

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) August 12, 1994

-----  
ALLIANCE CAPITAL MANAGEMENT L.P.

-----  
(Exact name of registrant as specified in its charter)

Delaware

13-3434400

-----  
(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer  
Identification Number)

1345 Avenue of the Americas, New York, New York

10105

-----  
(Address of principal executive offices)

(Zip Code)

212-969-1000

-----  
(Registrant's telephone number including area code)

Item 1. CHANGES IN CONTROL OF REGISTRANT

Not applicable.

Item 2. ACQUISITION OR DISPOSITION OF ASSETS

Not applicable.

Item 3. BANKRUPTCY OR RECEIVERSHIP

Not applicable.

Item 4. CHANGES IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

Item 5. OTHER EVENTS

On August 12, 1994 Alliance Capital Management L.P. ("Partnership") issued a convertible note in the principal amount of \$50 million ("Note") to Banco Bilbao Vizcaya, S.A. ("BBV") pursuant to the Convertible Note Purchase Agreement dated August 11, 1994 ("Agreement") between the Partnership and BBV. The Note is convertible into Units of the Partnership if a Spanish regulatory approval is obtained on or before September 29, 1994. The number of Units into which the Note is convertible is equal to the quotient obtained by dividing \$50 million by the smaller of (i) \$20.15, or (ii) the weighted average sale price for all sales of Units on the consolidated reporting system for the New York Stock Exchange for the 30 trading days immediately preceding September 1, 1994. If the Spanish regulatory approval is not obtained on or before September 29, 1994 the Partnership must repay the Note plus interest at a rate based on the rate at which overnight deposits are offered in the London interbank market.

Item 6. RESIGNATIONS OF REGISTRANT'S DIRECTORS

Not applicable.

Item 7. FINANCIAL STATEMENTS AND EXHIBITS

(a) Financial Statements of Businesses Acquired

Not applicable.

(b) Pro Forma Financial Information

Not applicable.

(c) Exhibits

The Agreement.

SIGNATURES

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

ALLIANCE CAPITAL MANAGEMENT L.P.

Dated: August 18, 1994

By: Alliance Capital Management  
Corporation, General Partner

By: /s/ John D. Carifa

-----  
John D. Carifa  
President and Chief Operating  
Officer

CONVERTIBLE NOTE PURCHASE AGREEMENT

dated

August 11, 1994

between

BANCO BILBAO VIZCAYA, S.A.

and

ALLIANCE CAPITAL MANAGEMENT L.P.

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EXHIBITS

Exhibit A	Convertible Note
Exhibit B	Registration Rights
Exhibit C	Opinion of Seller's Counsel
Exhibit D	Opinion of Buyer's Counsel
Exhibit E	Board Representation Agreement

CONVERTIBLE NOTE PURCHASE AGREEMENT

AGREEMENT dated August 11, 1994 between BANCO BILBAO VIZCAYA, S.A., a banking corporation incorporated under the laws of the Kingdom of Spain ("Buyer"), and ALLIANCE CAPITAL MANAGEMENT L.P., a limited partnership formed under the laws of the State of Delaware ("Seller").

The parties hereto agree as follows:

ARTICLE 1

DEFINITIONS

1.1 DEFINITIONS. (a) The following terms, as used herein, have the following meanings:

"Advisers Act" means the United States Investment Advisers Act of 1940, as amended, and the rules and regulations promulgated thereunder.

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person.

"Alliance Group" means Seller and its consolidated Subsidiaries on the date hereof or thereafter acquired.

"BBV Person" means Buyer or any of its Subsidiaries that owns or acquires BBV Units and any BBV Transferee (as that term is defined in Exhibit B hereto) so long as any such Person owns Registrable Securities (as that term is defined in Exhibit B hereto).

"Board Representation Agreement" means an agreement between Equitable Investment Corporation and Buyer substantially in the form of Exhibit E hereto, pursuant to which Buyer shall be entitled to designate a member of the board of directors of the General Partner.

"Closing Date" means the date of the Closing.

"Convertible Note" means a convertible note of Seller substantially in the form of Exhibit A hereto.

"Delaware Act" means the Delaware Revised Uniform Limited Partnership Act, as amended.



"DGEITE" means DIRECCION GENERAL DE ECONOMIA INTERNACIONAL Y TRANSACCIONES EXTERIORES.

"DGEITE Condition" means the verification of Buyer's acquisition of the BBV Units, whether (i) by express confirmation from the DGEITE to Buyer that such acquisition is verified, (ii) automatically upon expiration of the notice period applicable to such acquisition or (iii) in any other manner established by Spanish law.

"Exchange Act" means the United States Securities and Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"General Partner" means Alliance Capital Management Corporation, a Delaware corporation.

"Investment Advisory Services Agreement" means the Investment Advisory Services Agreement dated as of February 14, 1994 between Seller and Buyer, as amended from time to time.

"Lien" means, with respect to any property or asset, any mortgage, lien, pledge, charge, security interest or encumbrance in respect of such property or asset.

"Limited Partnership Interests" has the meaning set forth in the Partnership Agreement.

"Madrid Business Day" means any day except a Saturday, Sunday or other day on which commercial banks in Madrid are authorized by law to close.

"New York Business Day" means any day except a Saturday, Sunday or other day on which commercial banks in New York City are authorized by law to close.

"Partnership Agreement" means the Agreement of Limited Partnership of Alliance Capital Management L.P. dated as of November 19, 1987 (As Amended And Restated), as in effect on the date hereof.

"Person" means an individual, corporation, partnership, joint venture, association, trust, estate, limited liability company or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

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

"Subsidiary" means, with respect to any Person, any

entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by such Person.

"Unit" has the meaning set forth in the Partnership Agreement.

(b) Each of the following terms is defined in the Section set forth opposite such term:

Term ----	Section -----
"Acquisition Quarter"	5.6
"BBV Units"	2.3
"Buyer Notice"	5.4
"Closing"	2.2
"Conversion Date"	2.3
"Conversion Notice"	2.3
"Conversion Price"	2.3
"Dilutive Event"	2.3
"Holding Period"	5.2
"Offer"	5.6
"Offer Notice"	5.6
"Offer Price"	5.6
"Offered Units"	5.6
"Purchase Price"	2.1
"Relationship Agreement"	5.4
"Seller Designated Purchaser"	5.4
"Seller Notice"	5.4
"Seller's Regulatory Filings"	3.5
"Strategic Partner"	5.4

## ARTICLE 2

### PURCHASE AND SALE; CONVERSION

2.1 PURCHASE AND SALE. Upon the terms and subject to the conditions of this Agreement, Seller shall issue and to sell the Convertible Note to Buyer and Buyer shall purchase the Convertible Note from Seller. The purchase price for the Convertible Note (the "Purchase Price") is U.S.\$50,000,000 (fifty million United States dollars) in cash. The Purchase Price shall be paid as provided in Section 2.2.

2.2 CLOSING. The closing (the "Closing") of the purchase and sale of the Convertible Note hereunder shall take place at 10:00 A.M. (New York time) at the offices of Davis Polk & Wardwell, 450 Lexington Avenue, New York, New York on August 12, 1994 or at such other time and place, or on such other date, as Buyer and Seller may agree. At the Closing:

(a) Buyer shall deliver to Seller the Purchase Price in immediately available funds in New York City by wire transfer to an account of Seller with a bank in New York City designated by Seller, by notice to Buyer, not later than two New York Business Days prior to the Closing Date (or if not so designated, then by certified or official bank check payable in immediately available funds in New York City to the order of Seller in such amount).

(b) Seller shall deliver to Buyer the Convertible Note, duly executed and dated the Closing Date.

2.3 CONVERSION. (a) If, at any time during the period from and including September 2, 1994 to and including, but not after the close of business on, September 29, 1994, the DGEITE Condition shall have occurred, the Convertible Note shall be converted as provided in Section 2.3(c), in whole but not in part, at 100% of the principal amount of the Convertible Note, into a number of Units equal to the largest whole number resulting from dividing U.S.\$50,000,000 (fifty million United States dollars) by the smaller of (i) U.S.\$20.15 and (ii) the weighted average sale price for all sales of Units reported on the consolidated reporting system for the 30 trading days immediately preceding September 1, 1994 (such smaller per Unit price, the "Conversion Price"). The sales price data required to calculate the weighted average sale price called for by clause (ii) of the preceding sentence shall be obtained at the expense of Seller. The Units Seller is so obligated to issue to Buyer upon conversion of the Convertible Note are referred to herein as the "BBV Units."

(b) Notwithstanding Section 2.3(a), if the Conversion Price calculated pursuant to Section 2.3(a) (without giving effect to any adjustment pursuant to Section 2.3(d)) would be less than \$18.00, the Convertible Note shall not be convertible unless Seller elects otherwise by written notice to Buyer on or before September 6, 1994.

(c) Buyer shall give notice (the "Conversion Notice") to Seller on the later of (x) two Madrid Business Days after the day that the DGEITE Condition occurs and (y) September 2, 1994. By giving the Conversion Notice, Buyer shall be deemed to represent and warrant to Seller that all consents, approvals and other action by, all notices to, and all filings with, all Persons, including all courts and administrative and governmental bodies, that are required to have been obtained, taken or made by Buyer to acquire the BBV Units upon conversion of the Convertible Note shall have been obtained, undertaken or made, and all waiting periods shall have expired or been waived, as the case may be. On the fifth New York Business Day following the giving of the Conversion Notice (the "Conversion Date"), (i) Seller shall deliver to Buyer (A) a certificate or certificates for the

BBV Units registered in the name of Buyer and in such denominations as Buyer shall designate in writing to Seller in the Conversion Notice and (B) if the Conversion Notice is not given on or before September 12, 1994, accrued interest on the Convertible Note to (but excluding) the date on which the Conversion Notice is given in immediately available funds by wire transfer to an account of Buyer with a bank in New York City designated by Buyer in the Conversion Notice (or if not so designated, then by certified or official bank check payable in immediately available funds to the order of Buyer in such amount) and (ii) Buyer shall surrender the Convertible Note to Seller for cancellation.

(d) If, at any time the Convertible Note is outstanding,

(i) Seller shall (A) make a distribution in Units or Limited Partnership Interests, (B) subdivide its outstanding Units or Limited Partnership Interests into a greater number (on a Unit-equivalent basis) of Units or Limited Partnership Interests or (C) combine its outstanding Units or Limited Partnership Interests into a smaller number (on a Unit-equivalent basis) of Units or Limited Partnership Interests;

(ii) Seller shall issue rights or warrants to all holders of Units and Limited Partnership Interests entitling them to subscribe for or purchase Units or Limited Partnership Interests at a price per Unit or Limited Partnership Interest (on a Unit-equivalent basis) less than the current market price per Unit (determined pursuant to the last sentence of this subsection (d)) on the record date for the determination of holders entitled to receive such rights or warrants; or

(iii) Seller shall distribute to substantially all holders of Units and Limited Partnership Interests evidences of indebtedness, equity securities (other than Units or Limited Partnership Interests) or other assets or shall distribute to all such holders rights or warrants to subscribe to securities (other than those referred to in paragraph (ii) above) (each of the events described in paragraphs (i) and (ii) above and in this paragraph (iii), a "Dilutive Event"),

then Buyer and Seller shall negotiate in good faith with a view to making appropriate adjustments to the Conversion Price or other appropriate provisions to reflect the impact of such Dilutive Event. If, despite such good faith negotiations, Buyer and Seller are unable to agree on such adjustments or other provisions, each of Buyer and Seller shall, at its own expense, retain an investment banking firm of national reputation to recommend such adjustments or other provisions. If such two

investment banking firms do not make substantially similar recommendations and neither recommendation is acceptable to both Buyer and Seller, then such investment banking firms shall, at the equally shared expense of Buyer and Seller, retain a third investment banking firm of national reputation to select between the two recommendations, which selection shall be binding upon Buyer and Seller with respect to such Dilutive Event. Solely for the purpose of determining whether a Dilutive Event described in paragraph (ii) above has occurred, the current market price per Unit on any date shall be deemed to be the weighted average sale price for all sales of Units reported on the consolidated reporting system for the 30 consecutive trading days commencing 40 trading days before the date in question.

(e) If any of the following shall occur at any time the Convertible Note is outstanding, namely: (i) any reclassification or change of outstanding Units issuable upon conversion of the Convertible Note (other than as a result of a subdivision or combination), (ii) any consolidation or merger to which Seller is a party as a result of which the holders of Units and Limited Partnership Interests shall be entitled to receive stock, other securities or other assets with respect to or in exchange for Units or Limited Partnership Interests or (iii) sale or conveyance of all or substantially all of the property or business of Seller as an entirety, then Seller shall give notice of such occurrence to Buyer and Seller, or such successor or purchasing corporation, as the case may be, shall, as a condition precedent to such reclassification, change, consolidation, merger, sale or conveyance, execute and deliver to Buyer an amendment to this Agreement providing that Buyer shall have the right to convert the Convertible Note into the kind and amount of shares of stock and other securities and property receivable upon such reclassification, change, consolidation, merger, sale or conveyance by a holder of the number of Units issuable upon conversion of the Convertible Note immediately prior to such reclassification, change, consolidation, merger, sale or conveyance. Such amendment to this Agreement shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section 2.3. The provisions of this Section 2.3(e) shall similarly apply to successive consolidations, mergers, sales or conveyances.

(f) If the Conversion Notice is given on or before September 12, 1994, then the Convertible Note shall not bear interest. If, pursuant to Section 2.3(b), the Convertible Note shall not be convertible, then Seller shall be fully liable for any and all reasonable attorneys' fees incurred by Buyer in connection with the transactions contemplated by this Agreement.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer as of the date hereof that:

3.1 ORGANIZATION. Seller is a limited partnership formed under the Delaware Act, validly existing and in good standing under the laws of the State of Delaware, with full power and all licenses, authorizations, permits, consents and approvals (governmental or otherwise) required to carry on its business as now conducted, except where the failure to obtain such licenses, authorizations, permits, consents and approvals would not have a material adverse effect on the Alliance Group, taken as a whole. The Seller is duly qualified, licensed or registered to transact business and is in good standing in each jurisdiction where its ownership or leasing of property requires such qualification, license or registration or where the failure to be so qualified, licensed or registered or in good standing would have a material adverse effect on its ability to conduct its business as currently conducted. Seller has heretofore delivered to Buyer a true and complete copy of the Partnership Agreement and Seller's certificate of limited partnership.

3.2 POWER AND AUTHORIZATION. The execution, delivery and performance by Seller of this Agreement and the Convertible Note and each other agreement, document or instrument to be delivered by it pursuant hereto or thereto, the issuance and delivery of the BBV Units upon conversion of the Convertible Note and the consummation of the other transactions contemplated hereby and thereby are within Seller's power and have been duly authorized by all necessary action on the part of Seller and the General Partner. This Agreement constitutes a valid and binding agreement of Seller and the Convertible Note, when executed and delivered in accordance with this Agreement, will be a valid and binding obligation of Seller.

3.3 CONSENTS AND GOVERNMENTAL AUTHORIZATION. Except for the approval of the New York Stock Exchange of the listing of the BBV Units, no action by or in respect of, or filing with, any governmental body, agency, or official or self-regulatory organization is required to be obtained by Seller in connection with the execution, delivery and performance by Seller of this Agreement and the Convertible Note and each other agreement, document or instrument to be delivered by it pursuant hereto or thereto, the issuance and delivery of the BBV Units upon conversion of the Convertible Note or the consummation of the other transactions contemplated hereby and thereby.

3.4 NON-CONTRAVENTION. The execution, delivery and performance by Seller of this Agreement and the Convertible Note

and each other agreement, document or instrument to be delivered by it pursuant hereto or thereto, the issuance and delivery of the BBV Units upon conversion of the Convertible Note and the consummation of the other transactions contemplated hereby and thereby do not and will not (i) violate, conflict with, or breach any provision of the Partnership Agreement or Seller's certificate of limited partnership, (ii) violate any applicable law, rule, regulation, judgment, injunction, order or decree, (iii) require any consent or other action by any Person under, constitute a breach of or default under, or give rise to any right of termination, cancellation or acceleration of any right or obligation of Seller or the General Partner or a loss of any benefit to which Seller or the General Partner is entitled under, any material agreement or other instrument binding upon Seller or the General Partner or any material license, franchise, permit or other similar authorization held by Seller or the General Partner or (iv) result in the creation or imposition of any Lien on any asset of Seller or the General Partner.

3.5 FEDERAL AND STATE SECURITIES LAWS. (a) Seller is duly registered as an investment adviser under the Advisers Act. Seller is duly registered or licensed under applicable law as an investment adviser in each state or other jurisdiction in which the nature of its business so requires and where the failure to be so duly registered or licensed would have a material adverse effect on the Alliance Group, taken as a whole.

(b) Seller has filed on a timely basis and in a proper manner all Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, Registrations and Amendments to Registration on Form ADV, Investment Adviser Reports on Form ADV-S and such other filings as Seller is obligated to make under the Exchange Act, the Securities Act, the United States Investment Company Act of 1940, as amended, or the Advisers Act or under any applicable state blue sky laws and securities regulations, in each case where the failure to make such filing would have a material adverse effect on the Alliance Group, taken as a whole (collectively, "Seller's Regulatory Filings"). Seller's Regulatory Filings contain all the information required by such Federal or state securities laws to be included therein and do not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made.

3.6 UNITS. (b) The BBV Units have been duly authorized and, when issued to Buyer upon conversion of the Convertible Note, will be validly issued, free and clear of any Lien and any other limitation or restriction other than those set forth herein. The holders of the BBV Units will be entitled to the same rights (including rights to any subdivisions thereof or distributions thereon, subject to Section 5.4) as all other

holders of Limited Partnership Interests and Units of Seller other than the holders of the Class A Limited Partnership Interest and the Class B Limited Partnership Interest (in each case as defined in the Partnership Agreement). Subject only to the provisions of the Delaware Act and to the laws of each jurisdiction in which Seller is qualified as a foreign limited partnership, Buyer, as holder of the BBV Units, will have no obligation to make any contribution of capital to Seller or have any liability for the debts and obligations of Seller. The issuance of the BBV Units to Buyer is not subject to preemptive rights of any partner in, or any Affiliate or creditor of, Seller or any other person.

(b) Subject to and in reliance upon the representation given in Section 5.1, the issuance of the Convertible Note by Seller and the issuance of the BBV Units by Seller upon conversion of the Convertible Note will be exempt from registration under the Securities Act.

(c) There are no preemptive or similar rights on the part of any holders of any class of securities of Seller. Except for this Agreement, the Convertible Note, the Alliance Capital Management L.P. Unit Option Plan, the Alliance Capital Management 1993 Unit Option Plan, the Alliance Capital Management Unit Bonus Plan, the Alliance Capital Management L.P. Century Club Plan, the Alliance Capital Management L.P. Shields/Regent Retention Unit Bonus Plan, the Class A Limited Partnership Interest, the Class B Limited Partnership Interest, the Contribution Agreement dated May 6, 1994, between the Seller and Equitable Life Assurance Society of the United States and the 8 Per Cent Unsecured Loan Notes 1996 of Alliance Capital Management Corporation of Delaware constituted by an Instrument dated 7 November 1991, no subscriptions, options, warrants, conversion or other rights, agreements, commitments, arrangements, or understandings of any kind obligating Seller, contingently or otherwise, to issue or sell, or cause to be issued or sold, any Partnership Interests or Units of any class, or any securities convertible into or exchangeable for any such Partnership Interests or Units, are or will at the Closing be outstanding; and no authorization therefor has or will have been given. There are no outstanding contractual obligations of Seller to repurchase, redeem, or otherwise acquire or reacquire any outstanding Limited Partnership Interests or Units except for the right to acquire any Units that are forfeited by any employee or former employee of Seller under any Seller employee plan or agreement.

3.7 GENERAL PARTNER. The General Partner is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware, with all corporate powers and all licenses, authorizations, permits, consents and approvals (governmental and otherwise) required to carry on its business as now conducted, except where the failure



to obtain such licenses, authorizations, permits, consents and approvals would not have a material adverse effect on the General Partner and the Alliance Group, taken as a whole. The General Partner is duly qualified, licensed or registered to transact business and is in good standing in each jurisdiction where its ownership or leasing of property requires such qualification, license or registration or where the failure to be so qualified, licensed or registered or in good standing would have a material adverse effect on its ability to conduct its business as currently conducted.

3.8 FINANCIAL STATEMENTS. (a) The audited consolidated statements of financial condition of Seller as of December 31, 1992 and 1993, and the related consolidated statements of income, changes in partners' capital and cash flows for each of the years ended December 31, 1991, 1992 and 1993, present fairly, in all material respects, the consolidated financial position of Seller as of the dates thereof and its consolidated results of operations and cash flows for the periods then ended in conformity with generally accepted accounting principles applied on a consistent basis (except as disclosed in such consolidated financial statements or in footnotes thereto).

(b) The unaudited consolidated statements of financial condition of Seller as of June 30, 1993 and 1994, and the related consolidated statements of income, changes in partners' capital and cash flows for each of the six-month periods ended June 30, 1993 and 1994, present fairly, in all material respects, the consolidated financial position of Seller as of the dates thereof and its consolidated results of operations and cash flows for the periods then ended and are stated on a basis consistent with the audited consolidated financial statements referred to in subsection (a) of this Section 3.8.

3.9 ABSENCE OF CERTAIN CHANGES. Since June 30, 1994, there has not been:

(i) any event, occurrence, development or state of circumstances or facts which has had or could reasonably be expected to have a material adverse effect on the financial condition, earnings, business or operations of the Alliance Group, taken as a whole;

(ii) any material change in any method of accounting or accounting practice by Seller; or

(iii) any amendment of any material term of the Partnership Agreement, other than the amendment dated May 6, 1994 relating to the Class B Limited Partnership Interest.

3.10 FINDERS' FEES. There is no investment banker,

broker, finder or other intermediary which has been retained by or is authorized to act on behalf of Seller or the General Partner who might be entitled to any fee or commission in connection with the transactions contemplated by this Agreement.

#### ARTICLE 4

##### REPRESENTATIONS AND WARRANTIES OF BUYER

In addition to the representation given in Section 5.1, Buyer represents and warrants to Seller as of the date hereof that:

4.1 ORGANIZATION. Buyer is a corporation duly incorporated, validly existing and in good standing under the laws of the Kingdom of Spain.

4.2 CORPORATE AUTHORIZATION. The execution, delivery and performance by Buyer of this Agreement and each other agreement, document or instrument to be delivered by it pursuant hereto and the consummation of the transactions contemplated hereby are within the corporate powers of Buyer and have been duly authorized by all necessary corporate action on the part of Buyer. This Agreement constitutes a valid and binding agreement of Buyer.

4.3 GOVERNMENTAL AUTHORIZATION. The execution, delivery and performance by Buyer of this Agreement and each other agreement, document or instrument to be delivered by it pursuant hereto and the consummation of the transactions contemplated hereby (other than conversion of the Convertible Note) require no action by or in respect of, or filing with, any governmental body, agency or official. Buyer has submitted a notice to the DGEITE in respect of, and will use its best efforts to cause the occurrence of, the DGEITE Condition and will not withdraw such notice without Seller's written consent.

4.4 NON-CONTRAVENTION. The execution, delivery and performance by Buyer of this Agreement and each other agreement, document or instrument to be delivered by it pursuant hereto and the consummation of the transactions contemplated hereby do not and will not (i) violate the certificate of incorporation or bylaws (ESTATUTOS) of Buyer, (ii) violate any applicable law, rule, regulation, judgment, injunction, order or decree, (iii) require any consent or other action by any Person under, constitute a breach of or default under, or give rise to any right of termination, cancellation or acceleration of any right or obligation of Buyer or a loss of any benefit to which Buyer is entitled under, any material agreement or other instrument binding upon Buyer or any material license, franchise, permit or other similar authorization held by Buyer or (iv) result in the creation or imposition of any Lien on any asset of Buyer.

ARTICLE 5

TRANSFER AND OWNERSHIP OF CONVERTIBLE NOTE AND UNITS

5.1 PURCHASE FOR INVESTMENT. (a) Buyer is purchasing the Convertible Note and the BBV Units issuable upon conversion thereof for investment for its own account and not with a view to, or for sale in connection with, any distribution thereof. Buyer acknowledges that neither the Convertible Note nor the BBV Units have been registered under the Securities Act and may not be transferred in the absence of such registration or pursuant to an exemption from the registration requirements of the Securities Act. Buyer also acknowledges that the Convertible Note and any certificate evidencing the BBV Units shall carry a legend to such effect. Buyer will not at any time sell, pledge, assign, encumber, or otherwise transfer the Convertible Note or any BBV Units in a manner that would violate the provisions of the Securities Act.

(b) Buyer shall not sell, pledge, assign, encumber or otherwise transfer the Convertible Note prior to the earlier of its conversion or maturity.

5.2 REGISTRATION RIGHTS. Buyer and all other BBV Persons shall be entitled to the registration rights set forth in Exhibit B hereto.

5.3 LEGEND ON CONVERTIBLE NOTE AND BBV UNITS. Each certificate for BBV Units issued upon conversion of the Convertible Note (and, MUTATIS MUTANDIS, the Convertible Note) shall be stamped or otherwise imprinted with a legend in substantially the following form:

"The Units represented by this Certificate have not been registered under the United States Securities Act of 1933 (the "Securities Act") or the securities laws of any state by virtue of exemptions from the registration requirements of the Securities Act and such laws. These Units are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable state securities laws, pursuant to registration or exemption therefrom. In addition, this Certificate and the Units represented hereby are subject to the terms of the Convertible Note Purchase Agreement, dated August 11, 1994, between Banco Bilbao Vizcaya, S.A., and Alliance Capital Management L.P. The Units may not be sold, assigned, transferred, pledged or otherwise disposed of or encumbered except as provided in

such Convertible Note Purchase Agreement. A copy of such Convertible Note Purchase Agreement is available for inspection at the executive offices of Alliance Capital Management L.P."

Seller shall issue new Unit certificates not bearing the legend set forth above in exchange for certificates representing any BBV Units which are no longer subject to any restrictions on sale or transfer under either (i) the terms of this Agreement or (ii) the provisions of the Securities Act; PROVIDED, HOWEVER, that Seller may request that the person or entity requesting the new certificates furnish an opinion of counsel reasonably satisfactory to Seller, in form and substance reasonably satisfactory to Seller, as to the absence of any restrictions on sale or transfer of the BBV Units under the Securities Act.

5.4 DISTRIBUTIONS WITH RESPECT TO BBV UNITS. The holder of the BBV Units on the record date for the regular quarterly distribution by Seller of Available Cash Flow (as defined in the Partnership Agreement) relating to the quarter during which Buyer acquires the BBV Units upon conversion of the Convertible Note (the "Acquisition Quarter") will receive a PRO RATA portion of such distribution with respect to its BBV Units equal to the amount of Available Cash Flow distributed per Unit multiplied by a fraction the numerator of which is the number of days remaining in the Acquisition Quarter on (and including) (i) if the Conversion Notice is given on or before September 12, 1994, the Closing Date or (ii) if the Conversion Notice is given after September 12, 1994, the date on which the Conversion Notice is given, and the denominator of which is the total number of days in the Acquisition Quarter.

5.5 LISTING. Seller shall use its best efforts to cause the BBV Units to be approved for listing on the New York Stock Exchange, subject to official notice of issuance, no later than the Conversion Date.

5.6 RIGHT OF FIRST REFUSAL. (a) Until the third anniversary of the Closing Date, Buyer will not, and will not permit any of its Subsidiaries to, sell or otherwise transfer any BBV Units without first giving Seller prior notice thereof (an "Offer Notice") and the opportunity (as hereinafter provided) to purchase such BBV Units (the "Offered Units") at a cash price (the "Offer Price") equal to the sum of the amount of any cash plus the fair market value of any other consideration offered by the prospective purchaser or other transferee; PROVIDED that Buyer and its Subsidiaries shall not be required to give an Offer Notice with respect to (i) any sale or other transfer to one or more Subsidiaries of Buyer or (ii) any sale or other transfer pursuant to Rule 144 (or any successor provision) under the Securities Act and subject to the volume and manner of sale

limitations set forth in such rule. The Offer Notice shall constitute an offer (the "Offer") by Buyer or the relevant Subsidiary of Buyer to sell the Offered Units to Seller at the Offer Price and shall state the identity of the purchaser or transferee and the terms of the proposed purchase or transfer.

(b) The Offer may be accepted within 10 New York Business Days of receipt by Seller of the Offer Notice and, if accepted, such acceptance shall constitute Seller's binding agreement to purchase the Offered Units by the later of (i) the date 30 days after such acceptance or (ii) the date by which the prospective purchaser or transferee would have been obligated to purchase the Offered Units. If the Offer is not accepted or the Offered Units are not purchased as contemplated above, Buyer or the relevant Subsidiary of Buyer may sell the Offered Units to such prospective purchaser or transferee at a price not less than the Offer Price and on substantially the same terms as described in the Offer Notice.

(c) If the consideration offered by the prospective purchaser or transferee includes non-cash consideration, Buyer and Seller shall negotiate in good faith with a view to agreeing upon the fair market value of such non-cash consideration. If, despite such good faith negotiations, Buyer and Seller are unable to agree on such fair market value within 15 days following receipt by Seller of the Offer Notice, each of Buyer and Seller shall, at its own expense, retain an investment banking firm of national reputation to determine such fair market value. If such two investment banking firms do not make substantially similar determinations and neither determination is acceptable to both Buyer and Seller, then such investment banking firms shall, at the equally shared expense of Buyer and Seller, retain a third investment banking firm of national reputation to select between the two determinations, which selection shall be binding upon Buyer and Seller. If a determination under this subsection (c) is required, any deadline for acceptance provided for in this Section 5.6 shall be postponed until the fifth New York Business Day after the date of such determination.

## ARTICLE 6

### CONDITIONS TO CLOSING

6.1 CONDITION TO OBLIGATIONS OF BUYER AND SELLER. The obligations of Buyer and Seller to consummate the Closing are subject to the satisfaction of the condition that no provision of any applicable law or regulation and no judgment, injunction, order or decree shall prohibit the consummation of the Closing.

6.2 CONDITIONS TO OBLIGATION OF BUYER. The obligation of Buyer to consummate the Closing is subject to the satisfaction

or waiver on or before the Closing Date of the following further conditions:

(i) ACCURACY OF REPRESENTATIONS AND WARRANTIES. All representations and warranties of Seller contained herein shall be true and correct in all material respects as of the date hereof and as of the Closing Date, with the same force and effect as though made on and as of the Closing Date.

(ii) PERFORMANCE BY SELLER. Seller shall have performed all of its obligations and agreements hereunder required to be performed by it on or prior to the Closing Date.

(iii) CONSENTS AND APPROVALS. All consents, approvals and other action by, all notices to, and all filings with, all Persons, including all courts and administrative and governmental bodies, that are required to have been obtained, taken or made by Seller to consummate the transactions contemplated by this Agreement, except for the approval of the New York Stock Exchange of the listing of the BBV Units, shall have been obtained, undertaken or made, and all waiting periods shall have expired or been waived, as the case may be.

(iv) NO MATERIAL ADVERSE CHANGE. Prior to the Closing there shall have been no event, occurrence, development or state of circumstances or facts which has had or could reasonably be expected to have a material adverse effect on the financial condition, earnings, business or operations of the Alliance Group, taken as a whole.

(v) OPINIONS OF COUNSEL. Buyer shall have received opinions, dated the Closing Date, of Seward & Kissel, counsel to Seller, and Davis Polk & Wardwell, special counsel to Buyer, in substantially the forms of Exhibits C and D attached hereto.

(vi) BOARD REPRESENTATION. Equitable Investment Corporation shall have executed and delivered to Buyer the Board Representation Agreement.

(vii) OFFICER'S CERTIFICATE. Seller shall have delivered to Buyer a certificate of the Chairman of the Board, President, any Executive Vice President or any Senior Vice President of the General Partner, dated the Closing Date, certifying that the conditions specified in clauses (i), (ii), (iii) and (iv) of this Section 6.2 have been satisfied.

(viii) PROCEEDINGS SATISFACTORY. All proceedings taken in connection with the sale of the Convertible Note and all documents and papers relating thereto shall be reasonably satisfactory to Buyer and its special counsel. Buyer and its special counsel shall have received copies of such documents and papers as they may reasonably request in connection therewith or as a basis for such special counsel's opinion, all in form and substance reasonably satisfactory to Buyer and its special counsel.

6.3 CONDITIONS TO OBLIGATION OF SELLER. The obligation of Seller to consummate the Closing is subject to the satisfaction or waiver on or before the Closing Date of the following further conditions:

(i) ACCURACY OF REPRESENTATIONS AND WARRANTIES. All representations and warranties of Buyer contained herein shall be true and correct in all material respects as of the date hereof and as of the Closing Date, with the same force and effect as though made on and as of the Closing Date.

(ii) PERFORMANCE BY BUYER. Buyer shall have performed all of its obligations and agreements hereunder required to be performed by it on or prior to the Closing Date.

(iii) CONSENTS AND APPROVALS. All consents, approvals and other action by, all notices to, and all filings with, all Persons, including all courts and administrative and governmental bodies, that are required to have been obtained, taken or made by Buyer to consummate the transactions contemplated by this Agreement (other than conversion of the Convertible Note), shall have been obtained, undertaken or made, and all waiting periods shall have expired or been waived, as the case may be.

(iv) OFFICER'S CERTIFICATES. Buyer shall have delivered to Seller a certificate of an executive officer of Buyer, dated the Closing Date, certifying that the conditions specified in clauses (i), (ii) and (iii) of this Section 6.3 have been satisfied.

(v) PROCEEDINGS SATISFACTORY. All proceedings taken in connection with the sale of the Convertible Note and all documents and papers relating thereto shall be reasonably satisfactory to Seller and its counsel. Seller and its counsel shall have received copies of such documents and papers as they may reasonably request in connection therewith or as a basis for such counsel's opinion, all in form and substance reasonably satisfactory to Seller and its counsel.

ARTICLE 7

SURVIVAL

7.1 SURVIVAL. The covenants, agreements, representations and warranties of the parties hereto contained in this Agreement or in any certificate or other writing delivered pursuant hereto or in connection herewith shall survive the Closing.

ARTICLE 8

TERMINATION

8.1 GROUNDS FOR TERMINATION. This Agreement may be terminated at any time prior to the Closing:

(i) by mutual written agreement of Seller and Buyer;

(ii) by either Seller or Buyer if there shall be any law or regulation that makes consummation of the transactions contemplated hereby illegal or otherwise prohibited or if consummation of the transactions contemplated hereby would violate any nonappealable final order, decree or judgment of any court or governmental body having competent jurisdiction; or

(iii) by Seller or by Buyer, if there has been a material misrepresentation or breach of warranty on the part of Buyer (in the case of termination by Seller) or by Seller (in the case of termination by Buyer) in the representations and warranties contained herein.

The party desiring to terminate this Agreement shall give notice of such termination to the other party.

8.2 EFFECT OF TERMINATION. If this Agreement is terminated as permitted by Section 8.1, termination shall be without liability of either party (or any stockholder, director, officer, employee, agent, consultant or representative of such party) to the other party to this Agreement; PROVIDED that if such termination shall result from the willful failure of either party to fulfill a condition to the performance of the obligations of the other party, failure to perform a covenant of this Agreement or breach by either party hereto of any representation or warranty or agreement contained herein, such party shall be fully liable for any and all damage, loss,



liability and expense (including without limitation reasonable expenses of investigation and reasonably attorneys' fees and expenses in connection with any action, suit or proceeding) incurred or suffered by the other party as a result of such failure or breach. The provision of Section 9.3 shall survive any termination hereof pursuant to Section 8.1.

ARTICLE 9

MISCELLANEOUS

9.1 NOTICES. All notices, requests and other communications to any party hereunder or under the Convertible Note shall be in writing (including facsimile transmission) and shall be given,

if to Buyer, to:

Banco Bilbao Vizcaya, S.A.  
Alcala, 45  
28014 Madrid, Spain  
Attention: Ignacio Lacasta  
Fax: (341) 532-4630

with a copy to:

Davis Polk & Wardwell  
450 Lexington Avenue  
New York, New York 10017  
Attention: John Fouhey, Esq.  
Fax: (212) 450-4800

if to Seller, to:

Alliance Capital Management L.P.  
1345 Avenue of the Americas  
New York, New York 10105  
Attention: David R. Brewer, Jr., Esq.  
Fax: (212) 554-4613

with copies to:

Alliance Capital Management L.P.  
1345 Avenue of the Americas  
New York, New York 10105  
Attention: Myles R. Itkin  
Fax: (212) 554-4613

Seward & Kissel  
One Battery Park Plaza  
New York, New York 10004  
Attention: Bruce D. Senzel, Esq.  
Fax: (212) 480-8421

All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5 p.m. in the place of receipt and such day is a business day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed not to have been received until the next succeeding business day in the place of receipt.

9.2 AMENDMENTS AND WAIVERS. (a) Any provision of this Agreement or the Convertible Note may be amended or waived prior to the Closing Date if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to this Agreement, or in the case of a waiver, by the party against whom the waiver is to be effective.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder or under the Convertible Note shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein and in the Convertible Note provided shall be cumulative and not exclusive of any rights or remedies provided by law.

9.3 EXPENSES. All costs and expenses incurred in connection with this Agreement shall be paid by the party incurring such cost or expense.

9.4 SUCCESSORS AND ASSIGNS. The provisions of this Agreement and the Convertible Note shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

9.5 GOVERNING LAW. This Agreement and the Convertible Note shall be governed by and construed in accordance with the law of the State of New York, without regard to the conflicts of law rules thereof.

9.6 COUNTERPARTS; THIRD PARTY BENEFICIARIES. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. No provision of this Agreement or the Convertible Note is intended to confer upon any Person other than the parties hereto any rights or remedies hereunder.

9.7 ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement. No representation, inducement, promise, understanding, condition or warranty not set forth herein has been made or relied upon by either party hereto.

9.8 PUBLIC ANNOUNCEMENTS. Prior to the Closing, Buyer and Seller will consult with one another before issuing any press release or otherwise making any public statement with respect to the transactions contemplated by this Agreement, and shall not issue any such press release or make any such public statement prior to such consultation or, after such consultation, if the other party is not reasonably satisfied with the text of such press release or public statement, except as may otherwise be required by applicable law.

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be duly executed by a duly authorized person as of the day and year first above written.

BANCO BILBAO VIZCAYA, S.A.

By: \_\_\_\_\_  
Title:

By: \_\_\_\_\_  
Title:

ALLIANCE CAPITAL MANAGEMENT L.P.  
By Alliance Capital Management  
Corporation, its General Partner

By: \_\_\_\_\_  
Title:

CONVERTIBLE NOTE

New York, New York  
August 12, 1994

For value received, Alliance Capital Management L.P., a Delaware limited partnership (the "Seller"), promises to pay to the order of Banco Bilbao Vizcaya, S.A., a Spanish banking corporation (the "Buyer"), the sum of U.S.\$50,000,000 (fifty million United States dollars) on September 29, 1994, together with accrued interest thereon at the rate per annum set forth below, in immediately available funds by wire transfer to an account of Buyer with a bank in New York City designated by Buyer, by notice to Seller, not later than September 27, 1994 (or if not so designated, then by certified or official bank check payable in immediately available funds to the order of Buyer in such amount).

Subject to Section 2.3(f) of the Convertible Note Purchase Agreement referred to below, this convertible note shall bear interest, for each day during which it is outstanding, at the rate per annum (as determined by Buyer in good faith) at which overnight deposits in dollars are offered to the principal London office of Buyer in the London interbank market at approximately 11:00 A.M. (London time) on (i) such day, if such day is a London Business Day or (ii) the next preceding London Business Day, if such day is not a London Business Day, in an amount approximately equal to the principal amount of this convertible note. As used herein, "London Business Day" means any day on which commercial banks are open for international business (including dealings in dollar deposits) in London.

THIS CONVERTIBLE NOTE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE BY VIRTUE OF EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND SUCH LAWS. THIS CONVERTIBLE NOTE IS SUBJECT

TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. IN ADDITION, THIS CONVERTIBLE NOTE IS SUBJECT TO THE TERMS OF THE CONVERTIBLE NOTE PURCHASE AGREEMENT REFERRED TO BELOW. THIS CONVERTIBLE NOTE MAY NOT BE SOLD, ASSIGNED, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF OR ENCUMBERED EXCEPT AS PROVIDED IN SUCH CONVERTIBLE NOTE PURCHASE AGREEMENT. A COPY OF SUCH CONVERTIBLE NOTE PURCHASE AGREEMENT IS AVAILABLE FOR INSPECTION AT THE EXECUTIVE OFFICES OF ALLIANCE CAPITAL MANAGEMENT L.P.

Seller may, at any time after September 12, 1994 upon notice to Buyer, prepay this convertible note in whole if the Conversion Notice is not given on or before such date, by paying the principal amount hereof together with accrued interest hereon to the date of prepayment. Upon notice of such prepayment, this convertible note shall no longer be convertible.

This convertible note is the Convertible Note referred to in the Convertible Note Purchase Agreement dated August 11, 1994 between Buyer and Seller (the "Convertible Note Purchase Agreement"). Terms defined in the Convertible Note Purchase Agreement are used herein with the same meanings. Reference is made to the Convertible Note Purchase Agreement for provisions relating to the conversion hereof, upon which event Seller's obligation to pay any portion of the principal amount hereof shall terminate.

ALLIANCE CAPITAL MANAGEMENT L.P.  
By Alliance Capital Management  
Corporation, its General Partner

By \_\_\_\_\_  
Title:

REGISTRATION RIGHTS

ARTICLE I

DEFINITIONS

SECTION 1.1. DEFINITIONS. Terms defined in the Convertible Note Purchase Agreement (the "Agreement") dated August 11, 1994 between BANCO BILBAO VIZCAYA, S.A., a banking corporation incorporated under the laws of the Kingdom of Spain ("Buyer"), and ALLIANCE CAPITAL MANAGEMENT L.P., a limited partnership formed under the laws of the State of Delaware ("Seller"), are used herein as therein defined. In addition, the following terms, as used herein, have the following meanings:

"BBV Transferee" has the meaning set forth in Section 5.2.

"Demand Registration" has the meaning set forth in Section 2.1.

"Piggyback Registration" has the meaning set forth in Section 2.2.

"Registrable Securities" means the BBV Units owned by any BBV Person, any Units which may be issued or distributed in respect thereof by way of Unit subdivision or combination or otherwise, recapitalization, merger, consolidation or reclassification or other reorganization or otherwise. A Registrable Security shall cease to be a Registrable Security when: (i) a registration statement with respect to the sale of such security shall have become effective under the Securities Act and such security shall have been disposed of in accordance with such registration statement or any failure so to dispose of such security shall be attributable only to (x) reasons solely within the control of such BBV Person or (y) a failure of an Underwriter or a BBV Person under normal market conditions to locate a purchaser for such security; (ii) such security shall have been distributed to the public pursuant to Rule 144 (or any successor provision) under the Securities Act; or (iii) such security shall have been otherwise transferred, and a new certificate or new certificates for such security not bearing a legend restricting further transfer shall have been delivered by Seller in accordance with Section 5.5 of the Agreement.

"Registration Rights" means the rights set forth in this Exhibit B.

"Underwriter" means a securities dealer who purchases any Registrable Securities as principal and not as part of such dealer's market-making activities.

ARTICLE II

REGISTRATION RIGHTS

SECTION 2.1. DEMAND REGISTRATION. (a) After the third anniversary of the Closing Date, upon proper written request of Buyer or any BBV Transferee (PROVIDED that such request by a BBV Transferee may only be made with the prior written approval of Buyer at any time that Buyer or any of its Subsidiaries owns any Registrable Securities), requesting that Seller effect the registration under the Securities Act of all or part of the Registrable Securities owned by all BBV Persons specified in such request and specifying the method of disposition thereof, Seller will promptly (but in no event more than five New York Business Days after the receipt of such request) give written notice of such requested registration to all BBV Transferees, if any, other than a requesting BBV Transferee, and Seller shall file with the Commission as promptly as practicable after sending such notice, and use its best efforts to cause to become effective, a registration statement under the Securities Act registering the offering and sale of:

(i) the Registrable Securities which Seller has been so requested to register by such BBV Person, and

(ii) all other Registrable Securities which Seller has been requested to register by any other BBV Person by written request given to Seller within 30 days after the giving of such written notice by Seller (which request shall specify the intended method of disposition of such Registrable Securities),

all to the extent necessary to permit the disposition (in accordance with the intended method thereof as aforesaid) of the Registrable Securities so to be registered (a "Demand Registration"); PROVIDED that the Seller shall not be obligated (i) to file a registration statement in respect of more than two Demand Registrations, (ii) to file a registration statement in respect of more than one Demand Registration in any 6-month period or (iii) to file a registration statement in respect of a Demand Registration with respect to Registrable Securities which, as of the date of receipt of the written request to register, have an aggregate market value of less than \$15,000,000. For purposes of the preceding sentence, references to "market value" of securities that are listed for trading on the New York Stock Exchange shall be the market value based on the closing price on the New York Stock Exchange on the applicable date.

(b) If the BBV Person requesting a Demand Registration so elects (PROVIDED that such election, including the choice of Underwriters from the list referred to below, may only be made with the prior written approval of Buyer at any time that Buyer



or any of its Subsidiaries owns any Registrable Securities), the offering of such Registrable Securities pursuant to such Demand Registration shall be in the form of an underwritten offering. The requesting BBV Person shall select the lead and other managing Underwriters in connection with such offering from a list of at least seven securities dealers of national reputation prepared by Seller. If a requested Demand Registration involves an underwritten offering and any lead Underwriter advises Seller that, in its opinion, the number of securities requested to be included in such registration (including securities of Seller which are not Registrable Securities) exceeds the number which can be sold in such offering without a significant adverse effect on the price, timing, or distribution of the Registrable Securities offered, Seller will (subject to the last sentence of this paragraph) include in such registration only the Registrable Securities requested to be included in such registration. In the event that the number of Registrable Securities requested to be included in such registration exceeds the number which, in the opinion of any lead Underwriter, can be sold without a significant adverse effect on the price, timing, or distribution of the Registrable Securities offered, then Seller will include in such registration the number of Registrable Securities which, in the opinion of such lead Underwriter, can be sold, such number to be allocated by Buyer or, if neither Buyer nor any of its Subsidiaries owns any Registrable Securities, by the requesting BBV Transferee, pro rata among all BBV Persons desiring to sell Registrable Securities pursuant to the Demand Registration on the basis of the relative number of shares of Registrable Securities then held by each such BBV Person (PROVIDED that any allocation to any such BBV Person that exceeds the Registrable Securities such BBV Person desires to include in the registration statement shall be reallocated among the remaining such BBV Persons in like manner). In the event that the number of Registrable Securities requested to be included in such registration is less than the number which, in the opinion of any lead Underwriter, can be sold without a significant adverse effect on the price, timing, or distribution of the Registrable Securities offered, Seller may include in such registration the securities Seller or any other holder of Seller's securities proposes to sell up to the number of securities that, in the opinion of such lead Underwriter, can be sold.

(c) Seller shall be entitled to postpone for a reasonable period of time (not to exceed one hundred twenty (120) days, which may not thereafter be extended) the filing of any registration statement otherwise required to be prepared and filed by it pursuant to Section 2.1(a) hereof if, at the time it receives a request for a Demand Registration, the Board of Directors of the General Partner determines in good faith that such offering will materially interfere with a pending or contemplated financing, merger, sale of assets, recapitalization or other significant action of Seller, in which case Seller shall

have furnished a certificate of an executive officer of the General Partner to that effect to Buyer (if any BBV Units held by Buyer or any of its Subsidiaries are to be included in such registration) and to all BBV Transferees which hold Registrable Securities to be included in such registration; PROVIDED, that Seller shall not exercise the right to postpone a Demand Registration more than once in any 12-month period. After such period of postponement Seller shall effect such registration as promptly as practicable without further request from the holders of Registrable Securities, unless the request for registration has been withdrawn.

SECTION 2.2. PIGGYBACK REGISTRATION. (a) If, after the third anniversary of the Closing Date, Seller proposes to file a registration statement under the Securities Act with respect to an offering of Units of the same class as the BBV Units for cash (other than an offering relating to (i) a business combination that is to be filed on Form S-4 under the Securities Act (or any successor form thereto) or (ii) an employee benefit plan), then the Seller shall give written notice of such proposed filing to Buyer (if Buyer or any of its Subsidiaries owns any Registrable Securities) and to all BBV Transferees as soon as practicable (but in no event less than 20 days before the anticipated filing date). Seller shall use its best efforts to include such number of Registrable Securities in such registration statement which Seller is requested to register by Buyer or any BBV Transferee (a "Piggyback Registration"), which request shall be made to Seller within 15 days after such BBV Persons receive notice from Seller of such proposed filing; PROVIDED, that (i) if, at any time after giving written notice of its intention to file a registration statement and prior to the effectiveness of such registration statement, Seller shall determine for any reason not to register such securities, Seller may, at its election, give written notice of such determination to Buyer (if Buyer or any of its Subsidiaries owns any Registrable Securities) and to all BBV Transferees and, thereupon, shall be relieved of its obligation to register any Registrable Securities in connection with such registration (but not from its obligation to pay the registration expenses referred to in Section 3.2 incurred in connection therewith) and (ii) if such registration statement relates to an underwritten offering, all holders of Registrable Securities requesting to be included in Seller's registration must sell their Registrable Securities to the Underwriters selected by Seller on the same terms and conditions as apply to Seller, with such differences, including any with respect to indemnification and liability insurance, as may be customary or appropriate in combined primary and secondary offerings. Any BBV Person submitting a request pursuant to this Section 2.2 to include Registrable Securities in a registration may elect, by written notice no later than seven days prior to the anticipated effective date of the registration statement filed in connection with such registration, not to have such

Registrable Securities registered in connection with such registration. In the event that any notice described in the previous sentence is given to Seller, the BBV Person giving such notice will bear all incremental costs incurred by Seller in connection with such registration resulting from the inclusion of the Registrable Securities that were not so registered.

(b) If a registration pursuant to this Section 2.2 involves an underwritten offering and any lead Underwriter advises Seller in writing that, in its opinion, the number of securities to be included in such registration exceeds the number which can be sold in such offering without an adverse effect on the price, timing, or distribution of such offering, then the number of securities which all holders of Seller's securities (including BBV Persons) have requested to be included in such registration pursuant to this Section 2.2 or pursuant to "piggyback" registration rights similar to those set forth in this Section 2.2 shall be reduced as necessary pro rata in proportion to the relative number of securities requested by each such holder to be included until the number of securities to be included in such registration no longer exceeds the number which, in the opinion of such lead Underwriter, can be sold in such offering.

(c) No registration effected under this Section 2.2 shall be deemed to have been effected pursuant to Section 2.1 hereof or shall release Seller of its obligations to effect any Demand Registration upon request under Section 2.1 hereof.

### ARTICLE III

#### REGISTRATION PROCEDURES

3.1 FILING; INFORMATION. Whenever any Registrable Securities are to be registered pursuant to Section 2.1 or 2.2 of these Registration Rights, Seller will use its best efforts to effect the registration and the sale of such Registrable Securities in accordance with the intended method of disposition thereof, and pursuant thereto Seller will as expeditiously as reasonably possible:

(a) prepare and file with the Commission as soon as practicable but not later than 120 days after a receipt of a request to file such registration statement, a registration statement with respect to such Registrable Securities on a registration form appropriate for such registration and use its best efforts to cause such registration statement to become effective; PROVIDED that before filing a registration statement or prospectus or any amendments or supplements thereto, Seller will furnish to any BBV Person requesting registration pursuant to Section 2.1 or 2.2 of these Registration Rights and the Underwriters, if any, draft

copies of all such documents proposed to be filed; if such requested registration is pursuant to Section 2.1 of these Registration Rights, such documents shall be so furnished a reasonable time prior to the filing thereof and will be subject to the reasonable review of such BBV Persons, the Underwriters, if any, and their respective agents and representatives and Seller will not file any such registration statement or amendment thereto or any prospectus or any supplement thereto (including such documents incorporated by reference) to which any such BBV Person shall reasonably object;

(b) notify the BBV Persons requesting such registration or their United States counsel, if any, identified by written notice to Seller as representing them in connection with such registration and (if requested) confirm such advice in writing, as soon as practicable after notice thereof is received by Seller (i) when the registration statement or any amendment thereto has been filed or becomes effective, and when the prospectus has been filed, (ii) of any request by the Commission for amendments or supplements to the registration statement or the prospectus or for additional information, (iii) of any stop order issued or threatened by the Commission in connection therewith, (iv) if at any time prior to the effectiveness of the registration statement or while Registrable Securities are being sold thereunder the representations and warranties of Seller contemplated by Section 5.1 cease to be true and correct, and (v) of the receipt by Seller of any notification with respect to the suspension of the qualification of the Registrable Securities for offering or sale in any United States jurisdiction or the initiation or threatening of any proceeding for such purpose;

(c) prepare and file with the Commission such amendments, post-effective amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective for a period of not less than 90 days (or such shorter period which will terminate when all Registrable Securities covered by such registration statement have been sold or withdrawn, but not prior to the expiration of the applicable period referred to in Section 4(3) of the Securities Act and Rule 174 (or any successor provision) thereunder, if applicable), cause the prospectus to be supplemented by any required prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 (or any successor provision) under the Securities Act, and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement during such period in accordance with the intended methods of disposition by the seller or sellers

thereof set forth in such registration statement;

(d) furnish to each BBV Person requesting such registration and the Underwriter or Underwriters, if any, without charge, one signed copy and such number of conformed copies of such registration statement, each amendment and supplement thereto, the prospectus included in such registration statement (including each preliminary prospectus) and any amendments or supplements thereto, any documents incorporated by reference therein and such other documents as any such BBV Person or such Underwriter may reasonably request to facilitate the disposition of the Registrable Securities (it being understood that Seller consents to the use of the prospectus (including the preliminary prospectus) and any amendment or supplement thereto by the BBV Persons selling Registrable Securities pursuant to such registration statement and the Underwriter or Underwriters, if any, in connection with the offering and sale of the Registrable Securities covered by the prospectus or any amendment or supplement thereto);

(e) use its best efforts to register or qualify such Registrable Securities under such other securities or blue sky laws of such United States jurisdictions as the BBV Persons requesting such registration reasonably request and do any and all other acts and things that may reasonably be necessary or advisable to enable the BBV Persons selling Registrable Securities pursuant to such registration statement to consummate the disposition in such jurisdictions of the Registrable Securities owned by such BBV Persons (PROVIDED that Seller will not be required to (i) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this subparagraph, (ii) subject itself to taxation in any such jurisdiction or (iii) consent to general service of process in any such jurisdiction);

(f) notify the BBV Persons requesting such registration, at any time when a prospectus relating to such Registrable Securities is required to be delivered under the Securities Act, of the occurrence of any event as a result of which the prospectus included in such registration statement (as then in effect) contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and, as promptly as possible thereafter, prepare and file with the Commission a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus will not contain an untrue statement of a material fact or omit to state a material fact necessary to make the

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

(g) make generally available to its security holders an earnings statement satisfying the provisions of Section 11(a) of the Securities Act no later than 60 days after the end of the 12-month period beginning with the first day of Seller's first fiscal quarter commencing after the effective date of the registration statement, which earnings statement shall cover said 12-month period, and which requirement will be deemed to be satisfied if Seller timely files complete and accurate information on Forms 10-Q, 10-K and 8-K under the Exchange Act and otherwise complies with Rule 158 (or any successor provision) under the Securities Act as soon as possible;

(h) use its best efforts to cause all such Registrable Securities to be listed or admitted for trading on the principal securities exchange or quotation system on which securities issued by Seller that are of the same class as the Registrable Securities are then listed or admitted;

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

(j) to the extent necessary to enable the indicated Persons to comply with their respective obligations under the Securities Act, make available for inspection by any BBV Person requesting such registration, any Underwriter participating in any disposition pursuant to such registration statement and any attorney, accountant or other agent retained by any such BBV Person or Underwriter all financial and other records, pertinent corporate documents and properties of Seller, and cause Seller's officers, directors, employees and independent certified public accountants to supply all such information reasonably requested by any such BBV Person, Underwriter, attorney, accountant or agent in connection with such registration statement;

(k) obtain a "cold comfort" letter and updates thereof from Seller's independent public accountants in customary form and covering such matters of the type customarily covered by "cold comfort" letters; and

(l) if Underwriters are engaged in connection with any registration referred to in these Registration Rights, Seller shall enter into underwriting or other agreements providing indemnification, representations, covenants, opinions and other assurance to the Underwriters in customary form and covering matters of the type customarily

covered in such underwriting or other agreements.

Seller may require each BBV Person desiring to sell Registrable Securities pursuant to a registration pursuant to Section 2.1 or 2.2 to furnish to Seller such information regarding the distribution of such securities and such other information relating to such BBV Person and its ownership of Registrable Securities as Seller may from time to time reasonably request in writing. Each such BBV Person shall furnish such information to Seller and cooperate with Seller as necessary to enable Seller to comply with the provisions of these Registration Rights.

Upon receipt of any notice from Seller of the happening of any event of the kind described in subsection (f) of this Section 3.1, the BBV Persons selling Registrable Securities will forthwith discontinue disposition of the Registrable Securities until receipt of the copies of the supplemented or amended prospectus contemplated by subsection (f) of this Section 3.1 or until the BBV Persons requesting such registration are advised in writing (the "Advice") by Seller that the use of the prospectus may be resumed, and have received copies of any additional or supplemental filings which are incorporated by reference in the prospectus and, if so directed by Seller, such BBV Persons will deliver to Seller (at Seller's expense) all copies, other than permanent file copies then in each such BBV Person's possession of the prospectus covering such Registrable Securities current at the time of receipt of such notice. In the event that Seller shall give any such notice, the period mentioned in the subsection (c) of this Section 3.1 shall be extended by the number of days during the period from and including the date of the giving of such notice to and including the date when each BBV Person shall have received the Advice and the copies of the supplemented or amended prospectus contemplated by subsection (f) of this Section 3.1.

SECTION 3.2. REGISTRATION EXPENSES. (a) All expenses incident to Seller's performance of or compliance with these Registration Rights including, without limitation, all Commission and securities exchange or National Association of Securities Dealers, Inc. registration and filing fees, fees and expenses of compliance with securities or blue sky laws (including reasonable fees and disbursements of counsel in connection with blue sky qualifications of the Registrable Securities), rating agency fees, printing expenses, messenger and delivery expenses, internal expenses (including without limitation, all salaries and expenses of Seller's officers and employees performing legal or accounting duties), the fees and expenses incurred in connection with the listing of the securities to be registered, if any, on the principal securities exchange on which similar securities issued by Seller are then listed and reasonable fees and disbursements of counsel for

Seller and its independent certified public accountants (including the expenses of any special audit or "cold comfort" letters required by or incident to such performance), Securities Act liability insurance (if Seller elects to obtain such insurance), the reasonable fees and expenses of any special experts retained by Seller in connection with such registration, reasonable fees and expenses of one (but not more than one) counsel and accountant with respect to all BBV Persons incurred in connection with each registration hereunder (but not including any underwriting fees, discounts or commissions attributable to the sale of Registrable Securities, which shall be paid by BBV Persons) and any reasonable out-of-pocket expenses of BBV Persons (all such expenses being herein called "Registration Expenses") will be borne by Seller.

(b) Notwithstanding anything to the contrary in the immediately preceding paragraph, in connection with (i) a Demand Registration pursuant to Section 2.1 hereof and (ii) a Piggyback Registration pursuant to Section 2.2 hereof, the BBV Persons requesting such registration shall be responsible for the fees and expenses of their own counsel and accountants and other out-of-pocket expenses of BBV Persons incurred in connection with such registration.

#### ARTICLE IV

##### INDEMNIFICATION AND CONTRIBUTION

SECTION 4.1. INDEMNIFICATION BY THE SELLER. The Seller shall indemnify and hold harmless each BBV Person, its officers and directors, and each Person, if any, who controls such BBV Person within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act from and against any and all losses, claims, damages and liabilities caused by any untrue statement or alleged untrue statement of a material fact contained in any registration statement or prospectus relating to the Registrable Securities (as amended or supplemented if the Seller shall have furnished any amendments or supplements thereto) or any preliminary prospectus, or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, except insofar as such losses, claims, damages or liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information furnished in writing to the Seller or its attorneys, accountants or representatives by or on behalf of such BBV Person expressly for use therein; PROVIDED that the foregoing indemnity agreement with respect to any preliminary prospectus shall not inure to the benefit of such BBV Person if a copy of the prospectus (as amended or supplemented) was not provided to the relevant purchasers and such prospectus would have cured the defect giving



rise to such loss, claim, damage or liability.

SECTION 4.2. INDEMNIFICATION BY BBV PERSONS. Each BBV Person whose Registrable Securities are sold in any offering pursuant to Section 2.1 or 2.2 hereof, shall severally but not jointly (except that BBV and all of its Subsidiaries who are BBV Persons shall severally and jointly with respect to the obligations of any such BBV Person under this Section 4.2) indemnify and hold harmless the Seller, its officers and directors, the other BBV Persons whose Registrable Securities are sold in such offering, their respective officers, directors and employees and each other Person who controls the Seller or such other BBV Person within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, to the same extent as the foregoing indemnity from the Seller, but only with reference to information furnished in writing to the Seller or its attorneys, accountants or representatives by or on behalf of such BBV Person expressly for use in any registration statement or prospectus relating to the Registrable Securities, or any amendment or supplement thereto, or any preliminary prospectus. In no event shall the liability of any BBV Person hereunder be an amount greater than the dollar amount of the proceeds received by such BBV Person upon the sale of the Registrable Securities giving rise to such indemnification obligation (or, in the case of BBV and all of its Subsidiaries who are BBV Persons, an amount greater than the dollar amount of such proceeds received by all such BBV Persons).

SECTION 4.3. CONDUCT OF INDEMNIFICATION PROCEEDINGS. In case any proceeding (including any governmental investigation) shall be instituted involving any Person in respect of which indemnity may be sought pursuant to Section 4.1 or 4.2, such Person (the "Indemnified Party") shall promptly notify the Person against whom such indemnity may be sought (the "Indemnifying Party") in writing (PROVIDED that failure so to notify the Indemnifying Party shall not relieve it from any liability which it may have otherwise than on account of the indemnity provided for herein) and the Indemnifying Party, upon the request of the Indemnified Party, shall retain counsel reasonably satisfactory to such Indemnified Party to represent such Indemnified Party and shall pay the reasonable fees and disbursements of such counsel related to such proceeding. In any such proceeding, any Indemnified Party shall have the right to retain its own counsel, but the fees and disbursements of such counsel shall be at the expense of such Indemnified Party unless (i) the Indemnifying Party and the Indemnified Party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the Indemnified Party and the Indemnifying Party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the Indemnifying Party shall not, in connection

with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) at any time for all such Indemnified Parties, and that all such fees and expenses shall be reimbursed promptly after they are incurred. In the case of any such separate firm for the Indemnified Parties, such firm shall be designated in writing by the Indemnified Parties. The indemnifying Party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent, or if there be a final judgment for the plaintiff, the Indemnifying Party shall indemnify and hold harmless such Indemnified Parties from and against any loss or liability (to the extent stated above) by reason of such settlement or judgment.

SECTION 4.4. CONTRIBUTION. If the indemnification provided for in this Article IV is unavailable to an Indemnified Party in respect of any losses, claims, damages or liabilities referred to herein, then each Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Seller, BBV Persons and the Underwriters from the offering of the securities, or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) but also the relative fault of the Seller, BBV Persons and the Underwriters in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Seller, BBV Persons and the Underwriters shall be deemed to be in the same proportion as the total proceeds from the offering (net of underwriting discounts and commissions but before deducting expenses) received by each of the Seller and BBV Persons and the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover page of the prospectus, bear to the aggregate public offering price of the securities. The relative fault of the Seller, BBV Persons and the Underwriters shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by such party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Seller and Buyer recognize that it would not be just and equitable if contribution pursuant to this Section 4.4 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable

considerations referred to in the immediately preceding paragraph. The amount paid or payable by an Indemnified Party as a result of the losses, claims, damages or liabilities referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 4.4, no BBV Person shall be required to contribute hereunder any amount in excess of the dollar amount by which the net proceeds (before deducting expenses) received by such BBV Person upon the sale of the Registrable Securities giving rise to such contribution obligation exceeds the amount of any damages which such BBV Person has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

#### ARTICLE V

#### MISCELLANEOUS

SECTION 5.1. PARTICIPATION IN UNDERWRITTEN REGISTRATIONS. (a) Any BBV Person (PROVIDED that such demand may only be made with the prior written approval of Buyer at any time that Buyer or any of its Subsidiaries owns any Registrable Securities) may require that any registration pursuant to Section 2.1 be an underwritten registration. In the event such registration is an underwritten offering, Seller will enter into an underwriting agreement with the lead Underwriter or Underwriters for such offering, which lead Underwriter or Underwriters shall be selected in the manner set forth in Section 2.1 and which underwriting agreement shall be in customary form as described in Section 3.1(l). BBV Persons selling Registrable Securities in such offering shall be party to such underwriting agreement and may require that any or all of the representations and warranties by, and the other agreements on the part of, Seller to and for the benefit of such Underwriters shall also be made to and for the benefit of such BBV Persons and that any or all of the conditions precedent to the obligations of such Underwriters under such underwriting agreement be conditions precedent to the obligations of such BBV Persons.

(b) No BBV Person may participate in any underwritten registered offering contemplated hereunder unless such BBV Person (a) agrees to sell its securities on the basis provided in any underwriting arrangements and (b) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements and these Registration Rights.

SECTION 5.2. BBV TRANSFEREES. Any Person, other than Buyer or any of its Subsidiaries, acquiring from Buyer or any of its Subsidiaries any Registrable Securities, except for transferees acquiring Registrable Securities in an offering registered under the Securities Act or in a sale made pursuant to Rule 144 under the Securities Act, may elect, within 30 days of the date of the transfer to it of such Registrable Securities, to become entitled to these Registration Rights by sending written notification of such election to Seller and Buyer (each such person, upon such election and so long as it holds Registrable Securities, being herein called a "BBV Transferee"). Each such BBV Transferee shall be bound by the terms of these Registration Rights and shall hold such Registrable Securities with all the rights conferred, and subject to all obligations and restrictions imposed, hereby.

SECTION 5.3. RULE 144. Seller covenants that it will use its best efforts to file any reports required to be filed by it under the Securities Act and the Exchange Act and that it will take such further action as Buyer may reasonably request, all to the extent required from time to time to enable BBV Persons to sell Registrable Securities without registration under the Securities Act within the limitation of the exemption provided by Rule 144 (or any successor provision) under the Securities Act. Upon the request of Buyer or any BBV Transferee, the Seller will deliver to Buyer a written statement as to whether it has complied with such requirements.

SECTION 5.4. NO INCONSISTENT AGREEMENTS. Seller will not enter into any agreement with respect to its securities which conflicts with the obligations of Seller pursuant to these Registration Rights.

SECTION 5.5. TERM. For so long as any BBV Person owns any of the Registrable Securities, the rights and obligations of Buyer and such BBV Person under these Registration Rights shall remain in effect.

[Form of Opinion of Seward & Kissel]

Capitalized terms used herein shall have the meanings assigned to such terms in the Convertible Note Purchase Agreement.

1. Seller is a limited partnership formed under the Delaware Act, validly existing and in good standing under the laws of the State of Delaware. The execution, delivery and performance of the Convertible Note Purchase Agreement and the Convertible Note, the issuance and delivery of the BBV Units upon conversion of the Convertible Note, and the consummation of the other transactions contemplated thereby are within Seller's power and have been duly authorized by all necessary action on the part of Seller and the General Partner. Assuming due authorization, execution and delivery by the other parties thereto, the Convertible Note Purchase Agreement constitutes a valid and binding agreement of Seller and the Convertible Note constitutes a valid and binding obligation of Seller.

2. The execution and delivery by Seller of the Convertible Note Purchase Agreement and the Convertible Note, the issuance and delivery of the BBV Units upon conversion of the Convertible Note and the consummation of the other transactions contemplated thereby do not and will not: (i) violate, conflict with, or breach any provision of the Partnership Agreement or Seller's certificate of limited partnership, (ii) result in any conflict with New York, Delaware or United States federal law or (iii) require any consent or other action by any Person under, constitute a breach of or default under, or give rise to any right of termination, cancellation or acceleration of any right or obligation of Seller or a loss of any benefit to which Seller is entitled under, any material agreement or other instrument known by us to be binding upon Seller or any material license, franchise, permit or other similar authorization known by us to be held by Seller or (iv) to our knowledge, result in the creation or imposition of any Lien on any asset of Seller.

3. Except for the approval of the New York Stock Exchange of the listing of the BBV Units, no action by or in respect of, or filing with, any governmental body, agency, or official or self-regulatory organization is required to be obtained by Seller in connection with the execution, delivery and performance by Seller of the Convertible Note

Purchase Agreement and the Convertible Note, the issuance and delivery of the BBV Units upon conversion of the Convertible Note or the consummation of the other transactions contemplated thereby.

4. The BBV Units have been duly authorized and, when issued to Buyer upon conversion of the Convertible Note, will be validly issued, free and clear of any Lien and any other limitation or restriction other than those set forth in the Convertible Note Purchase Agreement. Subject only to the provisions of applicable law, Buyer, as holder of the BBV Units, will have no obligation to make any contribution of capital to Seller or have any liability for the debts and obligations of Seller. The issuance of the BBV Units to Buyer is not subject to preemptive rights of any partner in, or any Affiliate or creditor of, Seller or any other person.

5. Subject to and in reliance upon the representation given in Section 5.1 of the Convertible Note Purchase Agreement, the issuance of the Convertible Note by Seller and the issuance of the BBV Units by Seller upon conversion of the Convertible Note will be exempt from registration under the Securities Act.

6. The General Partner is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware.

In rendering the opinions set forth in paragraphs 2 and 4 above with respect to matters of Delaware law we have, with your approval, expressed our opinion in reliance upon the opinion of Morris, Nichols, Arsht & Tunnell, dated the date hereof and attached to this opinion.

[Form of Opinion of Davis Polk & Wardwell]

Capitalized terms used herein shall have the meanings assigned to such terms in the Unit Purchase Agreement.

1. Seller is a limited partnership formed under the Delaware Act, validly existing and in good standing under the laws of the State of Delaware. The execution, delivery and performance of the Convertible Note Purchase Agreement and the Convertible Note, the issuance and delivery of the BBV Units upon conversion of the Convertible Note, and the consummation of the other transactions contemplated thereby are within Seller's power and have been duly authorized by all necessary action on the part of Seller and the General Partner. Assuming due authorization, execution and delivery by the other parties thereto, the Convertible Note Purchase Agreement constitutes a valid and binding agreement of Seller and the Convertible Note constitutes a valid and binding obligation of Seller.

2. The BBV Units have been duly authorized and, when issued to Buyer upon conversion of the Convertible Note, will be validly issued, free and clear of any Lien and any other limitation or restriction other than those set forth in the Convertible Note Purchase Agreement. The issuance and delivery of the BBV Units upon conversion of the Convertible Note will not violate, conflict with, or breach any provision of the Partnership Agreement or Seller's certificate of limited partnership.

3. Subject to and in reliance upon the representation given in Section 5.1 of the Convertible Note Purchase Agreement, the issuance of the Convertible Note by Seller and the issuance of the BBV Units by Seller upon conversion of the Convertible Note will be exempt from registration under the Securities Act.

In rendering the opinion set forth in paragraph 2 above with respect to matters of Delaware law we have, with your approval, expressed our opinion in reliance upon the opinion of Richards, Layton & Finger, dated the date hereof and attached to this opinion.

[Letterhead of Equitable Investment Corporation]

August 12, 1994

Banco Bilbao Vizcaya, S.A.  
Plaza de San Nicolas 4  
48005 Bilbao, Spain

Dear Sirs:

Reference is made to the Convertible Note Purchase Agreement dated August 11, 1994 (the "Purchase Agreement") between Banco Bilbao Vizcaya, S.A. ("Buyer") and Alliance Capital Management L.P. ("Seller"). Capitalized terms used herein and not otherwise defined have the meanings set forth in the Purchase Agreement.

Equitable Investment Corporation ("Shareholder") represents and warrants to Buyer as of the date hereof that it directly owns 100% of the capital stock of the General Partner entitled, in the ordinary course, to vote in the election of directors of the General Partner (the "Voting Stock"). In consideration of Buyer's agreement to purchase the Convertible Note from Seller pursuant to the Purchase Agreement, Shareholder agrees to cause to be elected to the board of directors of the General Partner one individual to be designated by Buyer (the "BBV Director") as soon as practicable after conversion of the Convertible Note, but in no event later than 15 days after the Conversion Date. Buyer shall designate the BBV Director in its sole discretion by written notice to the General Partner; PROVIDED that Buyer shall not designate any individual whose election to the board of directors of the General Partner would violate any applicable law, rule, regulation, judgment, injunction, order or decree.

Shareholder further agrees to cause the BBV Director (or any successor in such capacity designated by Buyer by written notice to the General Partner) to be re-elected to the board of directors of the General Partner from time to time for consecutive terms of office; PROVIDED, HOWEVER, that if, at any time after the Conversion Date, Buyer shall own a number of Units equal to less than 65% of the number of Units issued upon conversion of the



Convertible Note (adjusted for any subdivisions of, or combinations with respect to, the Units), then Shareholder shall not be required to cause the BBV Director to be re-elected to the board of directors of the General Partner.

Shareholder shall not sell, pledge, assign, encumber or otherwise transfer any Voting Stock of the General Partner to any other Person or Persons if such action would cause Shareholder to own less than a majority of the Voting Stock, unless such Person or Persons agree in writing to be bound by all the terms of this Agreement.

This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to the conflicts of laws rules thereof.

If the foregoing is in accordance with your understanding, please sign and return to us a counterpart of this Agreement, whereupon it shall constitute a binding agreement between Shareholder and Buyer.

Very truly yours,

EQUITABLE INVESTMENT CORPORATION

By

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Title:

Accepted and agreed to  
as of the date hereof:

BANCO BILBAO VIZCAYA, S.A.

By

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Title: