" 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 Borrowers and/or Subsidiaries and/or Affiliates (or newly formed entities that will, upon consummation of any such transaction, be Borrowers or Subsidiaries) for purposes of accomplishing internal reorganizations, provided that all the combined consolidated assets of the Borrowers immediately prior to such transactions (including without limitation all Equity Interests in Core Business Entities owned by the Borrowers or any Subsidiaries and all assets of any Core Business conducted directly by a Borrower or a Subsidiary) shall continue to be owned by the Borrowers (including any Person that becomes a Borrower hereunder pursuant to Section 2.19) or Subsidiaries, without any reduction in the aggregate economic interests of the Borrowers and their Subsidiaries, immediately prior to such transactions, in Core Businesses conducted by the Borrowers, 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 the Borrower, any of the

Guarantors, 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.

" 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 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 Borrowers 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 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 of any Borrower so long as such Subsidiary 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 Borrower, 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 Borrower or of any option, warrant or other right to acquire any such Equity Interests in a Borrower.

" 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 (i) any single Subsidiary or any group of Subsidiaries taken together that, on a consolidated basis with its or their Subsidiaries, either (i) had consolidated assets equal to or greater than 10% of the combined consolidated total assets of the Borrowers 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) or (ii) had consolidated revenues equal to or greater than 10% of the combined consolidated revenues of the Borrowers 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 Borrower (or any Person that would be a subsidiary of the Borrowers if the Borrowers were merged into a single entity) that is or would be consolidated with the Borrowers in the preparation of segment information with respect to the combined financial statements of the Borrowers prepared in accordance with GAAP, but shall not include (i) any private equity fund, real estate fund, hedge fund or other investment fund or vehicle or (ii) any portfolio company of any such fund or vehicle.

" 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 JPMCB, 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 Borrowers and the Subsidiaries outstanding on such date determined in accordance with GAAP (but including in any event any Guarantees by a Borrower or a Subsidiary other than a Seasoning Subsidiary of Non-Recourse Seasoning Debt and excluding (i) any intercompany debt among the Borrowers 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 Borrowers 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, (ii) Applicable Hedge Fund Assets, less the amount thereof attributable to minority interests in Subsidiaries and (iii) loans to employees of the Borrowers, 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 Borrower 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 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 Borrowers notify the Administrative Agent that the Borrowers request 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 Borrowers 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 Borrowers, 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 Borrowers 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 Borrowers 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 or an Event of 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 Borrowers or the Required Lenders, the relevant provisions of this Agreement will be renegotiated by the Borrowers 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 Borrowers 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 Borrowers 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 a 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 Borrowers 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, a 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), a 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 12:00 noon, 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 such 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;

(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 such 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 requesting 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 Borrowers 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 Borrowers may borrow, prepay and reborrow Swingline Loans.

(b) To request a Swingline Loan, a 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 a Borrower. The Swingline Lender shall make each Swingline Loan available to the relevant Borrower by means of a credit to the general deposit account of such 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 12:00 noon, New York City time, on any Business Day require the Lenders to acquire participations on such Business Day in all or a portion of the Swingline Loans outstanding. Such notice shall specify the aggregate amount of Swingline Loans in which 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 relevant 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 a Borrower (or other party on behalf of a 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 a Borrower for any reason. The purchase of participations in a Swingline Loan pursuant to this paragraph shall not relieve any Borrower of any default in the payment thereof.

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 relevant Borrower by promptly crediting the amounts so received, in like funds, to an account of such Borrower maintained with the Administrative Agent in New York City and designated by such 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 applicable 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 applicable 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 such 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 a 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 applicable 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 applicable 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, a 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 a 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 applicable Borrower. Notwithstanding any other provision of this Section, no Borrower shall 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 applicable 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 a 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 Borrowers, 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 Borrowers 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 Borrowers 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 Borrowers (or any one of them) 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 Borrowers 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 notice given by a Borrower under this Section will be binding and effective with respect to all the Borrowers 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.

SECTION 2.08. Repayment of Loans; Evidence of Debt. (a) Each 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 to such Borrower on the Maturity Date, and (ii) to the Swingline Lender the then unpaid principal amount of each Swingline Loan to such Borrower 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 Borrowers 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 each 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 applicable 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 any 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 applicable Borrower shall prepare, execute and deliver to such Lender a promissory note payable to the order of 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 order of 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 Borrowers 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 applicable 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, then 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 Borrowers agree 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 Borrowers agree to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between any 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.

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 any 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 Borrowers and the Lenders by telephone or telecopy as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrowers 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, (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 applicable 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 Borrowers 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 Borrowers and shall be conclusive absent manifest error. The Borrowers 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 Borrowers 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 Borrowers 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, then 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(c) 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 a Borrower pursuant to Section 2.17, then, in any such event, the applicable 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 applicable Borrower and shall be conclusive absent manifest error. The applicable 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 any Borrower hereunder shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if any 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) such Borrower shall make such deductions and (iii) the applicable Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

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

(c) The applicable 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 such 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 a 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 a Borrower to a Governmental Authority, such 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 a Borrower is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to such 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 such 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 Borrowers 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 a Borrower or with respect to which a Borrower has paid additional amounts pursuant to this Section 2.15, it shall pay over such refund to the applicable Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by such 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 applicable Borrower, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to such 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 Borrowers or any other Person.

SECTION 2.16. Payments Generally; Pro Rata Treatment; Sharing of Set-offs. (a) Each 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 270 Park Avenue, New York, New York, except that payments pursuant to Sections 2.13, 2.14, 2.15 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 any 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 any Borrower or any Subsidiary thereof (as to which the provisions of this paragraph shall apply). Each 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 such Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the applicable Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that such Borrower will not make such payment, the Administrative Agent may assume that such 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 such 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 any 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. Each 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 any 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 defaults in its obligation to fund Loans hereunder, or if any Lender does not consent to any amendment or waiver of the Loan Documents requested by the Borrowers, then the Borrowers may, their 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 Borrowers 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 Borrowers 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 Borrowers 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 Borrowers 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 Borrowers 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 Borrowers 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 Borrowers (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.

(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 applicable Borrowers 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 Applicable 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 of the Commitments (calculated after giving effect to the Commitment Increase), of the Subsequent Borrowings and (B) such Lender's Applicable Percentage of the Commitments (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 of the Commitments (calculated without giving effect to the Commitment Increase), of the Initial Loans and (B) such Lender's Applicable Percentage of the Commitments (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 applicable 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

LIBO Rate Loan shall be subject to indemnification by the applicable 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 Borrower.

SECTION 2.19. Additional Borrowers. The Borrowers 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 Borrower as an additional Borrower hereunder, in each case by delivery to the Administrative Agent of a Borrower Joinder Agreement executed by such Eligible Additional Borrower and satisfaction of the conditions with respect to such Eligible Additional Borrower set forth in Section 4.03. Notwithstanding the foregoing, no Borrower Joinder Agreement shall become effective with respect to any Eligible Additional Borrower if it shall be unlawful for such Eligible Additional Borrower to become a Borrower hereunder or for any Lender to make Loans to such Eligible Additional Borrower as provided herein. As soon as practicable upon receipt of a Borrower Joinder Agreement and the satisfaction of the conditions set forth in Section 4.03 with respect to the Eligible Additional Borrower to which it relates, the Administrative Agent shall send a copy thereof to each Lender.

ARTICLE III

Representations and Warranties

Each Borrower 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 Borrowers 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 Borrower of each of the Loan Documents to which it is a party and the borrowings hereunder (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 or other constitutive documents of any Borrower 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 Borrower 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 Borrower 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 Borrower and constitutes, and each other Loan Document when executed and delivered by each Borrower will constitute, a legal, valid and binding obligation of such Borrower enforceable against such Borrower 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 Borrowers have heretofore furnished to the Lenders (i) the consolidated and combined statement of financial condition and consolidated and combined statements of income and cash flows of Blackstone Group for the fiscal year ended December 31, 2007, 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 and condensed consolidated and combined statements of income and cash flows of the combined Borrowers for the fiscal year ended December 31, 2007, 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 Borrowers 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 the Blackstone Group and of the combined Borrowers 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 Borrowers 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 Borrowers and the Subsidiaries, taken as a whole, since December 31, 2007.

SECTION 3.07. Title to Properties; Possession Under Leases. (a) Each of the Borrowers 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 Borrowers and their Subsidiaries taken as a whole or the use of the properties and assets of the Borrowers and their 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 Borrower 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 Borrowers 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 or as specifically disclosed in Blackstone Group's Annual Report on Form 10-K for the fiscal year ended December 31, 2007, filed with the SEC, 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 Borrower, threatened against or affecting any Borrower, 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 Borrower 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 Borrower 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 Borrower 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 Borrowers and their 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 Borrower 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 Borrowers will use the proceeds of the Loans for general investment and general purposes of the Borrowers and their Subsidiaries and Affiliates.

SECTION 3.13. Tax Returns. Each Borrower 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 Borrower 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 Borrower 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 Borrowers represent only that each such forecast or projection was prepared in good faith based upon assumptions believed by the Borrowers 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 Borrowers, substantially in the form of Exhibit B, and covering such other matters relating to the Borrowers, this Agreement or the Transactions as the Administrative Agent shall reasonably request. The Borrowers 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 Borrowers, the authorization of the Transactions and any other legal matters relating to the Borrowers, 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 Borrowers 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 Borrower 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, 2007, there has been no material adverse change in the business, assets, operations, financial condition or material agreements of the Borrowers 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, 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 Borrowers hereunder.

(j) The Administrative Agent (or its counsel) shall have received from each party thereto counterparts of the Indemnity, Subrogation and Contribution Agreement signed on behalf of such party.

(k) All amounts due or outstanding under the Existing Credit Agreement shall have been paid in full, the commitments thereunder shall have been terminated, all Guarantees thereof shall have been released and discharged and the Existing Credit Agreement shall have been terminated.

(l) Each of the Borrowers shall have executed and delivered to the Administrative Agent the fee letter dated the date hereof among each of the Borrowers, the Administrative Agent and J.P. Morgan Securities Inc.

(m) 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 Borrowers 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 15, 2008 (and, in the event such conditions are not so satisfied or waived, the Commitments shall terminate at such time).

Notwithstanding anything to the contrary contained herein, on the Effective Date, each Lender that has loans outstanding under the Existing Credit Agreement will be deemed to have made Loans hereunder ("Corresponding Loans") in the same principal amounts that refinance and repay such loans under the Existing Agreement, and such Corresponding Loans will have initial Interest Periods commencing on the Effective Date and ending on the same dates as the interest periods applicable to such refinanced loans and will bear interest during such Interest Periods based on the "Adjusted LIBO Rates" that were applicable to the refinanced loans under the Existing Credit Agreement, which will be deemed to be the Adjusted LIBO Rates applicable to the Corresponding Loans hereunder (but the Applicable Rates with respect to the Corresponding Loans will be as provided for herein). On the Effective Date and at the direction of the Administrative Agent, the Lenders shall effect such transfers and assignments of Corresponding Loans among themselves (at par and for payment in immediately available funds) so that, after giving effect thereto, each Lender holds its Applicable Percentage of the Corresponding Loans, and each Corresponding Loan so acquired by a Lender will be deemed to be a Loan made by it on the Effective Date for all purposes hereof. Each Lender agrees that it will not be entitled to any payment of breakage fees under the Existing Credit Agreement in respect of the refinancing of its loans under the Existing Credit Agreement with Corresponding Loans pursuant hereto.

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 Borrowers 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 applicable Borrower on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section.

SECTION 4.03. Additional Borrowers. The effectiveness of the designation of any Eligible Additional Borrower as a Borrower hereunder and the obligations of the Lenders to make Loans to any Person that becomes a Borrower after the Effective Date in accordance with Section 2.19 are subject to the satisfaction of the following conditions:

(a) The Administrative Agent (or its counsel) shall have received such Borrower's Borrower 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 Borrower, the authorization and legality of the Transactions insofar as they relate to such Borrower and any other legal matters relating to such Borrower, its Borrower 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 Borrower all documentation and other information relating to such Borrower 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 Borrowers and the Lenders of the effectiveness of the designation of any Eligible Additional Borrower as a Borrower 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 Borrowers 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 Borrowers 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 Borrowers 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 Borrowers and their 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 Borrower (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 and consolidated statements of income and cash flows of Blackstone Group for such fiscal year, reported upon by Deloitte & Touche LLP or another independent registered public accounting firm of recognized national standing without any "going concern" or "scope of audit" qualification, (ii) the unaudited annual condensed consolidated and combined statement of financial condition and condensed consolidated and combined statements of income and cash flows of the combined Borrowers and the Subsidiaries for such fiscal year, certified by a Financial Officer as fairly presenting, in all material respects, the financial position and results of operations of the combined Borrowers 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 income 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 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 Borrowers and the Subsidiaries 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 the combined Borrowers and the Subsidiaries on a condensed consolidated and combined basis in accordance with GAAP consistently applied, except for the absence of footnotes 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 Event of Default or Default has occurred or, if such an Event of Default or 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 Borrowers 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 Borrower becomes aware thereof, furnish to the Administrative Agent written notice of the following:

(a) any Event of Default or 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 Borrower 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 Borrower 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 Borrower 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 Borrower or any Subsidiary with the officers thereof and, upon reasonable notice to the applicable Borrower, independent accountants therefor.

SECTION 5.08. Use of Proceeds. The proceeds of the Loans will be used for general investment and general partnership, corporate and other purposes of the Borrowers and the Subsidiaries.

SECTION 5.09. Further Assurances. Each Borrower 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 Borrowers covenant and agree with each Lender that the Borrowers 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 Borrowers, including without limitation any Guarantees by a Borrower of Non-Recourse Seasoning Debt, to the extent that at the time incurred and after giving effect thereto the Leverage Ratio would not exceed 4.5 to 1;

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

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

(d) Indebtedness of the Subsidiaries under Back-to-Back Lending Facilities with JPMorgan Chase Bank, N.A. and its Affiliates; provided that the Borrowers will use commercially reasonable efforts to make one or more of the Borrowers the borrower under such Back-to-Back Lending Facilities within 90 days of the Effective Date;

(e) Indebtedness of the Subsidiaries under Back-to-Back Lending Facilities with lenders other than JPMorgan Chase Bank, N.A. previously identified to the Administrative Agent, in a principal amount of approximately $52,000,000; provided that all such Indebtedness is repaid in full or otherwise ceases to be Indebtedness of a Subsidiary not later than 90 days after the Effective Date;

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

(g) 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.

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 Borrower 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 Borrower 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 Borrower 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 Borrower 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 Borrowers and the Subsidiaries, taken as a whole; and ground leases in respect of real property on which facilities owned or leased by any Borrower or any Subsidiary are located;

(h) any attachment or judgment Lien unless the judgment it secures would constitute an Event of Default under Section 7(i);

(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 Borrowers or their Subsidiaries or Affiliates or to investors in the Borrower's 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 Borrowers 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 Borrower or any Subsidiary to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Borrowers and the Subsidiaries or (iii) relating to agreements other than in connection with Indebtedness entered into by a Borrower 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; and

(t) Liens securing Indebtedness described in Section 6.01(d) and (e) and related obligations; provided that such Liens securing Indebtedness described in Section 6.01(e) shall terminate not later than 90 days after the Effective Date.

SECTION 6.03. Certain Loans and Advances. Make or permit to exist loans or advances to employees of any Borrower, any Subsidiary or any Affiliate of a

Borrower 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 Borrower or a Subsidiary in accordance with existing practices of the Borrower 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 Borrowers and the Subsidiaries may sell assets or properties in the ordinary course of business;

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

(c) (i) any Borrower or Subsidiary may merge or liquidate into a Borrower in a transaction in which such Borrower 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 Borrower or a Subsidiary receives any consideration;

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

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

(f) the Borrowers 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 Borrowers are in Pro Forma Compliance immediately after giving effect to such transaction.

SECTION 6.05. Business of Borrowers 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 Borrower 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 Agreements of Limited Partnership. Make or permit to be made any amendment or modification of, or waive any of its rights under, the Agreements of Limited Partnership that materially impairs (a) the creditworthiness of any Borrower or (b) the rights or interests of the Lenders hereunder; provided that amendments, modifications and waivers (i) determined by the general partner of a Borrower as necessary or appropriate in connection with the creation, authorization or issuance of any class or series of equity interests in any Borrower; (ii) reflecting the admission, substitution, withdrawal or removal of partners in any Borrower; (iii) reflecting a change in the name of any Borrower, the location of the principal place of business of any Borrower, the registered agent of any Borrower or the registered office of any Borrower; (iv) determined by the general partner of a Borrower to be necessary or appropriate to address changes in U.S. federal income tax regulations, legislation or interpretation; or (v) reflecting a change in the fiscal year or taxable year of any Borrower and any other changes that the general partner of a Borrower determines to be necessary or appropriate as a result of a change in the fiscal year or taxable year of any Borrower including a change in the dates on which distributions are to be made by any Borrower, shall be permitted.

SECTION 6.07. Ownership of Core Businesses. 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 Borrowers and the Subsidiaries (unless such Core Business Entity is itself a Borrower), 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 Borrowers.

SECTION 6.08. Restricted Payments. Declare, make or pay, directly or indirectly, any Restricted Payment when a Default or Event of 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 Borrowers may continue to make cash distributions to their General Partners (but not in respect of limited partnership interests in the Borrowers) solely for the purpose of providing Blackstone Group with funds to make regular quarterly cash distributions to its common unitholders of $.30 per unit, so long as any such cash distributions by the Borrowers (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 Borrowers, to the extent they are treated as partnerships for tax purposes, may make Tax Distributions (as such term is defined in each such respective Borrower's partnership agreement) in effect on the date hereof (or, in the case of Eligible Additional Borrowers, Tax Distributions on terms substantially equivalent to those in the Borrowers' respective partnership agreements in effect on the date hereof).

SECTION 6.09. Financial Covenants. (a) Permit the aggregate assets under management of the Borrowers and their Subsidiaries in respect of which the Borrowers and their 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 $50,000,000,000.

(b) Permit the Leverage Ratio on the last day of any fiscal quarter to be greater than 4.5 to 1.

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 Borrower or any Subsidiary in or 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) any 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) any 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 Borrower 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 Borrower 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 Borrowers;

(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 Borrower 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 Borrower or any Significant Subsidiary or for a substantial part of

its assets or (iii) the winding-up or liquidation of any Borrower 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 Borrower 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 Borrower 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 Borrower, 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 Borrower or any Significant Subsidiary to enforce any such judgment; or

(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;

then, and in every such event (other than an event with respect to a Borrower 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 Borrowers, 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 each 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 each Borrower, anything contained herein or in any other Loan Document to the contrary notwithstanding; and in any event with respect to a Borrower 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 each 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 each Borrower, anything contained herein or in any other Loan Document to the contrary notwithstanding.

ARTICLE VIII

The Administrative Agent

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 bank 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 such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrowers or any Subsidiary or other Affiliate thereof as if it were not the Administrative Agent hereunder.

The Administrative Agent shall not have any duties or obligations except those expressly set forth herein. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that the Administrative Agent is required to exercise in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02), and (c) except as expressly set forth herein, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to a Borrower or any of its Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02) or in the absence of its own gross negligence or wilful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by a Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement, (ii) the contents of any certificate, report or other document delivered hereunder or in connection herewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the 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 believed by it to be genuine and to have been signed or sent 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 be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent

may consult with legal counsel (who may be counsel for the Borrowers), 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.

The Administrative Agent may perform any and all its duties and exercise its rights and powers 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 its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

Subject to the appointment and acceptance of a successor Administrative Agent as provided in this paragraph, the Administrative Agent may resign at any time by notifying the Lenders and the Borrowers. 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 Lender shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, with the consent of the Borrowers on behalf of the Lenders, appoint a successor Administrative Agent which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Borrowers to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrowers and such successor. After the 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 it was acting as Administrative Agent.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any related agreement or any document furnished hereunder or thereunder.

ARTICLE IX

Miscellaneous

SECTION 9.01. Notices. Except in the case of notices and other communications expressly permitted to be given by telephone, all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(a) if to the Borrowers, 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. Michael A. Puglisi, C.F.O. (Telecopy No. 212-583-5569);

(b) if to the Administrative Agent, to JPMorgan Chase Bank, Loan and Agency Services Group, 1111 Fannin Street, 10th Floor, Houston, Texas 77002, Attention of Shaji Easo (Telecopy No. (713) 750-2932), with a copy to JPMorgan Chase Bank, 277 Park Avenue, 14th Floor, New York, NY 10172, Attention of Riva Brandt (Telecopy No. (646-534-1721);

(c) if to any other Lender, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt. Any notice or other communication given or made hereunder by any Borrower will be binding on and effective with respect to all Borrowers with the same effect as if each Borrower had given such notice.

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 Borrower 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 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 Borrowers and the Required Lenders or by the Borrowers 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 Borrowers 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) change Section 9.13 in a manner that would alter the joint and several liability of the Borrowers, without the written consent of each Lender, or (vi) 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 Borrowers, 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.

SECTION 9.03. Expenses; Indemnity; Damage Waiver. (a) The Borrowers 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 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 Borrowers 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 Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to any Borrower 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.

(c) To the extent that any 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, each 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 Borrower 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 Borrower 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 to one or more assignees 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) with the prior written consent of (i) the Borrowers (such consent not to be unreasonably withheld or delayed), provided that no consent of the Borrowers shall be required (x) in the case of an assignment to a Lender or a Lender Affiliate or (y) 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: (i) 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 Borrowers and the Administrative Agent otherwise consent (such consent of the

Borrowers not to be unreasonably withheld or delayed), (ii) 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 (iii) 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 (iv) 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 Borrowers, 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 Borrowers, 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 Borrowers 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 any 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 Borrowers, 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, each 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 Borrowers' 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 Borrowers are notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrowers, 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 Borrowers (such consent not to be unreasonably withheld or delayed).

SECTION 9.05. Survival. All covenants, agreements, representations and warranties made by the Borrowers 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 Borrower against any of and all the obligations of such Borrower 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 Borrower 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 Borrower or its properties in the courts of any jurisdiction.

(c) Each Borrower 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 and its Affiliates' 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 applicable 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 such 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 applicable Borrower to do so), (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (f) with the consent of the Borrowers 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 Borrowers 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 Borrower or Subsidiary relating to any Borrower or Subsidiary or its Affiliates or its business or relating to any employee, member or partner or customer of any Borrower or Subsidiary, other than any such information that is or becomes available to the Administrative Agent or any Lender on a nonconfidential basis.

SECTION 9.13. Joint and Several Liability of the Borrowers. (a) In order to induce the Lenders and the Swingline Lender to extend credit hereunder, each of the Borrowers agrees that it will be jointly and severally liable for all the obligations of all the Borrowers hereunder (collectively, the " Obligations "), including without limitation the principal of and interest on all Loans made to any Borrower and all obligations with respect to the payment of fees and indemnities and reimbursement of costs and expenses provided for herein. Each Borrower further agrees that the due and punctual payment of 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 hereunder notwithstanding any such extension or renewal of any Obligation.

(b) Each Borrower waives presentment to, demand of payment from and protest to any other Borrower of any of the Obligations, and also waives notice of acceptance of its obligations and notice of protest for nonpayment. The Obligations of a Borrower hereunder shall not be affected by (i) the failure of any Lender or the Administrative Agent to assert any claim or demand or to enforce or exercise any right or remedy against any other Borrower under the provisions of this Agreement or otherwise or (ii) any rescission, waiver, amendment or modification of any of the terms or provisions of this Agreement or any other agreement (other than the indefeasible payment in full in cash of all the Obligations and except to the extent that such Obligations have been explicitly modified pursuant to an amendment or waiver that has become effective in accordance with Section 9.02). (For the avoidance of doubt, this Section 9.13 will not limit the ability of the Borrowers, the Subsidiaries and their Affiliates to engage in Permitted Reorganization Transactions otherwise permitted by this Credit Agreement.)

(c) Each Borrower further agrees that its agreement under this Section constitutes a promise of payment when due (whether or not any bankruptcy or similar proceeding shall have stayed the accrual or collection of any of the Obligations or operated as a discharge thereof) and not of collection, and waives any right to require that any resort be had by any Lender or the Administrative Agent to any balance of any deposit account or credit on the books of such Lender or the Administrative Agent in favor of any Borrower or any other Person.

(d) The obligations of each Borrower under this Section shall not be subject to any reduction, limitation, impairment or termination for any reason, and shall not be subject to any defense or setoff, counterclaim, recoupment or termination

whatsoever, by reason of the invalidity, illegality or unenforceability of the Obligations, any impossibility in the performance of the Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of a Borrower under this Section shall not be discharged or impaired or otherwise affected by (i) the failure of the Administrative Agent or any Lender to assert any claim or demand or to enforce any remedy under this Agreement or any other agreement, (ii) any waiver or modification in respect of any thereof, (iii) any default, failure or delay, willful or otherwise, in the performance of any of the Obligations or (iv) any other act or omission that may or might in any manner or to any extent vary the risk of such Borrower or otherwise operate as a discharge of such Borrower or any other Borrower as a matter of law or equity.

(e) Each Borrower further agrees that its obligations under this Section 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 or any Lender upon the bankruptcy or reorganization of any other Borrower or otherwise.

(f) In furtherance of the foregoing and not in limitation of any other right which the Administrative Agent or any Lender may have at law or in equity against any Borrower by virtue of this Section, upon the failure of any other Borrower to pay any Obligation when and as the same shall become due, whether at maturity, by acceleration, after notice of prepayment of otherwise, each Borrower hereby promises to and will, upon receipt of written demand by the Administrative Agent, forthwith pay, or cause to be paid, in cash the amount of such unpaid Obligation.

(g) If by virtue of the provisions set forth herein, any Borrower is required to pay and shall pay Obligations initially incurred by another Borrower, all rights of such Borrower against such other Borrower arising as a result of such payment by way of right of subrogation 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.

SECTION 9.14. USA Patriot Act. Each Lender and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies each Borrower that pursuant to the requirements of the USA Patriot Act, it is required to obtain, verify and record information that identifies such Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrower in accordance with the USA Patriot Act.

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 I L.P.,

By: Blackstone Holdings I/II GP Inc., its General Partner

by /s/ Hamilton E. James
Name: Hamilton E. James
Title: President and Chief Operating Officer

BLACKSTONE HOLDINGS II L.P.,

By: Blackstone Holdings I/II GP Inc., its General Partner

by /s/ Hamilton E. James
Name: Hamilton E. James
Title: President and Chief Operating 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

By: The Blackstone Group L.P., its Sole Member

By: Blackstone Group Management L.L.C., its General Partner

by /s/ Hamilton E. James
Name: Hamilton E. James
Title: President and Chief Operating Officer

BLACKSTONE HOLDINGS IV L.P.,

By: Blackstone Holdings IV GP L.P., its General Partner

By: Blackstone Holdings IV GP Management L.L.C., its General Partner

By: The Blackstone Group L.P., its Sole Member

By: Blackstone Group Management L.L.C., its General Partner

by /s/ Hamilton E. James
Name: Hamilton E. James
Title: President and Chief Operating Officer

BLACKSTONE HOLDINGS V L.P.,

By: Blackstone Holdings V GP L.P., its General Partner

By: Blackstone Holdings V GP Management (Delaware) L.L.C., its General Partner

By: The Blackstone Group L.P., its Sole Member

By: Blackstone Group Management L.L.C., its General Partner

by /s/ Hamilton E. James
Name: Hamilton E. James
Title: President and Chief Operating Officer

JPMORGAN CHASE BANK, N.A.,
individually and as Administrative Agent,

by /s/ James R. Coffman
Name: James R. Coffman
Title: Executive Director
JPMorgan Chase Bank, N.A.

LENDER SIGNATURE PAGE TO
THE BLACKSTONE CREDIT AGREEMENT

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:

CITIBANK, N.A.

by /s/ Alexander F. Duka
Name: Alexander F. Duka
Title: Managing Director

For any Institution requiring a second signature line:

by _____
Name:
Title:

LENDER SIGNATURE PAGE TO
THE BLACKSTONE CREDIT AGREEMENT

Name of Institution:

Credit Suisse, Cayman Islands Branch

by /s/ Alain Deroust
Name: Alain Deroust
Title: Director

For any Institution requiring a second signature line:

by /s/ Morenikeji Ajayi
Name: Morenikeji Ajayi
Title: Associate

Name of Institution:

DEUTSCHE BANK TRUST COMPANY AMERICAS

by /s/ Omayra Laucella
Name: Omayra Laucella
Title: Vice President

For any Institution requiring a second signature line:

by /s/ Paul O'Leary
Name: Paul O'Leary
Title: Director

LENDER SIGNATURE PAGE TO
THE BLACKSTONE CREDIT AGREEMENT

Name of Institution:

UBS Loan Finance LLC

by /s/ Richard L. Tavrow
Name: Richard L. Tavrow
Title: 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

Name of Institution:

GREENWICH CAPITAL MARKETS, INC.,
AS AGENT FOR THE ROYAL BANK OF
SCOTLAND PLC

by /s/ Diane Ferguson
Name: Diane Ferguson
Title: Managing Director

For any Institution requiring a second signature line:

by _____
Name:
Title:

LENDER SIGNATURE PAGE TO
THE BLACKSTONE CREDIT AGREEMENT

Name of Institution:

Morgan Stanley Bank

by /s/ Henry F. D'Alessandro
Name: Henry F. D'Alessandro
Title: Authorized Signatory

For any Institution requiring a second signature line:

by _____
Name:
Title:

Exhibit 10.19.1

This AMENDMENT No. 1 dated as of January 1, 2008 (this " Amendment ") to the Second Amended and Restated Agreement of Limited Partnership dated as of May 31, 2007 (the " Existing Agreement "), of Blackstone Real Estate Management Associates International L.P., an Alberta, Canada limited partnership (the " Partnership ").

WHEREAS, BREA International (Cayman) Ltd., a Cayman Islands exempted limited company (" BREA (Cayman) "), and BREP GP Delaware (as hereinafter defined) are the general partners of the Partnership, and the other parties hereto are limited partners of the Partnership; and

WHEREAS, the parties wish to amend and supplement the Existing Agreement as set forth herein, and defined terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Existing Agreement;

NOW, THEREFORE, the parties agree as follows:

1. Amendment to Section 1.1 of Existing Agreement . (a) Section 1.1 of the Existing Agreement is hereby amended by adding the following new definitions:

" BREA VI LLC Agreement " means the Second Amended and Restated Limited Liability Company Agreement dated as of May 31, 2007, as amended and supplemented to date, of BREA VI L.L.C., an affiliate of the Partnership.

" BREP GP Delaware " means BREP International GP L.P., a Delaware limited partnership.

" Capital Commitment BREA Investment " means BREA International (Delaware)'s indirect interest in a specific investment of BREI pursuant to the BREI Agreement in BREA International (Delaware)'s capacity as the holder of the Capital Commitment BREP International Interest.

" Capital Commitment BREA Partner Interest " means the interest of the Partnership in BREA International (Delaware) with respect to the Capital Commitment BREP International Interest.

" Capital Commitment BREP International Interest " means the Interest (as defined in the BREI Agreement) initially held by Blackstone Real Estate Capital Commitment Partners International L.P., a Delaware limited partnership (" Blackstone Real Estate CCP Delaware "), as a capital partner in BREI and transferred and assigned by Blackstone Real Estate CCP Delaware to BREA International and by BREA International to BREA International (Delaware).

" Capital Commitment Investment " means the Partnership's indirect interest in a Capital Commitment BREA Investment. BREP GP Delaware, as general partner of the Partnership, shall determine which Partners may participate in any Capital Commitment Investment.

" 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 BREA 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 BREA Partner Interest, which interest shall be (x) a general partner interest in the Partnership in the case of BREP GP Delaware, and (y) a limited partner interest in the Partnership in the case of any Limited Partner which holds a Capital Commitment Partner Interest.

" Capital Commitment Profit Sharing Percentage " of a Partner, with respect to each Capital Commitment Investment, means the percentage interest of such Partner in the Capital Commitment Net Income (Loss) of the Partnership from such Capital Commitment Investment set forth in the books and records of the Partnership.

(b) The definitions of the terms "BREI Investment" and "Investment" in Section 1.1 of the Existing Agreement are hereby amended to exclude from each such definition, any Capital Commitment BREA Investment and any Capital Commitment Investment.

2. Amendment to Section 2.1 of Existing Agreement . The second sentence of Section 2.1 of the Existing Agreement is hereby amended to read, in its entirety, as follows:

"The General Partners are BREA (Cayman) and BREP GP Delaware."

3. Amendment to Section 3.1 of Existing Agreement . Section 3.1 of the Existing Agreement is hereby amended to read, in its entirety, as follows:

"3.1. General Partners . BREA (Cayman) and BREP 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."

4. Amendment to Section 3.4(a) of Existing Agreement . Section 3.4(a) of the Existing Agreement is hereby amended to read, in its entirety, as follows:

"(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 Partnerships; provided that, except as otherwise required by applicable law, (i) BREA (Cayman) shall have exclusive power, authority, management, control and operation with respect to the voting of securities of portfolio companies of BREI, (ii) BREP 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 BREI, and (iii) each reference to the "General Partner" in this Agreement means BREP GP Delaware, unless such reference relates to the voting of portfolio securities of BREI, in which case, such reference means BREA (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."

5. Amendment to Article VIII of Existing Agreement . Article VIII of the Existing Agreement is hereby amended by adding a new Section 8.15, which reads, in its entirety, as follows:

"8.15. Capital Commitment Partner Interest . Each Partner which holds a Capital Commitment Partner Interest shall have a Capital Commitment Profit Sharing Percentage with respect to each Capital Commitment Investment of the Partnership from time to time, and each such Capital Commitment Profit Sharing Percentage shall be set forth in the books and records of the Partnership. The rights and obligations of the Partnership and of each Partner which holds a Capital Commitment Partner Interest with respect to such Capital Commitment Partner Interest shall be the same as the rights and obligations of BREA VI L.L.C. and of each member of BREA VI L.L.C., respectively, under the BREA VI LLC Agreement with respect to such member's "Capital Commitment Member Interest" (as defined in the BREA VI LLC Agreement) (including, without limitation, rights and obligations with respect to any adjustment or other change of such Partner's Capital Commitment Profit Sharing Percentage), mutatis mutandis; and the accounting treatment (for financial reporting and tax purposes) of all items included in the financial accounts and statements of the Partnership with respect to the Capital Commitment BREA Partner Interest, each Capital Commitment Investment (including, without limitation, all items of Capital Commitment Net Income (Loss) with respect to such Capital Commitment Investment) and each Partner's Capital Commitment Partner Interest (including, without limitation, each of such Partner's Capital Commitment Profit Sharing Percentages) shall be the same as the accounting treatment (for financial

reporting and tax purposes) of all items included in the financial accounts and statements of BREA VI L.L.C. with respect to the "Capital Commitment BREA VI Partner Interest", each "Capital Commitment Investment" (including, without limitation, all items of "Capital Commitment Net Income (Loss)" with respect to such Capital Commitment Investment) and the "Capital Commitment Member Interest" of each member of BREA VI L.L.C. (including, without limitation, each of such member's "Capital Commitment Profit Sharing Percentages"), respectively, under the BREA VI LLC Agreement, mutatis mutandis (the foregoing quoted terms used in respect of BREA VI L.L.C. or a member thereof having the respective meanings given to such terms in the BREA VI LLC Agreement)."

6. Ratification; Conflicts; Governing Law; Execution in Counterparts; Headings . As amended and supplemented hereby, the Existing Agreement is hereby ratified and confirmed. In the event of any conflict between the provisions of this Amendment and the provisions of the Existing Agreement, the provisions of this Amendment shall control. This Amendment shall be governed by and construed in accordance with the laws of the Province of Alberta, Canada, without regard to conflicts of law principles. This Amendment may be executed in any number of counterparts, all of which together shall constitute a single instrument. The headings in this Amendment are for convenience of reference only and shall not affect the meaning or interpretation of this Amendment.

IN WITNESS WHEREOF, the parties have executed this Amendment effective as of the day and year first above written.

GENERAL PARTNERS:
BREA INTERNATIONAL (CAYMAN) LTD.

By: /s/ Stephen A. Schwarzman
Name: Stephen A. Schwarzman
Title: Director

BREP INTERNATIONAL GP L.P.
By: BREP International GP L.L.C.

By: /s/ Stephen A. Schwarzman
Name: Stephen A. Schwarzman
Title: Chairman and Chief Executive Officer

LIMITED PARTNERS:
All other Limited Partners now and hereafter admitted pursuant to powers of attorney now and hereafter granted to the General Partners

By: BREP INTERNATIONAL GP L.P.
By: BREP International GP L.L.C.

By: /s/ Stephen A. Schwarzman
Name: Stephen A. Schwarzman
Title: Chairman and Chief Executive Officer

Exhibit 10.20.1

This AMENDMENT No. 1 dated as of January 1, 2008 (this " Amendment ") to the Second Amended and Restated Agreement of Limited Partnership dated as of May 31, 2007 (the " Existing Agreement "), of Blackstone Real Estate Management Associates International II L.P., an Alberta, Canada limited partnership (the " Partnership ").

WHEREAS, BREA International (Cayman) II Ltd., a Cayman Islands exempted limited company (" BREA (Cayman) "), and BREP GP Delaware (as hereinafter defined) are the general partners of the Partnership, and the other parties hereto are limited partners of the Partnership; and

WHEREAS, the parties wish to amend and supplement the Existing Agreement as set forth herein, and defined terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Existing Agreement;

NOW, THEREFORE, the parties agree as follows:

1. Amendment to Section 1.1 of Existing Agreement . (a) Section 1.1 of the Existing Agreement is hereby amended by adding the following new definitions:

" BREA VI LLC Agreement " means the Second Amended and Restated Limited Liability Company Agreement dated as of May 31, 2007, as amended and supplemented to date, of BREA VI L.L.C., an affiliate of the Partnership.

" BREP GP Delaware " means BREP International II GP L.P., a Delaware limited partnership.

" Capital Commitment BREA Investment " means BREA International (Delaware) II's indirect interest in a specific investment of BREP International II pursuant to the BREP International II Agreement in BREA International (Delaware) II's capacity as the holder of the Capital Commitment BREP International II Interest.

" Capital Commitment BREA Partner Interest " means the interest of the Partnership in BREA International (Delaware) II with respect to the Capital Commitment BREP International II Interest.

" Capital Commitment BREP International II Interest " means the Interest (as defined in the BREP International II Agreement) initially held by Blackstone Real Estate Capital Commitment Partners International II L.P., a Delaware limited partnership (Blackstone Real Estate CCP Delaware"), as a capital partner in BREP International II and transferred and assigned by Blackstone Real Estate CCP Delaware to BREA International II and by BREA International II to BREA International (Delaware) II.

" Capital Commitment Investment " means the Partnership's indirect interest in a Capital Commitment BREA Investment. BREP GP Delaware, as general partner of the Partnership, shall determine which Partners may participate in any Capital Commitment Investment.

" 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 BREA 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 BREA Partner Interest, which interest shall be (x) a general partner interest in the Partnership in the case of BREP GP Delaware, and (y) a limited partner interest in the Partnership in the case of any Limited Partner which holds a Capital Commitment Partner Interest.

" Capital Commitment Profit Sharing Percentage " of a Partner, with respect to each Capital Commitment Investment, means the percentage interest of such Partner in the Capital Commitment Net Income (Loss) of the Partnership from such Capital Commitment Investment set forth in the books and records of the Partnership.

(b) The definitions of the terms "BREP International II Investment" and "Investment" in Section 1.1 of the Existing Agreement are hereby amended to exclude from each such definition, any Capital Commitment BREA Investment and any Capital Commitment Investment.

2. Amendment to Section 2.1 of Existing Agreement . The second sentence of Section 2.1 of the Existing Agreement is hereby amended to read, in its entirety, as follows:

"The General Partners are BREA (Cayman) and BREP GP Delaware."

3. Amendment to Section 3.1 of Existing Agreement . Section 3.1 of the Existing Agreement is hereby amended to read, in its entirety, as follows:

"3.1. General Partners . BREA (Cayman) and BREP 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."

4. Amendment to Section 3.4(a) of Existing Agreement . Section 3.4(a) of the Existing Agreement is hereby amended to read, in its entirety, as follows:

"(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 Partnerships; provided that, except as otherwise required by applicable law, (i) BREA (Cayman) shall have exclusive power, authority, management, control and operation with respect to the voting of securities of portfolio companies of BREP International II, (ii) BREP 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 BREP International II, and (iii) each reference to the "General Partner" in this Agreement means BREP GP Delaware, unless such reference relates to the voting of portfolio securities of BREP International II, in which case, such reference means BREA (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."

5. Amendment to Article VIII of Existing Agreement . Article VIII of the Existing Agreement is hereby amended by adding a new Section 8.15, which reads, in its entirety, as follows:

"8.15. Capital Commitment Partner Interest . Each Partner which holds a Capital Commitment Partner Interest shall have a Capital Commitment Profit Sharing Percentage with respect to each Capital Commitment Investment of the Partnership from time to time, and each such Capital Commitment Profit Sharing Percentage shall be set forth in the books and records of the Partnership. The rights and obligations of the Partnership and of each Partner which holds a Capital Commitment Partner Interest with respect to such Capital Commitment Partner Interest shall be the same as the rights and obligations of BREA VI L.L.C. and of each member of BREA VI L.L.C., respectively, under the BREA VI LLC Agreement with respect to such member's "Capital Commitment Member Interest" (as defined in the BREA VI LLC Agreement) (including, without limitation, rights and obligations with respect to any adjustment or other change of such Partner's Capital Commitment Profit Sharing Percentage), mutatis mutandis; and the accounting treatment (for financial reporting and tax purposes) of all items included in the financial accounts and statements of the Partnership with respect to the Capital Commitment BREA Partner Interest, each Capital Commitment Investment (including, without limitation, all items of Capital Commitment Net Income (Loss) with respect to such Capital Commitment Investment) and each Partner's Capital Commitment Partner Interest (including, without limitation, each of such Partner's Capital Commitment Profit Sharing Percentages) shall be the same as the accounting treatment (for financial

reporting and tax purposes) of all items included in the financial accounts and statements of BREA VI L.L.C. with respect to the "Capital Commitment BREA VI Partner Interest", each "Capital Commitment Investment" (including, without limitation, all items of "Capital Commitment Net Income (Loss)" with respect to such Capital Commitment Investment) and the "Capital Commitment Member Interest" of each member of BREA VI L.L.C. (including, without limitation, each of such member's "Capital Commitment Profit Sharing Percentages"), respectively, under the BREA VI LLC Agreement, mutatis mutandis (the foregoing quoted terms used in respect of BREA VI L.L.C. or a member thereof having the respective meanings given to such terms in the BREA VI LLC Agreement)."

6. Ratification; Conflicts; Governing Law; Execution in Counterparts; Headings . As amended and supplemented hereby, the Existing Agreement is hereby ratified and confirmed. In the event of any conflict between the provisions of this Amendment and the provisions of the Existing Agreement, the provisions of this Amendment shall control. This Amendment shall be governed by and construed in accordance with the laws of the Province of Alberta, Canada, without regard to conflicts of law principles. This Amendment may be executed in any number of counterparts, all of which together shall constitute a single instrument. The headings in this Amendment are for convenience of reference only and shall not affect the meaning or interpretation of this Amendment.

IN WITNESS WHEREOF, the parties have executed this Amendment effective as of the day and year first above written.

GENERAL PARTNERS:
BREA INTERNATIONAL (CAYMAN) II LTD.

By: /s/ Stephen A. Schwarzman
Name: Stephen A. Schwarzman
Title: Director

BREP INTERNATIONAL II GP L.P.
By: BREP International II GP L.L.C.

By: /s/ Stephen A. Schwarzman
Name: Stephen A. Schwarzman
Title: Chairman and Chief Executive Officer

LIMITED PARTNERS:
All other Limited Partners now and hereafter admitted pursuant to powers of attorney now and hereafter granted to the General Partners

By: BREP INTERNATIONAL II GP L.P.
By: BREP International II GP L.L.C.

By: /s/ Stephen A. Schwarzman
Name: Stephen A. Schwarzman
Title: Chairman and Chief Executive Officer

Exhibit 10.26.1

This AMENDMENT No. 1 dated as of January 1, 2008 (this " Amendment ") to the Second Amended and Restated Agreement of Limited Partnership dated as of May 31, 2007 (the " Existing Agreement "), of BREA VI L.L.C., a Delaware limited liability company (the " Company ").

WHEREAS, Blackstone Holdings III L.P. is the managing member (the " Managing Member ") of the Company; and

WHEREAS, the Managing Member wishes to amend and supplement the Existing Agreement as set forth herein, and defined terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Existing Agreement;

NOW, THEREFORE, the parties agree as follows:

1. Amendment to Section 1.1 of Existing Agreement . (a) Section 1.1 of the Existing Agreement is hereby amended by adding the following new definitions:

" Capital Commitment BREA VI Partner Interest " means the Company's interest in BREA VI with respect to the Capital Commitment BREP VI Interest.

" GP-Related BREA VI Partner Interest " means the Company's interest in BREA VI with respect to the GP-Related BREP VI Interest and the GP-Related BFREP VI Partner Interest.

(b) Section 1.1 of the Existing Agreement is hereby amended by amending the existing definitions of the terms set forth below so that the definitions of such terms read, in their entirety, as follows:

" Capital Commitment BREP VI Commitment " means BREA VI's Capital Commitment (as defined in the BREP VI Partnership Agreement) to BREP VI that relates solely to the Capital Commitment BREP VI Interest.

" Capital Commitment BREP VI Interest " means the Interest (as defined in the BREP VI Partnership Agreement) initially held by BRE Holdings VI as a capital partner in BREP VI and transferred and assigned by BRE Holdings VI to BREA VI.

" Capital Commitment BREP VI Investment " means the Company's indirect interest in BREA VI's indirect interest in a specific investment of BREP VI pursuant to the BREP VI Partnership Agreement in BREA VI's capacity as a capital partner of BREP VI with respect to the Capital Commitment BREP VI Interest.

" Capital Commitment Member Interest " means a Member's interest in the Company with respect to the Company's Capital Commitment BREA VI Partner Interest.

" GP-Related BREA VI LP Interest " means the Company's interest as a limited partner in BREA VI.

" GP-Related BREP VI Investment " means the Company's indirect interest in BREA VI's indirect interest in an Investment (for purposes of this definition, as defined in the BREP VI Partnership Agreement) in BREA VI's capacity as the general partner of BREP VI, but does not include any direct or indirect investment by the Company on a side-by-side basis in any investment, the Company's indirect interest in any direct or indirect investment by BFREP VI on a side-by-side basis in any investment or any Capital Commitment Investment.

" GP-Related Capital Contributions " means capital contributions to the Company as are necessary to fund the amounts required to satisfy the Company's obligations to make capital contributions to BREA VI in respect of the GP-Related BREA VI LP Interest, as determined by the Managing Member from time to time.

" GP-Related Investment " means any investment (direct or indirect) of the Company in respect of the Company's GP-Related BREA VI Partner Interest (including, without limitation, any GP-Related BREP VI 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 Company's GP-Related BREA VI Partner Interest and BREA VI's GP-Related BFREP VI Partner Interest and with respect to all GP-Related Investments.

2. Amendment to Section 2.4 of Existing Agreement . Clause (ii) of Section 2.4(a) of the Existing Agreement is hereby amended by adding, at the end thereof, the following:

"and to serve as a general partner of BREA VI and perform the functions of a general partner specified in the BREA VI Partnership Agreement"

3. Amendment to Section 3.6 of Existing Agreement . Section 3.6(a) of the Existing Agreement is hereby amended by deleting the last sentence thereof in its entirety.

4. Ratification; Conflicts; Governing Law; Execution in Counterparts; Headings . As amended and supplemented hereby, the Existing Agreement is hereby ratified and confirmed. In the event of any conflict between the provisions of this Amendment and the provisions of the Existing Agreement, the provisions of this Amendment shall control. This Amendment shall be governed by and construed in accordance with the laws of the State of Delaware without regard to conflicts of law principles. This Amendment may be executed in any number of counterparts, all of which together shall constitute a single instrument. The headings in this Amendment are for convenience of reference only and shall not affect the meaning or interpretation of this Amendment.

IN WITNESS WHEREOF, the parties have executed this Amendment effective as of the day and year first above written.

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/ Stephen A. Schwarzman
Name: Stephen A. Schwarzman
Title: Chairman and Chief Executive Officer

Exhibit 10.28

BCLA L.L.C.

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

DATED AS OF APRIL 15, 2008

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BCLA L.L.C.

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT of BCLA L.L.C. (the " Company "), dated as of April 15, 2008, by and among Blackstone Holdings III L.P., a Québec *société en commandité* (the " Managing Member " or " Holdings "), the other members of the Company as provided on the signature pages hereto, and such other persons that are admitted to the Company as members after the date hereof in accordance herewith.

W I T N E S S E T H

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 September 14, 2007;

WHEREAS, the original limited liability company agreement of the Company was executed as of September 14, 2007 (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 and restated from time to time.

" Alternative Investment Vehicle " means any investment vehicle or structure formed pursuant to paragraph 2.7 of the BCLP Partnership Agreement or any other "Alternative Investment Vehicle" (as defined in any other BCLP Agreements).

" Applicable Collateral Percentage " shall have the meaning with respect to any Firm Collateral and Special Firm Collateral, in each case, as set forth on 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.

" BCLA " means Blackstone Credit Liquidity Associates L.L.C., a Delaware limited liability company and the general partner of BCLP.

" BCLA LLC Agreement " means the Limited Liability Company Agreement of Blackstone Credit Liquidity Associates L.L.C., dated as of September 12, 2007, as it may be amended, supplemented or otherwise modified from time to time.

" BCLP " is the collective reference to Blackstone Credit Liquidity Partners L.P., a Delaware limited partnership, and any Alternative Investment Vehicle relating thereto.

" BCLP Co-Invest L.P. " is the collective reference to Blackstone Credit Liquidity Co-Investors (Alberta) L.P., an Alberta, Canada limited partnership, and any alternative investment vehicle relating thereto.

" BCLP Agreements " is the collective reference to (i) the BCLP Partnership Agreement and (ii) the similar agreements of any Alternative Investment Vehicles.

" BCLP Co-Invest Agreements " is the collective reference to (i) the Amended and Restated Agreement of Limited Partnership, dated as of December 21, 2007, of Blackstone Credit Liquidity Co-Investors (Alberta) L.P., as may be amended, supplemented or otherwise modified from time to time, and (ii) the similar agreements of any alternative investment vehicles thereto.

" BCLP Partnership Agreement " is the Amended and Restated Agreement of Limited Partnership, dated as of October 12, 2007, of Blackstone Credit Liquidity Partners L.P., as may be amended, supplemented or otherwise modified from time to time.

" 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 " means Blackstone Capital Partners L.P., a Delaware limited partnership, and any investment vehicle established in accordance with the terms of Blackstone Capital Partners L.P.'s partnership agreement to invest in lieu of Blackstone Capital Partners L.P. on behalf of one or more of the partners thereof.

" BCP II " means Blackstone Capital Partners II Merchant Banking Fund L.P., a Delaware limited partnership, any investment vehicle established pursuant to paragraph 2.7 of such partnership's partnership agreement, Blackstone Offshore Capital Partners II L.P., a Cayman Islands exempted limited partnership, and any investment vehicle established pursuant to paragraph 2.7 of such partnership's partnership agreement.

" BCP III " means Blackstone Capital Partners III Merchant Banking Fund L.P., a Delaware limited partnership, Blackstone Offshore Capital Partners III L.P., a Cayman Islands exempted limited partnership, and any investment vehicle established pursuant to paragraph 2.7 of the respective partnership agreement of either of such partnerships.

" BCP IV " is the collective reference to Blackstone Capital Partners IV L.P., a Delaware limited partnership, and any alternative investment vehicle relating thereto and any parallel fund.

" BCP V " is the collective to (i) Blackstone Capital Partners V L.P., a Delaware limited partnership, and any Alternative Investment Vehicle relating thereto, (ii) BCP V-S L.P., a Delaware limited partnership, and any Alternative Investment Vehicle relating thereto, and (iii) Blackstone Capital Partners V-AC L.P., a Delaware limited partnership, and any alternative investment vehicle relating thereto.

" BFCOMP " means Blackstone Family Communications Partnership I L.P., Blackstone Family Communications Partnership I-SMD L.P. and any other partnership 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).

" BFCOMP Agreement " means the Amended and Restated Agreements of Limited Partnership dated as of June 29, 2000 of Blackstone Family Communications Partnership I L.P. and any other BFCOMP limited partnership agreement.

" BFCOMP Investment " means any direct or indirect investment by BFCOMP.

" 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. 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, BCP II, BCP III, BCP IV, BCP V or any other fund with substantially similar investment objectives to BCP, BCP II, BCP III, BCP IV and BCP V and that are sponsored or managed by an Affiliate of the Company (which includes serving as general partner of such funds).

" BFIP Agreement " means the Agreement of Limited Partnership dated as of December 21, 1995 of Blackstone Capital Associates II L.P., the Agreement of Limited Partnership dated as of June 27, 1997 of Blackstone Capital Associates III L.P., the Limited Partnership Agreement dated as of December 14, 1995 of Blackstone Family Investment Partnership II L.P., the Limited Partnership Agreements dated as of June 27, 1997 of Blackstone Family Investment Partnership III L.P., the Amended and Restated Agreements of Limited Partnership dated as of November 9, 2001 of Blackstone Family Investment Partnership IV - A L.P., and the Amended and Restated Agreements of Limited Partnership dated as of October 14, 2005, of Blackstone Family Investment Partnership V L.P., as each of such agreements may be amended, supplemented or otherwise modified from time to time, and any other BFIP limited partnership agreement.

" BFIP Investment " means any direct or indirect investment by BFIP.

" 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., 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 directly or indirectly in investments in securities also purchased by BMEZP I, BMEZP II or any other funds with substantially similar investment objectives to BMEZP I and BMEZP II and that are sponsored or managed by an Affiliate of the Company (which includes serving as general partner of such funds).

" BFMEZP Agreement " means the Limited Partnership Agreement dated as of March 22, 1999 of Blackstone Mezzanine Holdings L.P., the Amended and Restated Agreements of Limited Partnership dated as of June 10, 2005 of Blackstone Mezzanine Holdings II L.P., as each of such agreements may be amended, supplemented or otherwise modified from time to time, and any other BFMEZP limited partnership agreement.

" BFMEZP Investment " means any direct or indirect investment by BFMEZP.

" BFREP " means 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 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 Family Real Estate Partnership Europe III-SMD 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 and any other funds with substantially similar investment objectives to BREP and that are sponsored or managed by an Affiliate of the General Partner (which includes serving as general partner of such funds).

" BFREP Agreement " means the Agreement of Limited Partnership, dated as of May 20, 1996, of Blackstone Real Estate Capital Associates L.P., the Agreements of Limited Partnership, dated as of October 21, 1996, of Blackstone Family Real Estate Partnership II L.P., Blackstone Real Estate Holdings II L.P. and Blackstone Real Estate Capital Associates II L.P., the Agreements of Limited Partnership, dated as of October 21, 1998, of Blackstone Family Real Estate Partnership III L.P., Blackstone Real Estate Holdings III L.P. and Blackstone Real Estate Capital Associates III L.P., the Amended and Restated Agreements of Limited Partnership, dated as of July 26, 2001, of Blackstone Real Estate Holdings International - A L.P., the Amended and Restated Agreements of Limited Partnership, dated as of September 9, 2002, of Blackstone Real Estate Holdings IV L.P., the Amended and Restated Agreements of Limited Partnership, dated as of August 5, 2005, of Blackstone Real Estate Holdings International II L.P., the Amended and Restated Agreements of Limited Partnership, dated as of December 14, 2005, of Blackstone Real Estate Holdings V L.P., and the Amended and Restated Agreements of Limited Partnership, dated as of February 8, 2007, of Blackstone Real Estate Holdings VI L.P., the Agreement of Limited Partnership, dated as of December 19, 2007, of Blackstone Real Estate Holdings Europe III L.P.

and the Agreement of Limited Partnership, dated as of December 19, 2007, of Blackstone Family Real Estate Partnership Europe III-SMD L.P. as each of such agreements may be amended, supplemented or otherwise modified from time to time, and any other BFREP limited partnership agreement.

" BFREP Investment " means any direct or indirect investment by BFREP.

" Blackstone Capital Commitment " has the meaning set forth in the BCLP Agreements.

" 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 " means BREP VI and any of its predecessor funds.

" 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 BREP VI Partnership Agreement), 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.

" BREP VI Partnership Agreement " means the collective reference to the Amended and Restated Agreements of Limited Partnership of BREP VI, dated as of February 8, 2007, as may be amended, supplemented or otherwise modified from time to time.

" Capital Commitment BCLP Investment " means the Company's interest (if any) in a specific investment of BCLP pursuant to the BCLP Partnership Agreement in the Company's capacity as a capital partner of BCLP.

" Capital Commitment BCLP Commitment " means the Company's Capital Commitment (as defined in the BCLP Partnership Agreement) to BCLP that relates solely to the Capital Commitment BCLP Interest.

" Capital Commitment BCLP Interest " means the Interest (as defined in the BCLP Partnership Agreement) of the Company as a capital partner in BCLP.

" 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)(ii).

" Capital Commitment Deficiency Contribution " has the meaning specified in Section 7.4(g)(ii).

" 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 BCLP 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 BCLP Investment, but shall exclude any GP-Related Investment. The Managing Member 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 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 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 with respect to the Capital Commitment BCLP Interest.

" 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.

" 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 " shall mean (i) " Carried Interest Distributions " as defined in the BCLP Partnership Agreement, and (ii) any other carried interest distribution to a Fund GP pursuant to any BCLP 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 " shall mean, 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 "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 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 (z) such Member's committing to or engaging in any conduct or behavior that is or may be harmful to the Company 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 (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 Company's business or (B) the business of the Company.

" Charitable Organization " means an organization described in Section 170(c) of the Code (without regard to Section 170(c)(2)(A) thereof).

" Clawback Adjustment Amount " has the meaning set forth in Section 5.8(e).

" Clawback Amount " shall mean the " Clawback Amount " as set forth in Article One of the BCLP Partnership Agreement and any other clawback amount payable to the limited partners of BCLP pursuant to any BCLP Agreement, as applicable.

" Clawback Provisions " shall mean paragraph 9.2.8 of the BCLP Partnership Agreement and any other similar provisions in any other BCLP 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 shall mean, 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 hereof. 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 " shall mean 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 " shall mean 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)(v)(A).

" Excess Holdback Percentage " has the meaning set forth in Section 4.1(d)(v)(A).

" Excess Tax-Related Amount " has the meaning set forth in Section 5.8(e).

" Existing Member " shall mean 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 " shall mean 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 " shall mean a calendar year, or any other period chosen by the Managing Member.

" Fund GP " means the Company (only with respect to the Company's GP-Related BCLA Member Interest) and the Other Fund GPs.

" GAAP " has the meaning specified in Section 5.1(a).

" Giveback Amount " shall mean the aggregate of the "Investment—Related Giveback Amount" and "Other Giveback Amount", as such terms are defined in the BCLP Partnership Agreement.

" Giveback Provisions " shall mean paragraph 3.4.3 of the BCLP Partnership Agreement and any other similar provisions in any other BCLP Agreement existing heretofore or hereafter entered into.

" GP-Related BCLP Investment " means the Company's indirect interest in BCLA's indirect interest in an Investment (for purposes of this definition, as defined in the BCLP Partnership Agreement) in BCLA's capacity as the general partner of BCLP, but does not include any Capital Commitment Investment.

" GP-Related BCLA Member Interest " means the interest of the Company as the sole member of BCLA.

" 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 any such commitment set forth in such Member's Commitment Agreement or SMD Agreement.

" GP-Related Defaulting Party " has the meaning set forth in Section 5.8(d)(ii).

" GP-Related Deficiency Contribution " has the meaning set forth in Section 5.8(d)(ii).

" 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)(i).

" GP-Related Investment " means any investment (direct or indirect) of the Company in respect of the Company's GP-Related BCLA Member Interest (including, without limitation, any GP-Related BCLP Investment).

" GP-Related Member Interest " of a Member means all interests of such Member in the Company (other than, as applicable, such Member's Capital Commitment Member Interest), including, without limitation, such Member's interest in the Company with respect to the Company's GP-Related BCLA Member 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)) shall mean 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)(i).

" 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 BCLP 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 BCLP Investment if BCLP'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 BCLP to the Company (indirectly through the general partner of BCLP) pursuant to the BCLP Partnership Agreement with respect to such GP-Related BCLP 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)).

" Holdback " has the meaning set forth in Section 4.1(d)(i).

" Holdback Percentage " has the meaning set forth in Section 4.1(d)(i).

" Holdback Vote " has the meaning set forth in Section 4.1(d)(iv)(A).

" Holdings " has the meaning set forth in the preamble hereto and shall include, as the context requires, any of Blackstone Holdings I L.P., Blackstone Holdings II L.P., each a Delaware limited partnership, Blackstone Holdings IV L.P. or Blackstone Holdings V L.P., each a Québec *société en commandité.*

" 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)(i).

" 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 (if any).

" 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 in BFIP and interests in BFREP, BFMEZP and BFCOMP; provided , that such promissory note may also evidence indebtedness relating to other interests in BFIP and interests in BFREP, BFMEZP and BFCOMP, 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 BFIP Agreements and the BFREP Agreements, BFMEZP Agreements and BFCOMP 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, other BFIP Investments, BFREP Investments, BFMEZP Investments or BFCOMP 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, other interests in BFIP or interests in BFREP, BFMEZP or BFCOMP 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)(vi).

" L/C Member " has the meaning set forth in Section 4.1(d)(vi).

" 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 Holdings, 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, other interests in BFIP or interests in BFREP, interests in BFMEZP or interests in BFCOMP.

" 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 " shall mean 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(c)(i).

" Non-Carried Interest " means, with respect to each GP-Related Investment, all amounts of distributions, other than Carried Interest and, as applicable, 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 Fund GPs " means BCLA and any other 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 BFIP (other than from the Company), BFREP, BFMEZP and BFCOMP to such Member.

" Parallel Fund " means any additional collective investment vehicles (or other similar arrangements) formed pursuant to paragraph 2.8 of the BCLP 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 " shall mean 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 " shall mean 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 the Members, pursuant to which each 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)(iv).

" 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 the date hereof, as it may be further amended, 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 and the Regular Members as of the date hereof are those persons shown as Regular Members on the signature pages hereof, and the Special Members as of the date hereof are persons shown as Special Members on the signature pages hereof. 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. If applicable, the books and records of the Company shall 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 (if any) dispositions by the Company of GP-Related Investments, dispositions by the Company of Capital Commitment Investments (if any), the GP-Related Profit Sharing Percentages of the Members, as modified from time to time, the Capital Commitment Profit Sharing Percentages (if any) 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 (if any) in which such Member shall participate and such Member's GP-Related Commitment, Capital Commitment-Related Commitment (if any), GP-Related Profit Sharing Percentage with respect to each such GP-Related Investment and Capital Commitment Profit Sharing Percentage (if any) with respect to each such Capital Commitment Investment. Each Member may have a GP-Related Member Interest and 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 BCLA 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, 2058, 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 sole member of BCLA and perform the functions of a member of BCLA specified in the BCLA LLC Agreement and to invest in GP-Related Investments and acquire and invest in Securities, (ii) if applicable, to serve as a capital partner of BCLP (including any Alternative Investment Vehicle and any Parallel Fund) and perform the functions of a limited partner of BCLP (including any Alternative Investment Vehicle and any Parallel Fund) specified

in the BCLP Agreements, (iii) to make the Blackstone Capital Commitment or a portion thereof, either directly or indirectly through BCLA, and to invest in Capital Commitment Investments and acquire and invest in Securities or other property (directly or indirectly through BCLP (including any Alternative Investment Vehicle and any Parallel Fund), (iv) 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, (v) 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, (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 BCLA LLC Agreement, the BCLP Agreements, the respective partnership agreements, as amended, supplemented or otherwise modified from time to time, of any partnership referred to in clause (v) above and the respective limited liability company agreements, as amended, supplemented or otherwise modified from time to time, of any limited liability company referred to in clause (v) above, (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 it (i) Withdraws from the Company for any reason, (ii) consents in its sole discretion to resign as the Managing Member, or (iii) becomes the subject of a Final Event. 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) Meetings of the Members may be called only by the Managing Member.

(b) Except as otherwise expressly provided herein and except as may be expressly required by the LLC Act, 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 Special Members herein.

(c) 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.

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 sole member of BCLA on BCLA's own behalf, in BCLA's capacity as general partner of BCLP, or in BCLA's capacity as the general partner of the general partner of BCLP Co-Invest L.P. or as general or limited partner, member or other equity owner of any Blackstone Entity (as hereinafter defined)) (i) to execute and deliver, and to perform the Company's obligations under, the BCLA LLC Agreement, including, without limitation, serving as sole member of BCLA, (ii) to execute and deliver, and to cause BCLA to perform BCLA's obligations under the BCLP Agreements, including, without limitation, serving as a general partner of BCLP, (iii) to execute and deliver, and to cause BCLA to cause the general partner of BCLP Co-Invest L.P. to perform the general partner obligations under the BCLP Co-Invest Agreements, (iv) to execute and deliver, and to cause BCLA to

perform BCLA's obligations under, the governing agreement, as amended, restated and/or supplemented (each a " Blackstone Entity Governing Agreement "), of any other partnership, limited liability company or other entity (each a " Blackstone Entity ") of which BCLA 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 Blackstone Entity, and (v) to take any action, in the applicable capacity, contemplated by or arising out of this Agreement, the BCLA LLC Agreement, the BCLP Agreements, the BCLP Co-Invest Agreements or each Blackstone Entity Governing Agreement (and any amendment, restatement and/or supplement 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 an authorized person of the Managing Member, in each case within the meaning of the Act, or otherwise (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 sole member of BCLA on BCLA's own behalf or in BCLA's capacity as general partner of BCLP or in BCLA's capacity as the general partner of the general partner of BCLP Co-Invest L.P. or as general or limited partner, member or other equity owner of any Blackstone Entity), any of the following:

(A) any agreement, certificate, instrument or other document of the Company, BCLA, BCLP, BCLP Co-Invest L.P. or any Blackstone Entity (and any amendments, restatements and/or supplements thereof), including, without limitation, the following: (I) the BCLA LLC Agreement, the BCLP Agreements, the BCLP Co-Invest Agreements, and each Blackstone Entity Governing Agreement, (II) Subscription Agreements on behalf of BCLP, (III) side letters issued in connection with investments in BCLP, and (IV) such other agreements, instruments, certificates and other documents as may be necessary or desirable in furtherance of the Company's, BCLA's, BCLP's, BCLP Co-Invest L.P.'s or any Blackstone Entity's purposes (and any amendments, restatements and/or supplements 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, BCLA, BCLP, BCLP Co-Invest L.P. and any Blackstone Entity (and any amendments, restatements and/or supplements thereof); and

(C) 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, BCLA, BCLP, BCLP Co-Invest L.P. or any Blackstone Entity to qualify to do business in a jurisdiction in which the Company, BCLA, BCLP, or any Blackstone Entity 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 sole member of BCLA or in its capacity as general partner of BCLP or in its capacity as the general partner of the general

partner of BCLP Co-Invest L.P., or as general or limited partner, member or other equity owner of any Blackstone Entity) (A) any certificates, forms, notices, applications and other documents to be filed with any government or governmental or regulatory body on behalf of the Company, BCLA, BCLP, and/or any Blackstone Entity, (B) any certificates, forms, notices, applications and other documents that may be necessary or advisable in connection with any bank account of the Company, BCLA, BCLP, or any Blackstone Entity or any banking facilities or services that may be utilized by the Company, BCLA, BCLP, or any Blackstone Entity, and all checks, notes, drafts and other documents of the Company, BCLA, BCLP, or any Blackstone Entity 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, any one or more Managers, the Company, BCLA, BCLP, or any Blackstone Entity, 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 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 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 and 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 and 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 and 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 and 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 and 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 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 (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 and 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 BCLA in respect of the GP-Related BCLA Member Interest to fund BCLA's capital contribution in respect of any GP-Related BCLP Investment and as are otherwise determined by the Managing Member from time to time; 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.

(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.) 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 each Member Category (such withheld percentage constituting 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 and 24% for Deceased Members (the " Initial Holdback Percentages ").

(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 Interest or otherwise has the right to receive distributions relating thereto, will not be capable of satisfying any 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 BCLP, 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 Company's GP-Related BCLA Member 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; Tax 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 GP-Related 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 Company's GP-Related BCLA Member Interest and the GP-Related Net Income (Loss) of the Company.

(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 the Company'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 4.3; 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(k) (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 Sections 5.4(d) and 5.4(e), 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 BCLP and allocated to the Company with respect to its pro rata share thereof (based on capital contributions made by the Company indirectly to BCLP with respect to the Company's GP-Related BCLA Member Interest) shall be allocated to the Members in accordance with each Member's Non-Carried Interest Sharing Percentage (subject to adjustment pursuant to Section 5.8(e)) with respect to the GP-Related Investment giving rise to such loss suffered by BCLP and (ii) GP-Related Net Loss relating to realized losses suffered by BCLP and allocated indirectly 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).

(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 BCLP, 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, except as provided in Section 5.4(e).

(e) The Managing Member may authorize from time to time advances to Members 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 BCLP 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 BCLP 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 GP-Related Interest with respect to such GP-Related Investment shall be vertically divided into two separate GP-Related Member Interests, a GP-Related Interest attributable to the GP-Related Disposable Investment (a Member's " GP-Related Class B

Interest "), and a GP-Related 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 BCLP) 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 BCLP) 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 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 BCLA is obligated under the Clawback Provisions or Giveback Provisions to contribute a Clawback Amount or Giveback Amount to BCLP and the Company is obligated to contribute any such amount to BCLA in respect of the Company's GP-Related BCLA Member Interest (the amount of such obligation with respect to 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 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 GP-Related Giveback Amounts) (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 BCLP 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 BCLP 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 BCLP Investment referred to in clause (II)(a) above and (c) if the GP-Related Giveback Amount is unrelated to a specific GP-Related BCLP Investment, all GP-Related BCLP 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 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 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.

(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 BCLP Agreements) on GP-Related BCLP 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 BCLP 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 BCLP Investment (the " Subject Investment ") that have been reduced under the BCLP 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 BCLP) 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 BCLP) 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 BCLP 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 BCLP Investments which gave rise to the Clawback Amount (i.e. , the Losses that followed the last GP-Related BCLP Investment with respect to which Carried Interest distributions were made), based on such Member's Carried Interest Sharing Percentage in such GP-Related BCLP 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 BCLP 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.

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 Member as of the date such Member is admitted to the Company, together with the *pro rata* reduction in all other Member' Capital Commitment Profit Sharing Percentages as of such date, shall be established by the Managing Member.

(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 Partner may Withdraw from the Company with respect to such Partner'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 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 " shall mean 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 Account 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 as provided in paragraph (k) below 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 (as referred to in paragraph (k) below) 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. in New York City as its prime rate and (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)-(s) 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 (o) may elect to forfeit the principal amount payable in the final installment of his subordinated promissory note under paragraph (k) above, 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 BCLP Interest and matters related to the Capital Commitment Member Interests and the Capital Commitment BCLP 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 BCLA Member 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 contribution in respect of the Capital Commitment BCLP Interest and the related Capital Commitment BCLP Commitment (including, without limitation, funding all or a portion of the Blackstone Capital Commitment). No Member shall be obligated to make contributions of capital 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 all or any portion of the Capital Commitment Capital Contributions due to the Company from any 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 BFIP Agreement or in any BFREP Agreement, BFMEZP Agreement or BFCOMP Agreement and there are not sufficient amounts to fully satisfy such provision from the relevant partnership; provided further , that amounts paid pursuant to the provisions in such BFIP Agreements, BFREP Agreements, BFMEZP Agreements or BFCOMP Agreements comparable to the immediately preceding proviso shall reduce those amounts otherwise distributable to the Member pursuant to provisions in such BFIP Agreements, BFREP Agreements, BFMEZP Agreements or BFCOMP 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 BFIP Investments (other than Capital Commitment Investments), BFREP Investments, BFMEZP Investments or BFCOMP 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 BFIP (other than the Company), BFREP, BFMEZP or BFCOMP in respect of interests therein relating to BFIP Investments (other than Capital Commitment Investments), BFREP Investments, BFMEZP Investments or BFCOMP 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.

(b) To the extent there is a partial disposition of a Capital Commitment Investment, any other BFIP Investment or any BFREP Investment, BFMEZP Investment or BFCOMP Investment, as applicable, the payments in clauses (iii) and (iv) above shall be based on that portion of the Capital Commitment Investment, other BFIP Investment, BFREP Investment, BFMEZP Investment or BFCOMP 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.

(c) 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.

(d) [Intentionally omitted.]

(e) 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.

(f) [Intentionally omitted.]

(g) 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.

(h) 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 BCLP (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.

(i) (i) If the Company is obligated under the Giveback Provisions to contribute a Giveback Amount to BCLP in respect of the Company's Capital Commitment BCLP Interest (the amount of such obligation with respect to any Giveback Amount being herein called a " Capital Commitment Giveback Amount "), the Company shall call for such amounts as are necessary to satisfy such obligation 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 BCLP Interest (the " Capital Commitment Recontribution Amount ") which equals such Member's pro rata share of prior distributions in connection with (a) the Capital Commitment BCLP 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 BCLP Investments other than the one giving rise to such obligation and (c) all Capital Commitment BCLP Investments, if the Giveback is an Other Giveback (as defined in the BCLP Partnership Agreement). 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 BCLA (or any other Affiliate that is a general partner of BCLP) in valuing investments of BCLP or, in the case of investments not held by BCLP, 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 (w) to Investor Notes relating to BFIP Investments or (x) to Investor Notes relating to BFREP Investments or (y) to Investor Notes relating to BFMEZP Investments or (z) to Investor Notes relating to BFCOMP Investments. 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 the preceding paragraph 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 Company Name . The Company acknowledges that Blackstone Financial Services Inc. (" BFS "), a Delaware corporation 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 BFS, which company (or its predecessors, successors or assigns) has licensed the Company to use BLACKSTONE in its name. The Company acknowledges that BFS owns the service mark BLACKSTONE for various services and that the Company 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 BFS. 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 BFS and its affiliates and licensees. The Company understands that BFS may terminate its right to use BLACKSTONE at any time in BFS 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)(ii)(A), 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, the provisions of Section 5.8(d) (and the definitions relating thereto) shall inure to the benefit of the limited partners in BCLP, such limited partners are intended third party beneficiaries of Section 5.8(d) (and the definitions relating thereto) and such limited partners shall have the right to enforce the provisions thereof to the extent Other Fund GPs do not satisfy the Clawback Provisions and/or the Giveback Provisions. The amendment of the provisions of Section 5.8(d) (and the definitions relating thereto) shall be effective against such limited partners only with the consent of the limited partners of BCLP as set forth in the BCLP 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:

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/ Steven A. Schwarzman
Name: Stephen A. Schwarzman
Title: Chairman and Chief Executive Officer

Exhibit 31.1

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 March 31, 2008 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)) 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) 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

   c) 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 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: May 15, 2008

/s/ STEPHEN A. SCHWARZMAN
Stephen A. Schwarzman
Chief Executive Officer
of Blackstone Group Management L.L.C.

Exhibit 31.2

CHIEF FINANCIAL OFFICER CERTIFICATION

I, Michael A. Puglisi, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended March 31, 2008 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)) 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) 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
   c) 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 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: May 15, 2008

/s/ MICHAEL A. PUGLISI
Michael A. Puglisi
Chief Financial Officer
of Blackstone Group Management L.L.C.

Exhibit 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

In connection with the Quarterly Report of The Blackstone Group L.P. (the "Partnership") on Form 10-Q for the period ended March 31, 2008 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: May 15, 2008

/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.

Exhibit 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

In connection with the Quarterly Report of The Blackstone Group L.P. (the "Partnership") on Form 10-Q for the period ended March 31, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael A. Puglisi, 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: May 15, 2008

/s/ Michael A. Puglisi
Michael A. Puglisi
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.