UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 19, 2010

CROSSTEX ENERGY, L.P.

(Exact name of registrant as specified in its charter)

DELAWARE	**000-50067**	**16-1616605**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

2501 CEDAR SPRINGS DALLAS, TEXAS	**75201**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(214) 953-9500**

(Former name or former address, if changed since last report.)

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

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

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

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

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

Item 1.01. Entry Into a Material Definitive Agreement.

Private Placement

As previously reported in a Form 8-K filed with the Securities and Exchange Commission (the "SEC") on January 11, 2009, on January 6, 2010, Crosstex Energy, L.P. (the "Partnership") entered into a privately negotiated Purchase Agreement (the "Purchase Agreement") with GSO Crosstex Holdings LLC (the "Purchaser") to issue and sell 14,705,882 Series A Convertible Preferred Units representing limited partner interests of the Partnership (the "Series A Preferred Units"). Pursuant to the terms of the Purchase Agreement, the Series A Preferred Units were issued and sold by the Partnership to the Purchaser on January 19, 2010.

Registration Rights Agreement

On January 19, 2010, the Partnership entered into a Registration Rights Agreement with the Purchaser relating to the registered resale of common units representing limited partner interests of the Partnership ("Common Units") issuable upon conversion of the Series A Preferred Units. Pursuant to the Registration Rights Agreement, the Partnership has agreed to file a shelf registration statement for the resale of the Common Units into which the Series A Preferred Units may convert as soon as practicable following receipt of written notice from the Purchaser requesting the filing of such shelf registration statement. Moreover, the Partnership has agreed to use commercially reasonable efforts to cause the shelf registration statement to be declared effective by the SEC no later than 180 days after filing such shelf registration statement.

Board Representation Agreement

On January 19, 2010, the Partnership, Crosstex Energy GP, L.P., its general partner (the "General Partner"), Crosstex Energy GP, LLC, the general partner of the General Partner (the "Company") and Crosstex Energy, Inc., the parent of the Company ("CEI"), entered into a Board Representation Agreement (the "Board Representation Agreement") with the Purchaser. Pursuant to the Board Representation Agreement, each of the Partnership, the General Partner, the Company and CEI agreed to take all actions necessary or advisable to cause one director serving on the Board of Directors of the Company (the "Board") to be designated by the Purchaser, in its sole discretion. Such designation right will terminate upon the earliest to occur of (i) the Purchaser and its affiliates holding a number of Series A Preferred Units and Common Units issued on conversion of the Series A Preferred Units that is less than twenty-five percent (25%) of the number of Series A Preferred Units initially issued to the Purchaser pursuant to the Purchase Agreement, (ii) such time as the sum of (A) the number of Common Units into which the Series A Preferred Units collectively held by the Purchaser and its affiliates are convertible and (B) the number of the Common Units issuable upon conversion of the Series A Preferred Units which are then collectively held by the Purchaser and its affiliates represent less than ten percent (10%) of the Common Units then outstanding and (iii) the Purchaser ceasing to be an affiliate of The Blackstone Group L.P. Prior to the termination of the designation right, such director may be removed by the Purchaser at any time, and by a majority of the other directors then serving on the Board for "cause."

The foregoing descriptions of the Registration Rights Agreement and the Board Representation Agreement do not purport to be complete and are qualified in their entirety by reference to the complete text of the Registration Rights Agreement and the Board Representation Agreement, copies of which are filed as Exhibits to this Current Report on Form 8-K and are incorporated herein by reference.

Item 3.02. Unregistered Sales of Equity Securities.

Pursuant to the terms of the Purchase Agreement, the Series A Preferred Units were issued and sold by the Partnership on January 19, 2010 to the Purchaser for a cash purchase price of $8.50 per Series A Preferred Unit, resulting in total gross proceeds of approximately $125 million. Net proceeds to the Partnership, including the General Partner's proportionate capital contribution and after deduction of the fees and expenses related to the private placement, including a 3% fee paid to the Purchaser, were approximately $123.5 million.

The Series A Preferred Units were issued and sold in a private transaction exempt from registration under Section 4(2) of the Securities Act of 1933, as amended (the "Securities Act"), and certain rules and regulations promulgated under that section. The Purchaser has represented in the Purchase Agreement that it is an "accredited investor" within the meaning of Rule 501 under the Securities Act and that such Purchaser is acquiring the Series A Preferred Units for its own account for investment purposes and not with a view to distributing such Series A Preferred Units in violation of any securities laws. In addition, each Purchaser agreed that it understands that the Series A Preferred Units must not be sold or otherwise disposed of except pursuant to an effective registration statement under the Securities Act or under an exemption from such registration.

The text in Item 5.03 of this Current Report on Form 8-K regarding the Partnership Agreement Amendment is incorporated into this item by reference.

Item 3.03. Material Modification to Rights of Securities Holders.

On January 19, 2010, the Partnership issued the Series A Preferred Units pursuant to the Purchase Agreement, which Series A Preferred Units have certain rights that are senior to the rights of holders of Common Units, such as the rights to distributions and rights upon liquidation of the Partnership. In addition, on January 19, 2010, the Partnership entered into the Registration Rights Agreement with the Purchaser relating to the registered resale of the Common Units issuable upon conversion of the Series A Preferred Units purchased pursuant to the Purchase Agreement. The general effect of the issuance of these transactions upon the rights of the holders of Common Units is more fully described in Items 1.01 and 5.03 of this Current Report on Form 8-K, which are incorporated in this Item 3.03 by reference.

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

On January 19, 2010, the Board appointed D. Dwight Scott as a director of the Board. Mr. Scott was selected as a director pursuant to the Board Representation Agreement described above. Mr. Scott is a Senior Managing Director of GSO Capital Partners and head of GSO's Houston Office. Mr. Scott focuses on investments in the energy and power markets and is a member of GSO's Investment Committee. Before joining GSO in 2005, Mr. Scott was an Executive Vice President and Chief Financial Officer of El Paso Corporation (NYSE: EP). Prior to joining El Paso, Mr. Scott served as a managing director in the energy investment banking practice of Donaldson, Lufkin & Jenrette. Mr. Scott earned a BA from the University of North Carolina at Chapel Hill and a MBA from The University of Texas at Austin. He is currently a Director of Cheniere Energy, Inc. (AMEX: LNG), Crestwood Midstream Partners, MCV Investors, Inc., SandRidge Energy, Inc. (NYSE: SD) and United Engines Holding Company, LLC. Mr. Scott is a member of the Board of Trustees of KIPP, Inc. and the River Oaks Baptist School.

Mr. Scott is employed by The Blackstone Group and GSO Capital Partners, which are affiliates of the Purchaser, and which have entered into the transactions described in this Form 8-K and the Form 8-K filed with the SEC on January 11, 2010 with the Partnership and its affiliates.

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

Amendment to Partnership Agreement

On January 19, 2010, in connection with the transactions described in Items 1.01 and 3.02 above, the Partnership entered into Amendment No. 3 to the Sixth Amended and Restated Agreement of Limited Partnership of the Partnership (the "Partnership Agreement Amendment") to set forth the terms of the Series A Preferred Units.

Under the terms of the Partnership Agreement Amendment, commencing with the quarter ending on March 31, 2010, the Series A Preferred Units will receive quarterly distributions ("Series A Quarterly Distributions") in an amount equal to the greater of (a) the amount of aggregate distributions that would be payable had such Series A Preferred Units converted into Common Units and (b) a fixed rate of 0.025 multiplied by the conversion price, which will initially be $8.50 per Series A Preferred Unit (subject to customary anti-dilution adjustments) (the "Conversion Price"), paid in arrears within 45 days after the end of each quarter and prior to any other distributions are made with respect to the Common Units. Such distributions may be paid in cash, in additional Series A Preferred Units issued in kind or any combination thereof, as determined by the Partnership in its sole discretion. The Partnership will not pay any distribution with respect to any Common Units in any quarter in which the Series A Preferred Units do not receive a Series A Quarterly Distribution in full in cash. The record date for the determination of holders entitled to receive Series A Quarterly Distributions will be the same as the record date for determination of Common Unit holders entitled to receive quarterly distributions.

If the Partnership fails to pay in full any Series A Quarterly Distribution, the amount of such unpaid distribution will accrue and accumulate from the last day of the quarter for which such distribution is due until paid in full.

The Series A Preferred Units have voting rights that are identical to the voting rights of the Common Units and shall vote with the Common Units as a single class, with each Series A Preferred Unit entitled to one vote for each Common Unit into which such Series A Preferred Unit is convertible. The Series A Preferred Units will have class voting rights on any matter, including a merger, consolidation or business combination, that adversely affects, amends or modifies any of the rights, preferences, privileges or terms of the Series A Preferred Units.

The Series A Preferred Units are convertible in whole or in part into Common Units at any time at the holder's election. The number of Common Units into which a Series A Preferred Unit is convertible will be an amount equal to (i) the sum of $8.50 and all accrued and accumulated but unpaid distributions, divided by (ii) the Conversion Price, which will initially be $8.50 per Series A Preferred Unit (subject to customary anti-dilution adjustments).

Commencing on January 19, 2013, the Partnership will have the right at any time to convert all or part of the Series A Preferred Units then outstanding, provided that (i) the daily volume-weighted average trading price of the Common Units on the national exchange on which the Common Units are listed or admitted to trading must be greater than 150% of the then-applicable conversion price for 20 out of the trailing 30 days ending on two trading days before the date on which the Partnership delivers notice of such conversion, and (ii) the average daily trading volume of Common Units on such national exchange must have exceeded 250,000 Common Units for 20 out of the trailing 30 trading days ending on two trading days before the date on which the Partnership delivers notice of such conversion.

Until the earliest to occur of (i) the Purchaser and its affiliates holding a number of Series A Preferred Units and Common Units issued on conversion of the Series A Preferred Units that is less than twenty-five percent (25%) of the number of Series A Preferred Units initially issued to the Purchaser pursuant to the Purchase Agreement, (ii) such time as the sum of (A) the number of Common Units into which the Series A Preferred Units collectively held by the Purchaser and its affiliates are convertible and (B) the number of the Common Units issuable upon conversion of the Series A Preferred Units which are then collectively held by the Purchaser and its affiliates represent less than ten percent (10%) of the Common Units then outstanding and (iii) the Purchaser ceasing to be an affiliate of The Blackstone Group L.P., the holders of the Series A Preferred Units will have a right of first refusal to purchase any securities issued by the Partnership that rank *pari passu* with the Series A Preferred Units.

Upon any liquidation and winding up of the Partnership or the sale of substantially all of the assets of the Partnership, the holders of Series A Preferred Units generally will be entitled to receive, in preference to the holders of any of the Partnership's other securities, an amount equal to the greater of (a) the sum of (i) the Conversion Price multiplied by the number of Series A Preferred Units owned by such holders, plus (ii) all accrued but unpaid distributions on such Series A Preferred Units or (b) the amount of aggregate distributions that would be payable had such Series A Preferred Units converted into Common Units.

Amendment to LLC Agreement

On January 19, 2010, in connection with the Board Representation Agreement described in Item 1.01 above, the Company entered into Amendment No. 1 to its Amended and Restated Limited Liability Company Agreement ("the LLC Agreement Amendment") to provide for the Purchaser's right to designate a member of the Board.

The foregoing descriptions of the Partnership Agreement Amendment and the LLC Agreement Amendment do not purport to be complete and are qualified in their entirety by reference to the complete text of the Partnership Agreement Amendment and the LLC Agreement Amendment, copies of which are filed as Exhibits to this Current Report on Form 8-K and are incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

On January 19, 2010, the Partnership issued a press release announcing that it has completed its sale of its gathering and treating assets in East Texas for $40 million to Waskom Gas Processing Company. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

On January 20, 2010, the Partnership issued a press release announcing that it has completed its sale of the Series A Preferred Units to the Purchaser. A copy of the press release is furnished as Exhibit 99.2 to this Current Report on Form 8-K.

In accordance with General Instruction B.2 of Form 8-K, the information set forth in this Item 7.01 and in the attached Exhibits 99.1 and 99.2 shall be deemed to be "furnished" and not be deemed to be "filed" for purposes of the Securities and Exchange Act of 1934, as amended.

Item 9.01. Financial Statements and Exhibits.

In accordance with General Instruction B.2 of Form 8-K, the information set forth in the attached Exhibits 99.1 and 99.2 is deemed to be furnished and shall not be deemed to be "filed" for purposes of Section 18 of the Exchange Act.

(d) *Exhibits.*

EXHIBIT NUMBER		DESCRIPTION
3.1	—	Amendment No. 3 to Sixth Amended and Restated Agreement of Limited Partnership of Crosstex Energy, L.P., dated as of January 19, 2010.
3.2	—	Amendment No. 1 to Amended and Restated Limited Liability Company Agreement of Crosstex Energy GP, LLC, dated as of January 19, 2010.
4.1	—	Registration Rights Agreement, dated as of January 19, 2010, by and among Crosstex Energy, L.P. and GSO Crosstex Holdings LLC.
10.1	—	Board Representation Agreement, dated as of January 19, 2010, by and among Crosstex Energy GP, LLC, Crosstex Energy GP, L.P., Crosstex Energy, L.P., Crosstex Energy, Inc. and GSO Crosstex Holdings LLC.
99.1	—	Press release dated January 19, 2010.
99.2	—	Press release dated January 20, 2010.

SIGNATURES

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

CROSSTEX ENERGY, L.P.

By: Crosstex Energy GP, L.P., its General Partner

By: Crosstex Energy GP, LLC, its General Partner

Date: January 22, 2010

By: /s/ William W. Davis
William W. Davis
Executive Vice President and
Chief Financial Officer

INDEX TO EXHIBITS

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99.1	—	Press release dated January 19, 2010.
99.2	—	Press release dated January 20, 2010.

Exhibit 3.1

EXECUTION VERSION

AMENDMENT NO. 3 TO

SIXTH AMENDED AND RESTATED

AGREEMENT OF LIMITED PARTNERSHIP

OF

CROSSTEX ENERGY, L.P.

This AMENDMENT NO. 3 TO SIXTH AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF CROSSTEX ENERGY, L.P. (this " *Amendment*"), dated as of January 19, 2010, is entered into by Crosstex Energy GP, LLC, a Delaware limited liability company, the general partner of Crosstex Energy GP, L.P., a Delaware limited partnership (the " *General Partner*"), as general partner of Crosstex Energy, L.P., a Delaware limited partnership (the "*Partnership*"). Capitalized terms used but not defined herein are used as defined in the Sixth Amended and Restated Agreement of Limited Partnership Agreement of Crosstex Energy, L.P., dated as of March 23, 2007, as amended by Amendment No. 1 to Sixth Amended and Restated Agreement of Limited Partnership of Crosstex Energy, L.P., dated as of December 20, 2007, and as amended by Amendment No. 2 to Sixth Amended and Restated Agreement of Limited Partnership of Crosstex Energy, L.P., effective as of January 1, 2007 (as so amended, the "*Partnership Agreement*").

RECITALS:

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

B. Section 13.1(g) of the Partnership Agreement provides that the General Partner, without the approval of any Partner or Assignee, may amend any provision of the Partnership Agreement necessary or advisable in connection with the authorization or issuance of any class or series of Partnership Securities pursuant to Section 5.6 of the Partnership Agreement.

C. The General Partner deems it in the best interest of the Partnership to effect this Amendment in order to provide for the issuance of Series A Convertible Preferred Units to certain persons pursuant to that certain Series A Convertible Preferred Unit Purchase Agreement, dated as of January 6, 2010 by and among the Partnership and the purchaser set forth on Schedule A thereto.

NOW, THEREFORE, the Partnership Agreement is hereby amended as follows:

Section 1. Amendment.

(a) Section 1.1 is hereby amended to add or amend and restate the following definitions in the appropriate alphabetical order:

(i) "*Beneficial Owner*" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that, in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the Exchange Act), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time. The terms "*Beneficially Owns*" and "*Beneficially Owned*" have a corresponding meaning.

(ii) "*Conversion Units" is* defined in Section 5.15(b)(vi)(A).

(iii) "*Convertible Securities*" is defined in Section 5.15(b)(viii)(F).

(iv) "*DWAC*" is defined in Section 5.15(b)(viii)(E).

(v) "*Exchange Act*" shall mean the Securities Exchange Act of 1934, as amended.

(vi) "*Follow-On Price*" is defined in Section 5.15(b)(viii)(G).

(vii) "*Follow-On Units*" is defined in Section 5.15(b)(viii)(G).

(viii) "*Issue Price*" means the price at which a Unit is purchased from the Partnership, after taking into account any sales commission or underwriting discount charged to the Partnership and after taking into account any other form of discount with respect to the price at which a Unit is purchased from the Partnership; *provided, however*, that in the case of the Series A Preferred Units, the Issue Price shall be $8.50 per Unit.

(ix) "*Junior Securities*" means any class or series of Partnership Securities that, with respect to distributions on such Partnership Securities and distributions upon liquidation of the Partnership, ranks junior to the Series A Preferred Units, including but not limited to Common Units and Incentive Distribution Rights and any other class or series of Partnership Securities issued by the Partnership or any Subsidiary of the Partnership on or after the date of the Purchase Agreement, but excluding any Parity Securities and Senior Securities.

(x) "*Outstanding*" means, with respect to Partnership Securities, all Partnership Securities that are issued by the Partnership and reflected as outstanding on the Partnership's books and records as of the date of determination; provided, however, that if at any time any Person or Group (other than the General Partner or its Affiliates) beneficially owns 20% or more of any Outstanding Partnership Securities of any class then Outstanding, all Partnership Securities owned by such Person or Group shall not be voted on any matter and shall not be considered to be Outstanding when sending notices of a meeting of Limited Partners to vote on any matter (unless otherwise required by law), calculating required votes, determining the presence of a quorum or for other similar purposes under this Agreement, except that Common Units so owned shall be considered to be Outstanding for purposes of Section 11.1(b)(iv) (such Common Units shall not, however, be treated as a separate class of Partnership Securities for purposes of

this Agreement); provided, further, that the foregoing limitation shall not apply (i) to any Person or Group who acquired 20% or more of any Outstanding Partnership Securities of any class then Outstanding directly from the General Partner or its Affiliates, (ii) to any Person or Group who acquired 20% or more of any Outstanding Partnership Securities of any class then Outstanding directly or indirectly from a Person or Group described in clause (i) provided that the General Partner shall have notified such Person or Group in writing that such limitation shall not apply, or (iii) to any Person or Group who acquired 20% or more of any Partnership Securities issued by the Partnership with the prior approval of the board of directors of the General Partner. For the avoidance of doubt, the board of directors of the General Partner has approved the issuance of the Series A Preferred Units (including the Common Units issued upon conversion thereof) to the Purchaser pursuant to the Purchase Agreement in accordance with clause (iii) of the immediately preceding sentence, and any Series A PIK Preferred Units (including any Common Units issued upon conversion thereof) issued to the Purchaser shall be deemed to be approved by the board of directors of the General Partner in accordance with clause (iii) of the immediately preceding sentence and the foregoing limitations of the immediately preceding sentence do not apply to the Purchaser with respect to its ownership of the Series A Preferred Units (including the Common Units issued upon conversion thereof).

(xi) "*Net Termination Gain*" means, for any taxable year, the sum, if positive, of all items of income, gain, loss or deduction recognized by the Partnership (a) after the Liquidation Date or (b) upon the sale, exchange or other disposition of all or substantially all of the assets of the Partnership Group, taken as a whole, in a single transaction or a series of related transactions (excluding any disposition to a member of the Partnership Group). The items included in the determination of Net Termination Gain shall be determined in accordance with Section 5.5(b) and shall not include any items of income, gain or loss specially allocated under Section 6.1(d) or under the second and third sentences of Section 5.15(b)(iv).

(xii) "*Net Termination Loss*" means, for any taxable year, the sum, if negative, of all items of income, gain, loss or deduction recognized by the Partnership (a) after the Liquidation Date or (b) upon the sale, exchange or other disposition of all or substantially all of the assets of the Partnership Group, taken as a whole, in a single transaction or a series of related transactions (excluding any disposition to a member of the Partnership Group). The items included in the determination of Net Termination Loss shall be determined in accordance with Section 5.5(b) and shall not include any items of income, gain or loss specially allocated under Section 6.1(d) or under the second and third sentences of Section 5.15(b)(iv).

(xiii) "*Parity Securities*" means any class or series of Partnership Securities that, with respect to distributions on such Partnership Securities or distributions upon liquidation of the Partnership, ranks *pari passu* with the Series A Preferred Units.

(xiv) "*Parity Securities Notice*" is defined in Section 5.15(b)(vi)(A).

(xv) "*Partnership Event*" is defined in Section 5.15(b)(viii)(H)(a).

(xvi) "*Partnership Security*" means any class or series of equity interest in the Partnership (but excluding any options, rights, warrants and appreciation rights relating to an equity interest in the Partnership), including, without limitation, Common Units, Incentive Distribution Rights and Series A Preferred Units.

(xvii) "*Percentage Interest*" means as of any date of determination (a) as to the General Partner (in its capacity as General Partner without reference to any Limited Partner Interests held by it), 2%, (b) as to any Unitholder or Assignee holding Units, the product obtained by multiplying (i) 98% less the percentage applicable to paragraph (c) by (ii) the quotient obtained by dividing (A) the number of Units held by such Unitholder or Assignee (or, in the case of Series A Preferred Units that are entitled to convert into a number of Common Units as provided in Section 5.15(b)(viii), the number of Common Units into which such Series A Preferred Units held by such Unitholder or Assignee would then convert under such Section 5.15(b)(viii)) by (B) the total number of all Outstanding Units, and (c) as to the holders of additional Partnership Securities issued by the Partnership in accordance with Section 5.6, the number of Units to which such Partnership Securities are equivalent for the purpose of determining Percentage Interest (and only for such purpose) as determined by the General Partner as a part of such issuance. The Percentage Interest with respect to an Incentive Distribution Right shall at all times be zero.

(xviii) "*Purchase Agreement*" means that certain Series A Convertible Preferred Unit Purchase Agreement, dated as of January 6, 2010 by and among the Partnership and the Purchaser.

(xix) "*Purchaser*" means the purchaser set forth on Schedule A to the Purchase Agreement.

(xx) "*Senior Securities*" means any class or series of Partnership Securities that, with respect to distributions on such Partnership Securities or distributions upon liquidation of the Partnership, ranks senior to the Series A Preferred Units.

(xxi) "*Series A Conversion Date*" is defined in Section 5.15(b)(viii)(E).

(xxii) "*Series A Conversion Notice*" is defined in Section 5.15(b)(viii)(B).

(xxiii) "*Series A Conversion Notice Date*" is defined in Section 5.15(b)(viii)(B).

(xxiv) "*Series A Conversion Price*" means an amount equal to $8.50 per Series A Preferred Unit, subject to adjustment as set forth in Section 5.15(b)(viii)(F), Section 5.15(b)(viii)(G) and Section 5.15(b)(viii)(H).

(xxv) "*Series A Convertible Preferred Units*" is defined in Section 5.15(a).

(xxvi) "*Series A Distribution Payment Date*" is defined in Section 5.15(b)(ii)(A).

(xxvii) "*Series A Distribution Rate*" means, with respect to any Series A Quarterly Distribution for any Quarter, an amount per Series A Preferred Unit equal to the greater of (a) the amount of aggregate distributions in cash for such Quarter that would be payable with respect to a Series A Preferred Unit if such Series A Preferred Unit had converted at the beginning of such Quarter into the number of Common Unit(s) into which such Series A Preferred Unit is convertible pursuant to Section 5.15(b)(viii) as of the date of such determination and (b) a fixed rate of 0.025 multiplied by the Series A Conversion Price per Series A Preferred Unit; provided, however, that with respect to any distribution paid in whole or in part in Series A PIK Preferred Units relating to any Quarter after the Quarter ended December 31, 2012, the rate in clause (b) above will increase to 0.030, multiplied by the Series A Conversion Price for such distribution (but not for any future Series A Quarterly Distributions paid in full in cash).

(xxviii) "*Series A Forced Conversion Notice*" is defined in Section 5.15(b)(viii)(D).

(xxix) "*Series A Forced Conversion Notice Date*" is defined in Section 5.15(b)(viii)(D).

(xxx) "*Series A Issuance Date*" means January 19, 2010.

(xxxi) "*Series A Liquidation Value*" means, with respect to each Series A Preferred Unit Outstanding as of the date of such determination, an amount equal to the sum of (i) the Series A Conversion Price, plus (ii) all accrued and accumulated but unpaid distributions on such Series A Preferred Unit.

(xxxii) "*Series A PIK Preferred Payment Date*" is defined in Section 5.15(b)(ii)(F).

(xxxiii) "*Series A PIK Preferred Units*" is defined in Section 5.15(a).

(xxxiv) "*Series A Preferred Units*" means the series of Units designated as Series A Convertible Preferred Units pursuant to Section 5.15.

(xxxv) "*Series A Quarterly Distribution*" is defined in Section 5.15(b)(ii)(A).

(xxxvi) "*Series A Voting Units*" means Series A Preferred Units excluding all Series A Preferred Units Beneficially Owned, directly or indirectly, by any Affiliate of the Partnership.

(xxxvii) "*Survivor Preferred Security*" is defined in Section 5.15(b)(viii)(H)(a).

(xxxviii) "*Unit*" means a Partnership Security that is designated as a "*Unit*" and shall include Common Units and Series A Preferred Units, but shall not include (i) a General Partner Interest or (ii) Incentive Distribution Rights.

(b) The sentence immediately prior to Section 2.6(b) of the Partnership Agreement is hereby amended and restated in its entirety as follows:

Nothing contained in this Section 2.6(a) shall be construed as authorizing the General Partner to (x) amend this Agreement except in accordance with Article XIII or as may be otherwise expressly provided for in this Agreement or (y) take any action which adversely affects the ability of the holders of Series A Preferred Units (including Series A PIK Preferred Units) to exercise their rights pursuant to Section 5.15.

(c) Section 4.8(c) of the Partnership Agreement is hereby amended by adding the following sentence as the last sentence of such Section 4.8(c):

The transfer of a Series A Preferred Unit that has converted into a Common Unit shall be subject to the restrictions imposed by Section 6.12.

(d) The following shall be added as the first sentence of Section 5.5(a) of the Partnership Agreement:

The Partnership shall maintain for each Partner (or a Beneficial Owner of Partnership Interests held by a nominee in any case in which the nominee has furnished the identity of such owner to the Partnership in accordance with Section 6031(c) of the Code or any other method acceptable to the General Partner) owning a Partnership Interest a separate Capital Account with respect to such Partnership Interest in accordance with the rules of Treasury Regulation Section 1.704-1(b)(2)(iv) and Proposed Treasury Regulation Section 1.704-1(b)(2)(iv)(s).

(e) Section 5.5(a) of the Partnership Agreement is hereby amended by adding the following at the end of such Section 5.5(a):

The initial Capital Account balance in respect of each Series A Preferred Unit issued on the Series A Issuance Date shall be the Issue Price for such Series A Preferred Unit, and the initial Capital Account balance of each holder of Series A Preferred Units in respect of all Series A Preferred Units issued on the Series A Issuance Date shall be the product of such initial balance for a Series A Preferred Unit multiplied by the number of Series A Preferred Units held thereby. The Capital Account balance of each holder of Series A Preferred Units in respect of its Series A Preferred Units shall not be increased or decreased as a result of the accrual and accumulation of an unpaid distribution pursuant to Section 5.15(b)(ii)(A) or Section 5.15(b)(ii)(B) in respect of such Series A Preferred Units except as otherwise provided in this Agreement.

(f) Section 5.5(d)(i) of the Partnership Agreement is hereby amended and restated to read in its entirety as follows:

In accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(f) and Proposed Treasury Regulation Section 1.704-1(b)(2)(iv)(s), on an issuance of additional Partnership Interests for cash or Contributed Property, the issuance of Partnership Interests as consideration for the provision of services, the conversion of the General Partner's Combined Interest to Common Units pursuant to Section 11.3(b), or the conversion of a Series A Preferred Unit (but, for the avoidance of doubt not as a result of an increase in the number of Series A Preferred Units Outstanding pursuant to Section 5.15(b)(ii)), the Capital Account of all Partners and the Carrying Value of each Partnership property immediately prior to such issuance, or immediately after such conversion, shall be adjusted upward or downward to reflect any Unrealized Gain or Unrealized Loss attributable to such Partnership property, as if such Unrealized Gain or Unrealized Loss had been recognized on an actual sale of each such property for an amount equal to its fair market value immediately prior to such issuance or on the date of such conversion. Any such Unrealized Gain or Unrealized Loss (or items thereof) shall (A) in the case of an adjustment other than as a result of the conversion of Series A Preferred Units, be allocated among the Unitholders (other than the Unitholders holding Series A Preferred Units in respect of such Series A Preferred Units) pursuant to Section 6.1(c) in the same manner as any item of gain or loss actually recognized following an event giving rise to the dissolution of the Partnership would have been allocated, and (B) in the case of an adjustment resulting from the conversion of Series A Preferred Units, first be allocated to the Partners holding converted Series A Preferred Units until the Capital Account of each converted Series A Preferred Unit is equal to the Per Unit Capital Amount for a then Outstanding Common Unit (other than a converted Series A Preferred Unit), and any remaining Unrealized Gain or Unrealized Loss shall be allocated among the Partners pursuant to Section 6.1(c) in the same manner as any item of gain or loss actually recognized following an event giving rise to the dissolution of the Partnership would have been allocated. If the Unrealized Gain or Unrealized Loss allocated as a result of the conversion of a Series A Preferred Unit is not sufficient to cause the Capital Account of each converted Series A Preferred Unit to equal the Per Unit Capital Amount for a then Outstanding Common Unit (other than a converted Series A Preferred Unit), then Capital Account balances shall be reallocated between the Partners holding converted Series A Preferred Units and the Partners holding Common Units (other than converted Series A Preferred Units) so as to cause the Capital Account of each converted Series A Preferred Unit to equal the Per Unit Capital Amount for a then Outstanding Common Unit (other than a converted Series A Preferred Unit), in accordance with Proposed Treasury Regulation Section 1.704-1(b)(2)(iv)(s)(3). In determining such Unrealized Gain or Unrealized Loss, the aggregate cash amount and fair market value of all Partnership assets (including cash or cash equivalents) immediately prior to the issuance of additional Partnership Interests, or immediately after the conversion, shall be determined by the General Partner using such method of valuation as it may adopt; *provided, however*, that the General Partner, in arriving at such valuation, must take fully into account the fair market value of the Partnership Interests of all Partners at such time, and must reduce the fair market value of all Partnership assets by the excess, if any, of the fair market value of any Outstanding Series A Preferred Units that have not yet been converted over the aggregate Issue Price of such Series A Preferred Units to the extent of any Unrealized Gain that has not been reflected

in the Partners' Capital Accounts previously, pursuant to Proposed Treasury Regulation Section 1.704-1(b)(2)(iv)(h)(2). The General Partner shall allocate such aggregate value among the assets of the Partnership (in such manner as it determines) to arrive at a fair market value for individual properties.

(g) Section 5.5(d)(ii) is hereby amended and restated to read in its entirety as follows:

In accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(f), immediately prior to any distribution to a Partner (other than a distribution of cash that is not in redemption or retirement of a Partnership Interest), the General Partner may cause any Unrealized Gain or Unrealized Loss attributable to each Partnership property to be recognized, and allocated in the same manner as that provided in Section 5.5(d)(i), as if there had been a sale of such property immediately prior to such distribution in which event the Carrying Value of each Partnership property shall be adjusted as of the beginning of the next taxable period to an amount equal to the fair market value thereof; provided that the General Partner shall cause Unrealized Gain or Unrealized Loss to be recognized and Carrying Values to be adjusted if doing so would permit Corrective Allocations to be made pursuant to Section 6.1(d)(xi). In determining such Unrealized Gain or Unrealized Loss, the aggregate cash amount and fair market value of all Partnership assets immediately prior to a distribution shall (A) in the case of a distribution that is not made pursuant to Section 12.4 be determined and allocated in the same manner as that provided in Section 5.5(d)(i) or (B) in the case of a liquidating distribution pursuant to Section 12.4, be determined and allocated by the Liquidator using such reasonable method of valuation as it may adopt.

(h) Section 5.5(f) shall be added to the Partnership Agreement and shall read in its entirety as follows:

Upon an increase in the number of Series A Preferred Units (or fraction thereof) Outstanding pursuant to Section 5.15(b)(ii), the Capital Accounts of all Series A Preferred Units that are Outstanding prior to such increase shall be divided equally among all Series A Preferred Units that are Outstanding after such increase (and any fractional Series A Preferred Units shall be allocated a fractional part of such Capital Account).

(i) Section 5.6(a) of the Partnership Agreement is hereby amended and restated to read in its entirety as follows:

The Partnership may issue additional Partnership Securities and options, rights, warrants and appreciation rights relating to the Partnership Securities for any Partnership purpose at any time and from time to time to such Persons for such consideration and on such terms and conditions as the General Partner shall determine, all without the approval of any Limited Partners, subject to Section 5.15(b)(v).

(j) Article V is hereby amended to add a new Section 5.15 creating a new series of Units to read in its entirety as follows:

Section 5.15 *Establishment of Series A Preferred Units.*

(a) *General*. The General Partner hereby designates and creates a series of Units to be designated as "*Series A Convertible Preferred Units*" and consisting of a total of 14,705,882 Series A Preferred Units, plus any additional Series A Preferred Units issued in kind as a Preferred Distribution pursuant to Section 5.15(b)(ii) ("*Series A PIK Preferred Units*"), having the same rights and preferences, and subject to the same duties and obligations as the Common Units, except as set forth in this Section 5.15 and Section 6.12. Other than with respect to Series A PIK Preferred Units, the class of Series A Convertible Preferred Units shall be closed immediately following the Series A Issuance Date and thereafter no additional Series A Preferred Units shall be designated, created or issued without the prior written approval of the holders of a majority of the Outstanding Series A Voting Units.

(b) *Rights of Series A Preferred Units*. The Series A Preferred Units shall have the following rights and preferences and shall be subject to the following duties and obligations:

(i) *Allocations*.

(A) Notwithstanding anything to the contrary in Section 6.1(a), following any allocation made pursuant to Section 6.1(a)(i) and prior to any allocation made pursuant to Section 6.1(a)(ii), any remaining Net Income shall be allocated to all Unitholders holding Series A Preferred Units, Pro Rata, until the aggregate Net Income allocated pursuant to this sentence for the current taxable period of the Partnership and all previous taxable periods of the Partnership is equal to the aggregate Net Loss allocated to the Unitholders holding Series A Preferred Units pursuant to Section 5.15(b)(i)(C) for the current and all prior taxable periods of the Partnership.

(B) In no event shall a Unitholder holding Series A Preferred Units be allocated any Net Income pursuant to Section 6.1(a)(ii) in respect of their Series A Preferred Units.

(C) Notwithstanding anything to the contrary in Section 6.1(b), (x) Unitholders holding Series A Preferred Units shall not receive any allocation pursuant to Section 6.1(b)(i) with respect to their Series A Preferred Units, and (y) following any allocation made pursuant to Section 6.1(b)(i) and prior to any allocation made pursuant to Section 6.1(b)(ii), any remaining Net Loss shall be allocated to all Unitholders holding Series A Preferred Units in respect of their Series A Preferred Units, Pro Rata; *provided*, that Net Loss shall not be allocated pursuant to this Section 5.15(b)(i)(C)(y) to the extent that such allocation would cause any Unitholder to have a deficit balance in its Adjusted Capital Account at the end of such taxable year (or increase any existing deficit balance in its Adjusted Capital Account).

(D) Notwithstanding anything to the contrary in Section 6.1(c)(i), (x) Unitholders holding Series A Preferred Units shall be allocated Net Termination Gain in accordance with Section 6.1(c)(i)(A) but shall not receive

any allocation pursuant to Section 6.1(c)(i)(B) and shall receive only those allocations pursuant to Sections 6.1(c)(i)(C) — (G) with respect to their Series A Preferred Units as provided in Section 5.15(b)(iv), and (y) following any allocation made pursuant to Section 6.1(c)(i)(A) and prior to any allocation made pursuant to Section 6.1(c)(i)(B), any remaining Net Termination Gain shall be allocated to all Unitholders holding Series A Preferred Units, Pro Rata, until the Capital Account in respect of each Series A Preferred Unit then Outstanding is equal to the Series A Liquidation Value or, if greater, an amount equal to the Per Unit Capital Amount for a then outstanding Common Unit.

(E) Notwithstanding anything to the contrary in Section 6.1(c)(ii), (x) prior to any allocation made pursuant to Section 6.1(c)(ii)(C), Net Termination Loss shall be allocated to all Unitholders holding Series A Preferred Units, Pro Rata, until the Capital Account per Series A Preferred Unit then Outstanding is reduced to an amount equal to the Per Unit Capital Amount for a then outstanding Common Unit, but such amount not to be less than the Series A Liquidation Value and (y) following any allocation made pursuant to Section 6.1(c)(ii)(C) and prior to any allocation made pursuant to Section 6.1(c)(ii)(D), any remaining Net Termination Loss shall be allocated to all Unitholders holding Series A Preferred Units, Pro Rata, until the Capital Account in respect of each Series A Preferred Unit then Outstanding has been reduced to zero.

(F) To the extent cash is distributed to a Unitholder holding Series A Preferred Units in respect of the Series A Preferred Units, then prior to any allocation pursuant to Sections 6.1(a), 6.1(b), 6.1(c) or 6.1(d)(iii)(A), there shall be allocated items of gross income or gain to each Unitholder holding Series A Preferred Units, Pro Rata, until the amount so allocated for the current taxable period and all previous taxable periods pursuant to this Section 5.15(b)(i)(F) is equal to the aggregate amount of cash distributed to the Unitholder holding Series A Preferred Units in respect of such Series A Preferred Units for the current taxable period and all prior taxable periods.

(G) Notwithstanding anything in the Partnership Agreement to the contrary, in no event shall any income, gain, loss or deduction attributable to the sale by the Partnership of its gathering and treating assets in East Texas which are as of the date of this Amendment expected to be sold to Waskom Gas Processing Company be allocated to a holder of Series A Preferred Units in respect of its Series A Preferred Units.

(H) To the extent cash is distributed to the General Partner pursuant to Section 5.l5(b)(ii)(G), then prior to any allocation pursuant to Sections 6.l(a), 6.1(b), 6.l(c) or 6.l(d)(iii)(A), there shall be allocated items of gross income or gain to the General Partner, until the amount so allocated for the current taxable period and all previous taxable periods pursuant to this Section 5.15(b)(i)(H) is equal to the aggregate amount of cash distributed to the General Partner pursuant to Section 5.l5(b)(ii)(G) for the current taxable period and all prior taxable periods.

(ii) *Distributions*.

(A) Commencing with the Quarter ending on March 31, 2010, the holders of the Series A Preferred Units as of an applicable Record Date shall be entitled to receive cumulative distributions (each, a "*Series A Quarterly Distribution*"), prior to any other distributions made in respect of any other Partnership Securities pursuant to Sections 6.3, 6.4 or 6.5, in an amount equal to the Series A Distribution Rate on all Outstanding Series A Preferred Units. Distributions shall be paid Quarterly, in arrears, within forty-five (45) days after the end of each Quarter (each such payment date, a "*Series A Distribution Payment Date*"). Such distributions may be paid in cash, in Series A PIK Preferred Units or in a combination thereof, as determined by the Partnership in its sole discretion. The Partnership shall not pay any distribution pursuant to Sections 6.3, 6.4 or 6.5, with respect to any General Partner Interest, Limited Partner Interest or other Partnership Security in any Quarter in which the Series A Quarterly Distribution is not paid in full in cash. The number of Series A PIK Preferred Units to be issued in connection with any Series A Quarterly Distribution paid in Series A PIK Preferred Units shall be determined by dividing the cash amount of such Series A Quarterly Distribution to be paid in kind by the Series A Conversion Price; provided, that fractional Series A PIK Preferred Units shall not be issued to any person (each fractional Series A PIK Preferred Unit shall be rounded to the nearest whole Series A PIK Preferred Unit (and a 0.5 Series A PIK Preferred Unit shall be rounded to the next higher Series A PIK Preferred Unit)). Unless the context otherwise requires, references in this Section 5.15 to Series A Preferred Units shall include all Series A PIK Preferred Units Outstanding as of the date of such determination. Each Record Date established pursuant to this Section 5.15(b)(ii) for a Series A Quarterly Distribution in respect of any Quarter shall be the same Record Date established for any distribution to be made by the Partnership in respect of other Partnership Securities pursuant to Section 6.3, 6.4 or 6.5 for such Quarter.

(B) If, in violation of this Agreement, the Partnership fails to pay in full any Series A Quarterly Distribution when due, then, without limiting any rights of the holders of the Series A Preferred Units to compel the Partnership to make such distribution, the amount of such unpaid distributions will accrue and accumulate from the last day of the Quarter in respect of which such payment is due until paid in full.

(C) If a Series A Quarterly Distribution is not paid in full in cash, such Series A Quarterly Distribution (or the applicable portion thereof not paid in cash) shall be paid in kind in Series A PIK Preferred Units as set forth in Section 5.15(b)(ii)(A). If, in violation of this Agreement, the Partnership fails to pay in full any Series A Quarterly Distribution in kind when due, then the holders entitled to the unpaid Series A PIK Preferred Units shall be entitled to Series A Quarterly Distributions in subsequent Quarters and to all other rights under this Agreement as if such unpaid Series A PIK Preferred Units had in fact been distributed on the date due. Nothing in this clause (C) shall alter the obligation of

the Partnership to pay any unpaid Series A PIK Preferred Units or the right of the holders of Series A Preferred Units to enforce this Agreement to compel the Partnership to distribute any unpaid Series A PIK Preferred Units.

(D) Notwithstanding anything in this Section 5.15(b)(ii) to the contrary, with respect to Series A Preferred Units that are converted into Common Units, the holder thereof shall not be entitled to a Series A Preferred Unit distribution and a Common Unit distribution with respect to the same period, but shall be entitled only to the distribution to be paid based upon the class of Units held as of the close of business on the applicable Record Date. For the avoidance of doubt, if a Series A Conversion Notice Date or a Series A Forced Conversion Notice Date, as applicable, occurs prior to the close of business on a Record Date for payment of a distribution on the Common Units, the applicable holder of Series A Preferred Units shall receive only the Common Unit distribution with respect to such period.

(E) If all or any portion of a Series A Quarterly Distribution is to be paid in cash, then the aggregate amount of such cash to be so distributed in respect of the Series A Preferred Units Outstanding as of the Record Date for such Series A Quarterly Distribution shall be deducted from the calculation of the amount of Available Cash for purposes of any distribution payable pursuant to Sections 6.3, 6.4 or 6.5.

(F) When any Series A PIK Preferred Units are payable to a holder of Series A Preferred Units pursuant to this Section 5.15, the Partnership shall issue the Series A PIK Preferred Units to such holder as soon as reasonably practicable, and in any event no later than the Series A Distribution Payment Date (the date of issuance of such Series A PIK Preferred Units, the "*Series A PIK Preferred Payment Date*"). On the Series A PIK Preferred Payment Date, the Partnership shall issue to such holder a certificate or certificates for the number of Series A PIK Preferred Units to which such holder shall be entitled (with the number of and denomination of such certificates designated by such holder). The issuance of the Series A PIK Preferred Units pursuant to this Section 5.15(ii) shall be deemed to have been made on the last day of the Quarter in respect of which such payment of Series A PIK Preferred Units was due.

(G) If the distribution paid on the Series A Preferred Units for a particular Quarter is made in accordance with clause (a) of the definition of Series A Distribution Rate (an "*As Converted Distribution*"), then the General Partner shall be entitled to receive cumulative distributions, prior to any other distributions made in respect of any other Partnership Securities pursuant to Sections 6.3, 6.4 or 6.5, in an amount equal to 2/98ths of the amount of the As Converted Distribution on all the Series A Preferred Units. For the avoidance of doubt, the General Partner shall not otherwise be entitled to receive any distributions that correspond to the distributions on a Series A Preferred Unit made in accordance with clause (b) of the definition of Series A Distribution Rate.

(iii) *Issuance of Series A Preferred Units.* On the Series A Issuance Date the Series A Preferred Units shall be issued by the Partnership pursuant to the terms and conditions of the Purchase Agreement. Concurrently with the issuance of the Series A Preferred Units, the General Partner shall contribute to the Partnership as an additional Capital Contribution an amount in cash equal to 2/98ths of the aggregate Issue Price of the Series A Preferred Units issued on the Series A Issuance Date.

(iv) *Liquidation Value*. In the event of any liquidation and winding up of the Partnership under Section 12.4 or a sale, exchange or other disposition of all or substantially all of the assets of the Partnership, either voluntary or involuntary, the holders of the Series A Preferred Units shall be entitled to receive, out of the assets of the Partnership available for distribution to the Partners or any Assignees, prior and in preference to any distribution of any assets of the Partnership to the holders of any other class or series of Partnership Securities or General Partner Interests, the positive value in each such holder's Capital Account in respect of such Series A Preferred Units. If in the year of such liquidation and winding up, or sale, exchange or other disposition of substantially all of the assets of the Partnership, any such holder's Capital Account in respect of such Series A Preferred Units is less than the aggregate Series A Liquidation Value of such Series A Preferred Units, then notwithstanding anything to the contrary contained in this Agreement, and prior to any other allocation pursuant to this Agreement for such year and prior to any distribution pursuant to the preceding sentence, items of gross income and gain shall be allocated to all Unitholders then holding Series A Preferred Units (including Series A PIK Preferred Units), Pro Rata, until the Capital Account in respect of each Series A Preferred Unit then Outstanding is equal to the Series A Liquidation Value (and no other allocation pursuant to this Agreement shall reverse the effect of such allocation). If in the year of such liquidation, dissolution or winding up any such holder's Capital Account in respect of such Series A Preferred Units is less than the aggregate Series A Liquidation Value of such Series A Preferred Units after the application of the preceding sentence, then to the extent permitted by law and notwithstanding anything to the contrary contained in this Agreement, items of gross income and gain for any preceding taxable period(s) with respect to which Schedule K-1s have not been filed by the Partnership shall be reallocated to all Unitholders then holding Series A Preferred Units (including Series A PIK Preferred Units), Pro Rata, until the Capital Account in respect of each such Series A Preferred Unit then Outstanding is equal to the Series A Liquidation Value (and no other allocation pursuant to this Agreement shall reverse the effect of such allocation). At such time as such allocations have been made to the Outstanding Series A Preferred Units, Net Termination Gain or Net Termination Loss shall be allocated to the Partners and Assignees pursuant to Section 6.1(c) or Section 6.1(d), as the case may be; provided, however, that, solely for the purpose of such allocations pursuant to Sections 6.1(c)(i)(C) — (G), the Outstanding Series A Preferred Units (including Series A PIK Preferred Units) shall be treated as having been converted into the applicable number of Common Units (solely with respect to the right of Common Units to receive allocations pursuant to such Sections and not with respect to the determination as to which allocations cease to be made pursuant to such Sections). At the time of the dissolution of the Partnership, subject to Section 17-804 of the Delaware Act, the holders of the Series A Preferred Units shall become entitled to receive any distributions in respect of the Series A Preferred Units that are

accrued and unpaid as of the date of such distribution, if any, and shall have the status of, and shall be entitled to all remedies available to, a creditor of the Partnership, and such entitlement of the holders of the Series A Preferred Units to such accrued and unpaid distributions shall have priority over any entitlement of any other Partners or Assignees with respect to any distributions by the Partnership to such other Partners or Assignees; *provided, however,* that the General Partner, as such, will have no liability for any obligations with respect to such distributions to any holder or holders of Series A Preferred Units.

(v) *Voting Rights*.

(A) The Series A Preferred Units shall have voting rights that are identical to the voting rights of the Common Units and shall vote with the Common Units as a single class, so that each Series A Preferred Unit (including Series A PIK Preferred Units) will be entitled to one vote for each Common Unit into which such Series A Preferred Units are convertible on each matter with respect to which each Common Unit is entitled to vote. Each reference in this Agreement to a vote of holders of Common Units shall be deemed to be a reference to the holders of Common Units and Series A Preferred Units on an "as if" converted basis.

(B) Notwithstanding any other provision of this Agreement, in addition to all other requirements imposed by Delaware law, and all other voting rights granted under this Agreement, the affirmative vote of the holders of a majority of the Outstanding Series A Voting Units, voting separately as a class based upon one vote per Series A Voting Unit, shall be necessary on any matter (including a merger, consolidation or business combination) that adversely affects any of the rights, preferences and privileges of the Series A Preferred Units in any respect or amends or modifies any of the terms of the Series A Preferred Units; provided that the General Partner shall be able to amend this Section 5.15 so long as the amendment does not adversely affect the holders of the Series A Preferred Units. Without limiting the generality of the preceding sentence, such adverse effect, amendment or modification includes any action that would:

a. reduce the Series A Distribution Rate, change the form of payment of distributions, defer the date from which distributions on the Series A Preferred Units will accrue and accumulate, cancel accrued, accumulated and unpaid distributions on the Series A Preferred Units, or change the relative seniority rights of the holders of Series A Preferred Units as to the payment of distributions in relation to the holders of any other Units or amend this Section 5.15;

b. reduce the amount payable or change the form of payment to the holders of the Series A Preferred Units upon the voluntary or involuntary liquidation, dissolution or winding up of the Partnership, or change the relative seniority of the liquidation preferences of the holders of the Series A Preferred Units to the rights upon liquidation of the holders of any other Units;

c. make the Series A Preferred Units redeemable or convertible at the option of the Partnership, in the case of conversion, before January 19, 2013, or modify the conditions that must have occurred for such conversion option to be exercised;

d. authorize, create or issue any Senior Securities (or amend the provisions of any existing class of Partnership Securities to make such class of Partnership Securities a class of Senior Securities); or

e. distribute Capital Surplus pursuant to Section 6.5.

Notwithstanding the other provisions of this Section 5.15(b)(v), no Parity Securities or Junior Securities shall be issued if, in each case, the terms of such security require the Partnership to repurchase any or all of such securities on a date certain that is prior to twelve (12) months after the date that all Series A Preferred Units are no longer Outstanding as a result of the conversion of such Series A Preferred Units pursuant to the terms of this Section 5.15.

(C) The Partnership acknowledges that adversely affecting any of the rights, preferences and privileges of the Series A Preferred Units in any respect or amending Section 5.15 would, for purposes of Section 13.3(c), have a material adverse effect on the rights and preferences of the holders of Series A Preferred Units in relation to other classes of Partnership Interest.

(vi) *Right of First Refusal.*

(A) Other than Series A PIK Preferred Units issued in connection with the Series A Quarterly Distribution, the Partnership shall not issue or transfer any Parity Securities other than in compliance with this Section 5.15(b)(vi). If at any time the Partnership wishes to issue or transfer to any party any Parity Securities, the Partnership shall, prior to any such issuance or transfer, promptly deliver a notice of such proposed issuance or Transfer to each holder of Series A Preferred Units (the "*Parity Securities Notice*"); provided, however, that the foregoing limitation shall only apply until the earliest to occur of the following: (i) the Purchaser and its Affiliates holding a number of Series A Preferred Units and Common Units issued upon conversion of the Series A Preferred Units (the "*Conversion Units*") that is less than twenty-five percent (25%) of the number of Series A Preferred Units initially issued to the Purchaser pursuant to the Purchase Agreement; (ii) such time as the sum of (A) the number of Common Units into which the Series A Preferred Units collectively held by the Purchaser and its Affiliates are convertible and (B) the number of Conversion Units which are then collectively held by the Purchaser and its Affiliates represent less than ten percent (10%) of the Common Units then outstanding and (iii) the Purchaser ceasing to be an Affiliate of The Blackstone Group L.P. The Parity Securities Notice shall include (1) a description of the Parity Securities, (2) the identity of the proposed recipient(s) of the Parity Securities if such proposed recipient(s) have been identified and (3) a description of the consideration and material terms and

conditions upon which the proposed issuance or Transfer is being made, together with a copy of any written agreements.

(B) Each holder of Series A Preferred Units shall have an option for a period of ten (10) Business Days from the date of such holder's receipt of the Parity Securities Notice to elect to purchase, at the same price and on the same material terms and conditions as described in the Parity Securities Notice, such number of offered Parity Securities up to the aggregate amount of offered Parity Securities multiplied by a ratio, the numerator of which is the number of Series A Preferred Units of such holder and the denominator of which is the total number of Outstanding Series A Preferred Units. A timely election to purchase Parity Securities may be made by a holder of Series A Preferred Units in response to a Parity Securities Notice by delivering to the Partnership written notice setting forth the number of Parity Securities which such holder wishes to purchase (up to the maximum amount to which such holder is entitled to acquire pursuant to the previous sentence) and an undertaking to pay in full at closing the purchase price for such Parity Securities. The closing of such purchase shall occur not less than twenty (20) days after the date such holder makes a timely election to purchase such Parity Securities and shall be at such date thereafter as determined by the Partnership, provided that such date may not be later than sixty (60) days after the date such holder makes such timely election. Any Parity Securities for which the holders of Series A Preferred Units have not elected to purchase following the expiration of such ten (10) Business Day period may be sold to the proposed recipient(s) on substantially the same terms and conditions set forth in the Parity Securities Notice at any time during the period ending ninety (90) days after termination of such ten (10)-Business Day period. Any Parity Securities that the Partnership desires to issue or Transfer following such ninety (90) day period or not on substantially the same terms and conditions set forth in the Parity Securities Notice must be offered to the holders of Series A Preferred Units with a new Parity Securities Notice pursuant to the terms of this Section 5.15(b)(vi).

(vii) *Certificates*.

(A) The Series A Preferred Units shall be evidenced by certificates in such form as the General Partner may approve and, subject to the satisfaction of any applicable legal, regulatory and contractual requirements, may be assigned or transferred in a manner identical to the assignment and transfer of other Units; unless and until the General Partner determines to assign the responsibility to another Person, the General Partner will act as the registrar and transfer agent for the Series A Preferred Units. The certificates evidencing Series A Preferred Units shall be separately identified and shall not bear the same CUSIP number as the certificates evidencing Common Units.

(B) The certificate(s) representing the Series A Preferred Units may be imprinted with a legend in substantially the following form:

"THE SERIES A PREFERRED UNITS REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS. THE SERIES A PREFERRED UNITS REPRESENTED BY THIS CERTIFICATE MAY NOT BE OFFERED FOR SALE, SOLD, PLEDGED, TRANSFERRED OR OTHERWISE DISPOSED OF UNTIL THE HOLDER THEREOF PROVIDES EVIDENCE SATISFACTORY TO THE GENERAL PARTNER (WHICH, IN THE DISCRETION OF THE GENERAL PARTNER, MAY INCLUDE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE GENERAL PARTNER) THAT SUCH OFFER, SALE, PLEDGE, TRANSFER OR OTHER DISPOSITION WILL NOT VIOLATE APPLICABLE FEDERAL OR STATE SECURITIES LAWS.

THIS CERTIFICATE IS NOT REQUIRED TO BE PHYSICALLY SURRENDERED TO THE PARTNERSHIP IN THE EVENT THAT THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE CONVERTED IN PART. AS A RESULT, FOLLOWING ANY CONVERSION OF ANY PORTION OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY BE LESS THAN THE NUMBER OF UNITS INDICATED ON THIS CERTIFICATE. IF ANY SECURITIES ARE CONVERTED AS AFORESAID, THE HOLDER OF THIS CERTIFICATE MAY NOT TRANSFER ANY SECURITIES REPRESENTED BY THIS CERTIFICATE UNLESS AND UNTIL SUCH HOLDER FIRST PHYSICALLY SURRENDERS TO CROSSTEX ENERGY, L.P. ALL CERTIFICATES REPRESENTING ANY SUCH SECURITIES WHICH HAVE PREVIOUSLY BEEN CONVERTED IN WHOLE OR IN PART, WHEREUPON CROSSTEX ENERGY, L.P. WILL FORTHWITH ISSUE AND DELIVER UPON THE ORDER OF SUCH HOLDER NEW CERTIFICATE(S) EVIDENCING SUCH SECURITIES THEN HELD BY SUCH HOLDER."

(viii) *Conversion*.

(A) Each of the holders of Series A Preferred Units (including Series A PIK Preferred Units) shall have the right, at any time at the option of such holder, to request conversion in whole or in part of its Series A Preferred Units into Common Units, subject to the conditions set forth in this Section 5.15(b)(viii)(A). Any Common Units delivered as a result of conversion pursuant to this Section 5.15(b)(viii)(A) shall be validly issued, fully paid and non-assessable (except as such nonassessability may be affected by matters described in Sections 17-303, 17-607 and 17-804 of the Delaware Act), free and clear of any liens, claims, rights or encumbrances other than those arising under the Act or the Partnership Agreement, as amended by this Amendment, or created by the holders

thereof. The number of Common Units deliverable upon conversion of each Series A Preferred Unit as of any date shall be an amount per Series A Preferred Unit equal to the quotient of (i) the sum of $8.50 and all accrued and accumulated but unpaid distributions on such Series A Preferred Unit as of the Series A Conversion Notice Date or the Series A Forced Conversion Notice Date, as the case may be, divided by (ii) the Series A Conversion Price with respect to such Series A Preferred Unit. Immediately following any conversion, the rights of the holders of converted Series A Preferred Units, including, without limitation, any accrual of distributions, shall cease and the Persons entitled to receive the Common Units upon the conversion of Series A Preferred Units shall be treated for all purposes as having become the owners of such Common Units.

(B) To convert Series A Preferred Units into Common Units pursuant to Section 5.15(b)(viii)(A), the holder shall give written notice (a "*Series A Conversion Notice*") to the Partnership in the form of Exhibit A attached hereto stating that such holder elects to so convert Series A Preferred Units into Common Units and shall state therein with respect to Series A Preferred Units to be converted pursuant to Section 5.15(b)(viii)(A): (a) the number of Series A Preferred Units to be converted, (b) the name or names in which such holder wishes the certificate or certificates for Common Units to be issued, (c) the holder's computation of the number of Common Units to be received by the holder (or designated recipients) upon the Series A Conversion Date and (d) the Series A Conversion Price on the Series A Conversion Notice Date. The date of any Series A Conversion Notice shall be hereinafter be referred to as a "*Series A Conversion Notice Date*."

(C) Commencing on January 19, 2013, subject to the terms of this Section 5.15, the Partnership shall have the right at any time, at the option of the Partnership, to convert all or part of the Series A Preferred Units then Outstanding into the number of Common Units as determined in the manner set forth in Section 5.15(b)(viii)(A) above; *provided* that in order for the Partnership to exercise such option, on the Series A Forced Conversion Notice Date, (i) the daily volume-weighted average trading price of the Common Units on the National Securities Exchange on which the Common Units are listed or admitted to trading must be greater than one hundred fifty percent (150%) of the Series A Conversion Price, for twenty (20) out of the trailing thirty (30) Trading Days ending two (2) Trading Days before the date the Partnership furnishes the Series A Forced Conversion Notice, and (ii) the average daily trading volume of Common Units on the National Securities Exchange upon which such Common Units trade must have exceeded 250,000 Common Units, as adjusted for events specified in Section 5.15(b)(viii)(F) and Section 5.15(b)(viii)(H), for twenty (20) out of the trailing thirty (30) Trading Days ending two (2) Trading Days before the date the Partnership furnishes the Series A Forced Conversion Notice. Any Common Units delivered as a result of the conversion of Series A Preferred Units pursuant to this Section 5.15(b)(viii)(C) shall be validly issued, fully paid and non-assessable (except as such nonassessability may be affected by matters described in Sections 17-303, 17-607 and 17-804 of the Delaware Act).

(D) To convert Series A Preferred Units into Common Units pursuant to Section 5.15(b)(viii)(C), the Partnership shall give written notice (a "*Series A Forced Conversion Notice*", and the date of such notice, a "*Series A Forced Conversion Notice Date*") to each holder of Series A Preferred Units in the form of Exhibit A attached hereto stating that the Partnership elects to force conversion of such Series A Preferred Units pursuant to Section 5.15(b)(viii)(C) and shall state therein (i) the number of Series A Preferred Units to be converted, (ii) the Series A Conversion Price on the Series A Forced Conversion Notice Date, and (iii) the Partnership's computation of the number of Common Units to be received by the holder upon the Series A Conversion Date. In addition, if a holder of Series A Preferred Units does not provide written notice to the Partnership of the name or names in which such holder wishes the certificate or certificates for Common Units to be issued within five (5) Business Days after receipt of the Series A Forced Conversion Notice, then the certificate or certificates for Common Units shall be issued to the Record Holder of such Series A Preferred Units.

(E) If a Series A Conversion Notice is delivered by a holder of Series A Preferred Units to the Partnership pursuant to Section 5.15(b)(viii)(B), or a Series A Forced Conversion Notice is delivered by the Partnership to a holder of Series A Preferred Units pursuant to Section 5.15(b)(viii)(D), the Partnership shall issue the Common Units as soon as reasonably practicable, and in any event no later than ten (10) days after a Series A Conversion Notice Date or a Series A Forced Conversion Date, as the case may be (the date of issuance of such Common Units, the "*Series A Conversion Date*"). On the Series A Conversion Date and subject to the book-entry provisions set forth below, such holder shall surrender the certificate or certificates representing the Series A Preferred Units being converted, duly endorsed, at the office of the Partnership or, if identified in writing to such holder by the Partnership, at the offices of any transfer agent for such Units. On the Series A Conversion Date, the Partnership shall issue to such holder a certificate or certificates for the number of Common Units to which such holder shall be entitled (with the number of and denomination of such certificates designated by such holder). In lieu of delivering physical certificates representing the Common Units issuable upon conversion of Series A Preferred Units, provided the Transfer Agent is participating in the Depository's Fast Automated Securities Transfer program, upon request of the holder, the Partnership shall use its commercially reasonable efforts to cause its Transfer Agent to electronically transmit the Common Units issuable upon conversion or distribution payment to the holder, by crediting the account of the holder's prime broker with the Depository through its Deposit Withdrawal Agent Commission ("*DWAC*") system. The parties agree to coordinate with the Depository to accomplish this objective. The conversion pursuant to this Section 5.15(viii) shall be deemed to have been made immediately prior to the close of business on the Series A Conversion Notice Date or the Series A Forced Conversion Notice Date, as applicable. The Person or Persons entitled to receive the Common Units issuable upon such conversion shall be treated for all purposes as the Record Holder or Holders of such Common Units at the close of business on the Series A

Conversion Notice Date or the Series A Forced Conversion Notice Date, as applicable.

(F) *Distributions, Combinations, Subdivisions and Reclassifications by the Partnership.* If, after the Series A Issuance Date, the Partnership (i) makes a distribution on its Common Units in Common Units, (ii) subdivides or splits its outstanding Common Units into a greater number of Common Units, (iii) combines or reclassifies its Common Units into a smaller number of Common Units or (iv) issues by reclassification of its Common Units any Partnership Securities (including any reclassification in connection with a merger, consolidation or business combination in which the Partnership is the surviving Person), then the Series A Conversion Price in effect at the time of the Record Date for such distribution or of the effective date of such subdivision, split, combination, or reclassification shall be proportionately adjusted so that the conversion of the Series A Preferred Units after such time shall entitle the holder to receive the aggregate number of Common Units (or shares of any Partnership Securities into which such shares of Common Units would have been combined, consolidated, merged or reclassified pursuant to clauses (iii) and (iv) above) that such holder would have been entitled to receive if the Series A Preferred Units had been converted into Common Units immediately prior to such Record Date or effective date, as the case may be, and in the case of a merger, consolidation or business combination in which the Partnership is the surviving Person, the Partnership shall provide effective provisions to ensure that the provisions in this Section 5.15 relating to the Series A Preferred Units shall not be abridged or amended and that the Series A Preferred Units shall thereafter retain the same powers, preferences and relative participating, optional and other special rights, and the qualifications, limitations and restrictions thereon, that the Series A Preferred Units had immediately prior to such transaction or event. An adjustment made pursuant to this Section 5.15(b)(viii)(F) shall become effective immediately after the Record Date in the case of a distribution and shall become effective immediately after the effective date in the case of a subdivision, combination, reclassification (including any reclassification in connection with a merger, consolidation or business combination in which the Partnership is the surviving Person) or split. Such adjustment shall be made successively whenever any event described above shall occur. If, in the future, the Partnership issues any options, warrants, or other rights to purchase Common Units, or Partnership Securities exercisable or convertible into or exchangeable for Common Units (or options, warrants, or other rights to purchase any such Partnership Securities that are exercisable or convertible into or exchangeable for Common Units) (herein collectively, "*Convertible Securities*"), the General Partner shall, at the direction and at the option of the holders of a majority of the Outstanding Series A Preferred Units in their sole discretion, either (i) amend the provisions of this Agreement relating to antidilution protection to (A) revise any such provision that is less favorable than the corresponding provision offered in the terms of such Convertible Securities (or any related purchase agreement) so that such provision is the same as such provision offered in the terms of such Convertible Securities (or any related purchase agreement) and (B) incorporate any provision(s) offered

in the terms of such Convertible Securities (or any related purchase agreement) that is not currently provided for in this Agreement and which would make the antidilution protection provisions of this Agreement more favorable to the holders of Series A Preferred Units, which amendment shall be effective concurrently with the issuance and/or execution of documentation relating to such Convertible Securities, or (ii) retain the antidilution language applicable to the Series A Preferred Units at such time. The Partnership agrees to provide as much prior notice of an issuance of any such Convertible Securities and/or execution of documentation relating to such issuance of Convertible Securities as reasonably practicable (and in any event, such notice shall be provided at least ten (10) Business Days prior to such issuance and/or execution).

(G) If the Partnership shall issue or sell, or grant any Common Units or Convertible Securities at an indicative per Common Unit price (the "*Follow-On Price*" and such Common Units or Convertible Securities so issued, sold or granted, on an as-converted basis, the "*Follow-On Units*") less than ninety percent (90%) of the Series A Conversion Price, then the Series A Conversion Price will be reset so that it will equal the price determined according to the following formula:

$$\frac{(CP \times OB) + (FP \times Q)}{OA}$$

Where:

CP = the Series A Conversion Price in effect immediately before the issuance of the Follow-On Units

FP = the Follow-On Price

OB = the total number of fully diluted Common Units outstanding before the issuance of the Follow-On Units

Q = the total number of fully diluted Follow-On Units issued

OA = the total number of fully diluted Common Units outstanding after giving effect to the issuance of the Follow-On Units.

For purposes of this Section 5.15(b)(viii)(G), the indicative price per Common Unit resulting from the issuance of Convertible Securities will be determined using the principles set forth in Section 5.15(viii)(J)(c).

(H) *Other Extraordinary Transactions Affecting the Partnership.*

a. Prior to the consummation of any recapitalization, reorganization, consolidation, merger, spin-off or other business combination (not otherwise addressed in Section 5.15(viii)(F) above) in which the holders of

Common Units are to receive securities, cash or other assets (a "*Partnership Event*"), the Partnership shall make appropriate provision to insure that the holders of Series A Preferred Units receive in such Partnership Event a preferred security, issued by the Person surviving or resulting from such Partnership Event and containing provisions substantially equivalent to the provisions set forth in this Section 5.15 without abridgement, including, without limitation, the same powers, preferences, rights to distributions, rights to accumulation and compounding upon failure to pay distributions, and relative participating, optional or other special rights and the qualifications, limitations or restrictions thereon, that the Series A Preferred Unit had immediately prior to such Partnership Event (the "*Survivor Preferred Security*"). The Series A Conversion Price in effect at the time of the effective date of such Partnership Event shall be proportionately adjusted so that the conversion of a unit of Survivor Preferred Security after such time shall entitle the holder to the number of securities or amount of other assets which, if a Series A Preferred Unit had been converted into Common Units immediately prior to such Partnership Event, such holder would have been entitled to receive immediately following such Partnership Event. Subsequent adjustments to the Conversion Price of the Survivor Preferred Security shall be made successively whenever any event described in Section 5.15(viii)(F), Section 5.15(viii)(G) or this Section 5.15(viii)(H) shall occur. Notwithstanding the foregoing, the Partnership may consummate a Partnership Event without making appropriate provision to insure that the holders of Series A Preferred Units receive a Survivor Preferred Security in such Partnership Event with the prior written approval of the holders of a majority of the Outstanding Series A Preferred Units.

(I) Notwithstanding any of the other provisions of this Section 5.15(b)(viii), no adjustment shall be made to the Series A Conversion Price pursuant to Section 5.15(b)(viii)(F) or (G) as a result of any of the following:

a. the grant of Common Units or options, warrants or rights to purchase Common Units to employees, officers or directors of the Partnership and its Subsidiaries, or to employees or officers of the General Partner, Crosstex Energy, Inc. or Crosstex GP in respect of services provided to or for the benefit of the Partnership or any of its Subsidiaries, under compensation plans and agreements approved in good faith by the General Partner; *provided* that, in the case of options, warrants or rights to purchase Common Units, the exercise price per Common Units shall not be less than the Closing Price on the date such option, warrant or other right is issued;

b. the issuance of any Common Units as all or part of the consideration to effect (i) the closing of any acquisition by the Partnership of assets of a third party in an arm's-length transaction or (ii) the consummation of a merger, consolidation or other business combination of the Partnership with another entity in which the Partnership survives and the Common Units remain outstanding to the extent such transaction(s) is or are validly approved by the vote or consent of the General Partner;

c. without duplication of Section 5.15(b)(viii)(I)(a) above, the issuance of Partnership Securities upon exercise or conversion of Convertible Securities that are Outstanding on the Series A Issuance Date; and

d. the issuance of Partnership Securities for which an adjustment is made under another provision of this Section 5.15(b)(viii).

(J) The following rules shall apply for purposes of this Section 5.15(b)(viii):

a. In the case of the issuance or sale (or deemed issuance or sale) of Common Units for cash, the consideration shall be deemed to be the amount of cash paid therefor before deducting any reasonable underwriting discounts or placement agent fees, commissions or the expenses allowed paid or incurred by the Partnership for any underwriting or otherwise in connection with the issuance and sale thereof.

b. In the case of the issuance or sale (or deemed issuance or sale) of Common Units for consideration in whole or in part other than cash, the consideration other than cash shall be valued at the Agreed Value thereof;

c. In the case of the issuance or sale of Convertible Securities, the following provisions shall apply for all purposes of this Section 5.15(b)(viii)(J):

i. The aggregate maximum number of Common Units deliverable upon exercise (assuming the satisfaction of any conditions to exercisability, including, without limitation, the passage of time, but without taking into account potential antidilution adjustments or additional Common Units that would be issuable pursuant to an earn-out in connection with a purchase by the Partnership of assets or a business to the extent that the thresholds comprising such earn-out are not substantially certain to occur, until such time as such additional Common Units are issued) of options or warrants to purchase or rights to subscribe for Common Units shall be deemed to have been issued at the time such options, warrants or rights were issued and for consideration equal to the consideration (determined in the manner provided in this Section 5.15(b)(viii)(J)), if any, received by the Partnership upon the issuance of such options, warrants or rights plus the minimum exercise price provided in such options, warrants or rights (without taking into account potential antidilution adjustments) for the Common Units covered thereby.

ii. The aggregate maximum number of Common Units deliverable upon conversion of or in exchange (assuming the satisfaction of any conditions to convertibility or exchangeability, including, without limitation, the passage of time, but without taking into account potential antidilution adjustments or additional Common Units that would be issuable pursuant to an earn-out in connection with a purchase by the Partnership of assets or a business

to the extent that the thresholds comprising such earn-out are not substantially certain to occur, until such time as such additional Common Units are issued) for any such convertible or exchangeable securities or upon the exercise of options or warrants to purchase rights to subscribe for such convertible or exchangeable securities and subsequent conversion or exchange thereof shall be deemed to have been issued at the time such securities were issued or such options, warrants or rights were issued and for a consideration equal to the consideration, if any, received by the Partnership for any such securities or options, warrants or rights, plus the minimum additional consideration, if any, to be received by the Partnership (without taking into account potential antidilution adjustments) upon the conversion or exchange of such securities or upon the exercise of such options, warrants or rights and subsequent conversion or exchange of the underlying convertible or exchangeable securities, as appropriate (the consideration in each case to be determined in the manner provided in this Section 5.15(b)(viii)(J)).

iii. In the event of any change in the number of Common Units deliverable or in the consideration payable to the Partnership upon exercise of such options, warrants or rights with respect to either Common Units or such convertible or exchangeable securities or upon conversion of or in exchange for such convertible or exchangeable securities, including, but not limited to, a change resulting from the antidilution provisions thereof, the Series A Conversion Price, to the extent in any way affected by or computed using such options, warrants, rights or securities, shall be recomputed to reflect such change, but no further adjustment shall be made for the actual issuance of Common Units or any payment of such consideration upon the exercise of any such options, warrants or rights or the conversion or exchange of such securities.

iv. Upon the expiration of any such options, warrants or rights with respect to either Common Units or such convertible or exchangeable securities or the termination of any such rights to convert or exchange, the Series A Conversion Price, to the extent in any way affected by or computed using such options, warrants, rights or securities shall be recomputed to reflect the issuance of only the number of Common Units actually issued upon the exercise of such options, warrants or rights with respect to Common Units, upon the conversion or exchange of such securities, or the number of Common Units issuable upon conversion or exchange of the convertible or exchangeable securities that were actually issued upon exercise of options, warrants or rights related to such securities.

v. The number of Common Units deemed issued and the consideration deemed paid therefor pursuant to Sections 5.15(b)(viii)(J)(c)(i) and (ii) shall be appropriately adjusted to reflect any change, termination or expiration of the type described in either Section 5.15(b)(viii)(J)(c)(iii) or (iv).

d. Notwithstanding any of the other provisions of this Section 5.15(b)(viii)(J), no adjustment shall be made to the number of Common Units issuable upon conversion of the Series A Preferred Units or the Series A Conversion Price as a result of an event for which an adjustment is made under another provision of this Section 5.15(b)(viii)(J).

e. For purposes of this Section 5.15(b)(viii), no adjustment to the Series A Conversion Price shall be made in an amount less than 1/100th of one cent per Unit; *provided* that any adjustments that are not required to be made by reason of this sentence shall be carried forward and shall be taken into account in any subsequent adjustment made.

(K) In the event of any taking by the Partnership of a Record Date of the holders of any class of Partnership Securities for the purpose of determining the holders thereof who are entitled to receive any distribution thereon, any security or right convertible into or entitling the holder thereof to receive additional Common Units, or any right to subscribe for, purchase or otherwise acquire any Partnership Securities or any other securities or property of the Partnership, or to receive any other right, the Partnership shall notify each holder of Series A Preferred Units at least fifteen (15) days prior to the Record Date, of which any such record is to be taken for the purpose of such distribution, security or right and the amount and character of such distribution, security or right; *provided, however,* that the foregoing requirement shall be deemed satisfied with respect to any holder of Series A Preferred Units other than the Purchaser if at least fifteen (15) days prior to the Record Date, the Partnership shall have issued a press release which shall be posted on the Partnership's website and carried by one or more wire services, containing the required information.

(L) The Partnership shall pay any and all issue, documentary, stamp and other taxes, excluding any income, franchise, property or similar taxes, that may be payable in respect of any issue or delivery of Common Units on conversion of, or payment of distributions on, Series A Preferred Units pursuant hereto. However, the holder of any Series A Preferred Units shall pay any tax that is due because the Common Units issuable upon conversion thereof or distribution payment thereon are issued in a name other than such holder's name.

(M) No fractional Common Units shall be issued upon the conversion of any Series A Preferred Units. All Common Units (including fractions thereof) issuable upon conversion of more than one Series A Preferred Unit by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional unit. If, after the aforementioned aggregation, the conversion would result in the issuance of a fraction of a Common Unit, the Partnership shall not issue a fractional Common Unit but shall round up the fractional Common Unit to the nearest whole Common Unit (and a 0.5 Common Unit shall be rounded up to the next higher Common Unit).

(N) The Partnership agrees that it will act in good faith to make any adjustment(s) required by this Section 5.15(b)(viii) equitably and in such a manner as to afford the holders of Series A Preferred Units the benefits of the provisions hereof, and will not take any action to deprive such holders of the benefit hereof.

(ix) *Tax Estimates*. Upon receipt of a written request from any holder of Series A Preferred Units stating the number of Series A Preferred Units owned by such holder (which requests shall be made no more than four (4) times per calendar year), the Partnership shall provide such holder with a good faith estimate (and reasonable supporting calculations) of whether there is sufficient Unrealized Gain attributable to the Partnership property such that, if such holder converted its Series A Preferred Units pursuant to Section 5.15(b)(viii)(A) or (B) and such Unrealized Gain was allocated to such holder pursuant to Section 5.5(d)(i), such holder's Capital Account in respect of its converted Series A Preferred Units would be equal to the Per Unit Capital Amount for a then Outstanding Common Unit (other than a converted Series A Preferred Unit). The good faith estimate provided by the Partnership may be based on the calculations prepared by the Partnership and/or its outside tax advisors in connection with the tax returns most recently filed by the Partnership (with adjustments to reflect any material changes in the trading price of the Partnership's Common Units) and, for the avoidance of doubt, the Partnership shall not be required to prepare or cause to be prepared any new detailed calculations for purposes of satisfying its obligations under this paragraph (ix).

(k) The first sentence of Section 5.12 of the Partnership Agreement is hereby amended and restated to read in its entirety:

Except as provided in this Section 5.12 and in Sections 5.2 and 5.15(b)(vi), no Person shall have any preemptive, preferential or other similar right with respect to the issuance of any Partnership Security, whether unissued, held in the treasury or hereafter created.

(l) Section 6.1(d)(iii)(A) of the Partnership Agreement is hereby amended and restated in its entirety to read as follows:

(A) First, if the amount of cash or the Net Agreed Value of any property distributed (except cash or property distributed pursuant to Section 12.4) to any class of Unitholders with respect to its Units (other than to the class A Series A Preferred Unitholders with respect to the Series A Preferred Units) during any taxable period of the Partnership is greater on a per Unit basis than the amount of cash or the Net Agreed Value of property distributed to any other class of Unitholders (other than (i) the class of Unitholders holding Series A Preferred Units and (ii) the class of Unitholders holding Senior Subordinated Series D Units, but only in cases where allocations have not previously been made under 6.1(d)(ix)(E)) with respect to their Units on a per Unit basis in such taxable period, then (1) there shall be allocated items of gross income and gain to each Unitholder receiving such greater distribution until the amount so allocated for the current taxable period and all previous taxable periods pursuant to this clause (1) is equal to (x) the amount by which the distribution on a per Unit basis to such Unitholder exceeds the distribution on a per Unit basis to the Unitholders (other than (i) the class of Unitholders holding

Series A Preferred Units and (ii) the class of Unitholders holding Senior Subordinated Series D Units, but only in cases where allocations have not previously been made under 6.1(d)(ix)(E)) receiving the smallest distribution multiplied by (y) the number of Units in respect of which such greater distribution was made and (2) the General Partner shall be allocated income and gain in an aggregate amount equal to 2/98ths of the sum of the amounts allocated in clause (1) above.

(m) Article VI is hereby amended to add a new Section 6.2(h) as follows:

If Capital Account balances are reallocated between the Partners in accordance with Section 5.5(d)(i) hereof and Proposed Treasury Regulation Section 1.704-1(b)(2)(iv)(s)(4), beginning with the year of reallocation and continuing until the allocations required are fully taken into account, the Partnership shall make corrective allocations (allocations of items of gross income or gain or loss or deduction for federal income tax purposes that do not have a corresponding book allocation) to take into account the Capital Account reallocation, as provided in Proposed Treasury Regulation Section 1.704-1(b)(4)(x).

(n) Article VI of the Partnership Agreement is hereby amended to renumber existing Section 6.12 as Section 6.13 and to add the following as a new Section 6.12:

6.12 *Special Provisions Relating to the Holders of Series A Preferred Units*.

(a) A Unitholder holding a Series A Preferred Unit that has converted into a Common Unit pursuant to Section 5.15 shall be required to provide notice to the General Partner of the transfer of the converted Series A Preferred Unit at any time during the earlier of (i) thirty (30) days following such transfer and (ii) the last Business Day of the calendar year during which such transfer occurred, unless (x) the transfer is to an Affiliate of the holder or (y) by virtue of the application of Section 5.5(d)(i), the General Partner has previously determined, based on advice of counsel, that the converted Series A Preferred Unit should have, as a substantive matter, like intrinsic economic and federal income tax characteristics of an Initial Common Unit. In connection with the condition imposed by this Section 6.12, the General Partner shall take whatever steps are required to provide economic uniformity to the converted Series A Preferred Unit in preparation for a transfer of such Units; *provided, however*, that no such steps may be taken that would have a material adverse effect on the Unitholders holding Common Units represented by Common Unit Certificates (for this purpose the allocations of income, gain, loss and deductions with respect to Series A Preferred Units or Common Units will be deemed not to have a material adverse effect on the Unitholders holding Common Units).

(b) Notwithstanding anything to the contrary set forth in this Agreement, the holders of the Series A Preferred Units (a) shall (i) possess the rights and obligations provided in this Agreement with respect to a Limited Partner pursuant to Article III and Article VII and (ii) in accordance with Sections 5.5(a), 5.5(d)(i) and 5.15, have a Capital Account as a Partner pursuant to Section 5.5 and all other provisions related thereto and (b) shall not (i) be entitled to vote on any matters requiring the approval or vote of the

holders of Outstanding Units, except as provided in Section 5.15, (ii) be entitled to any distributions other than as provided in Section 5.15 or (iii) be allocated items of income, gain, loss or deduction other than as specified in Section 5.15.

(o) Article XII of the Partnership Agreement is hereby amended to add the following a new Section 12.9:

Section 12.9. Series A Liquidation Value. Notwithstanding anything to the contrary set forth in this Agreement, the holders of the Series A Preferred Units shall have the rights set forth in Section 5.15(b)(iv) upon any liquidation, dissolution or winding up of the Partnership pursuant to this Article XII.

(p) The introduction to Section 13.1 is hereby amended and restated to read in its entirety as follows:

Except as set forth in Section 5.15(b)(v), each Partner agrees that the General Partner, without the approval of any Partner or Assignee, may amend any provision of this Agreement and execute, swear to, acknowledge, deliver, file and record whatever documents may be required in connection therewith, to reflect:

Section 2. Miscellaneous. Notwithstanding anything herein to the contrary, all measurements and references related to Unit prices and Unit numbers herein shall be, in each instance, appropriately adjusted for unit splits, recombinations, distributions and the like.

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

Section 4. General Authority. The appropriate officers of the General Partner are hereby authorized to make such clarifying and conforming changes as they deem necessary or appropriate, and to interpret the Partnership Agreement, to give effect to the intent and purpose of this Amendment.

Section 5. Governing Law. This Amendment shall be construed in accordance with and governed by the laws of the State of Delaware, without regard to principles of conflicts of laws.

(Signature page follows)

IN WITNESS WHEREOF, the General Partner has executed this Amendment as of the date first set forth above.

GENERAL PARTNER:

CROSSTEX ENERGY GP, L.P.

By: Crosstex Energy GP, LLC,
its General Partner

By: /s/ Joe A. Davis

Name: Joe A. Davis
Title: Executive Vice President, General Counsel & Secretary

EXHIBIT A

SERIES A [FORCED] CONVERSION NOTICE
(TO BE EXECUTED BY THE [REGISTERED HOLDER] [PARTNERSHIP] IN ORDER TO CONVERT
SERIES A PREFERRED UNITS)

[Date]

The undersigned hereby elects to convert the number of Series A Convertible Preferred Units ("*Series A Preferred Units*") of Crosstex Energy, L.P., a Delaware limited partnership (the "*Partnership*"), indicated below into common units ("*Common Units*") of the Partnership, according to the conditions hereof, as of the date written below. If Common Units are to be issued in the name of a person other than the holder of such Series A Preferred Units, such holder will pay all transfer taxes payable with respect thereto and will deliver such certificates and opinions as may be required by the Partnership or its transfer agent. No fee will be charged to the holders for any conversion, except for any such transfer taxes.

Conversion calculations:

Date to Effect Conversion: _____

Number of Series A Preferred Units Owned: _____

Total Amount of Accrued, Accumulated and Unpaid Distributions on the Series A Preferred Units: _____

Applicable Series A Conversion Price: _____

Number of Common Units to be Issued: _____

Name in which Certificate for Common Units to be Issued: _____

Address for Delivery: _____

[HOLDER] [CROSSTEX ENERGY, L.P.]

By: _____
Authorized Officer:
Title:

Exhibit 3.2

AMENDMENT NO. 1 TO AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT OF CROSSTEX ENERGY GP, LLC

AMENDMENT NO. 1 TO AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT OF CROSSTEX ENERGY GP, LLC (this "*Amendment*"), dated as of January 19, 2010, is by and among Crosstex Energy, Inc., a Delaware corporation ("*CEI*") and the sole Member of Crosstex Energy GP, LLC, a Delaware limited liability company (the "*Company*"). Capitalized terms used herein and not otherwise defined shall have their respective meanings as set forth in the Limited Liability Company Agreement of the Company (the "*LLC Agreement*").

WHEREAS, pursuant to the terms of that certain Board Representation Agreement dated as of the date hereof to which CEI and the Company are parties, the Member desires to amend the LLC Agreement as set forth herein.

NOW, THEREFORE, the LLC Agreement is hereby amended as follows:

Section 1. Amendment.

(a) Section 5.02 of the LLC Agreement is hereby amended and restated in its entirety as follows:

5.02 Number; Qualification; Tenure. The number of directors constituting the Board shall be two (the '*Directors*"), unless otherwise increased from time to time pursuant to a resolution adopted by the Directors. One of such directors shall be elected or approved by the Member and shall serve as Director of the Company until his or her death or removal from office or until his or her successors are elected and qualified. The other of such directors (the "*Purchaser Designated Director*") shall be elected or approved pursuant to that certain Board Representation Agreement dated as of January 19, 2010 to which the Company and the Member is a party (the "*Board Representation Agreement*") and shall serve until his or her death, resignation or removal from office or until his or her successors are elected and qualified, as provided in the Board Representation Agreement; provided, however, that upon the occurrence of a Designation Right Termination Event (as defined in the Board Representation Agreement), the Purchaser Designated Director shall be elected, approved, and may be removed by, and will resign upon the request of, the Member or the determination of a majority of the other Directors. Any additional directors shall be elected or approved by the Member and shall serve as directors of the Company until their death or removal from office or until their successors are elected and qualified.

As of the date of Amendment No. 1 to this Agreement, the Directors of the Company are Barry E. Davis, Rhys J. Best, Leldon E. Echols, Bryan H. Lawrence, Sheldon B. Lubar, Cecil E. Martin, Jr., Kyle D. Vann and D. Dwight Scott.

(b) Section 5.08 of the LLC Agreement is hereby amended by adding the following proviso at the end of the last sentence of such Section:

; provided, however, that prior to a Designation Right Termination Event (as defined in the Board Representation Agreement) any vacancy by the Purchaser Designated Director shall be filled only as provided in the Board Representation Agreement.

(c) Section 5.10 of the LLC Agreement is hereby amended and restated in its entirety as follows:

5.10 ***Removal***. Any Director or the entire Board may be removed, with or without cause, by the Member; provided, however, until the occurrence of a Designation Right Termination Event (as defined in the Board Representation Agreement), the Purchaser Designated Director shall be removed only as provided in the Board Representation Agreement.

(d) A new Section 5.11 is hereby added to the LLC Agreement as follows:

5.11 ***Acknowledgement of Other Business Opportunities***. The Company and the Member acknowledge and agree that the Purchaser Designated Director may have interests in, participate with, assist and maintain seats on the board of directors or similar governing body of other businesses and that the Purchaser Designated Director may become aware of business opportunities that could be suitable for the Company or its affiliates. The Company and the Member (a) acknowledge that the Purchaser Designated Director shall have no duty to disclose to the Company or its affiliates any such business opportunities, whether or not competitive with the Company's business and whether or not the Company might be interested in such business opportunities for itself and may use such business opportunity personally or in connection with such other businesses and (b) waive any claims it may have against the Purchaser Designated Director in connection with such business opportunities; provided, however, that during the Purchaser Designated Director's term of service and at all times thereafter, the Purchaser Designated Director shall not use or disclose, and shall maintain the confidentiality of, all information regarding the Company, its affiliates and their respective businesses obtained by the Purchaser Designated Director in the course of its service to the Company, except as necessary to discharge such Purchaser Designated Director's duties to the Company or any use or disclosure which counsel advises is required by applicable law.

Section 2. Ratification of LLC Agreement. Except as expressly modified and amended herein, all of the terms and conditions of the LLC Agreement shall remain in full force and effect.

Section 3. Governing Law. This Amendment shall be construed in accordance with and governed by the laws of the State of Delaware, without regard to principles of conflicts of laws.

(Signature page follows)

IN WITNESS WHEREOF, the undersigned has executed this Amendment as of the date first set forth above.

MEMBER:

CROSSTEX ENERGY, INC.

By: /s/ Joe A. Davis
Name: Joe A. Davis
Title: Executive Vice President, General Counsel & Secretary

Exhibit 4.1

EXECUTION VERSION

REGISTRATION RIGHTS AGREEMENT

by and among

CROSSTEX ENERGY, L.P.

and

THE PURCHASER PARTY HERETO

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REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (this "Agreement") is made and entered into as of January 19, 2010 by and between CROSSTEX ENERGY, L.P., a Delaware limited partnership ("Crosstex"), and the party set forth on Schedule A hereto (the "Purchaser").

WHEREAS, this Agreement is made in connection with the Closing of the issuance and sale of the Purchased Units pursuant to the Series A Convertible Preferred Unit Purchase Agreement, dated as of January 6, 2010, by and between Crosstex and the Purchaser (the "Purchase Agreement");

WHEREAS, Crosstex has agreed to provide the registration and other rights set forth in this Agreement for the benefit of the Purchaser pursuant to the Purchase Agreement; and

WHEREAS, it is a condition to the obligations of the Purchaser and Crosstex under the Purchase Agreement that this Agreement be executed and delivered;

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

ARTICLE I
DEFINITIONS

Section 1.1 Definitions. The terms set forth below are used herein as so defined:

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

"Business Day" means any day other than a Saturday, Sunday, any federal legal holiday or day on which banking institutions in the State of New York or State of Texas are authorized or required by law or other governmental action to close.

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

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

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

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

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

"Effective Date" means the date of effectiveness of the Shelf Registration Statement.

"Effectiveness Period" has the meaning specified therefor in Section 2.1(a) of this Agreement.

"Eighth Anniversary Date" has the meaning specified therefor in Section 2.1(a) of this Agreement.

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

"Filing Date" has the meaning specified therefore in Section 2.1(a) of this Agreement.

"General Partner" shall have the meaning set forth in the Purchase Agreement.

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

"Included Registrable Securities" has the meaning specified therefor in Section 2.2(a) of this Agreement.

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

"Liquidated Damages" has the meaning specified therefor in Section 2.1(b).

"Losses" has the meaning specified therefor in Section 2.8(a) of this Agreement.

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

"NASDAQ" means the NASDAQ Global Select Market.

"Non-Disclosure Agreements" shall have the meaning set forth in the Purchase Agreement.

"Other Holder" has the meaning specified in Section 2.2(b).

"Other Registrable Securities" means Registrable Securities as defined in that certain Registration Rights Agreement, dated as of March 23, 2007, among Crosstex and the purchasers named therein.

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

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

"Piggyback Registration" has the meaning specified therefor in Section 2.2(a) of this Agreement.

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

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

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

"Purchaser" has the meaning set forth in the introductory paragraph of this Agreement.

"Registration" means any registration pursuant to this Agreement, including pursuant to the Shelf Registration Statement or a Piggyback Registration.

"Registrable Securities" means the Common Units to be issued upon conversion of the Purchased Units, all of which are subject to the rights provided herein until such rights terminate pursuant to the provisions of this Agreement.

"Registration Expenses" has the meaning specified therefor in Section 2.7(a) of this Agreement.

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

"Selling Expenses" has the meaning specified therefor in Section 2.7(a) of this Agreement.

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

"Selling Holder Underwriter Registration Statement" has the meaning specified therefor in Section 2.4(p) of this Agreement.

"Shelf Registration Statement" means a registration statement under the Securities Act to permit the public resale of the Registrable Securities from time to time as permitted by Rule 415 of the Securities Act (or any similar provision then in force under the Securities Act).

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

Section 1.2 Registrable Securities. Any Registrable Security will cease to be a Registrable Security at the earliest of the following: (a) when a registration statement covering such Registrable Security has been declared effective by the Commission and such Registrable Security has been sold or disposed of pursuant to such effective registration statement; (b) when

such Registrable Security has been disposed of pursuant to any Section of Rule 144 (or any similar provision then in force) under the Securities Act; (c) when such Registrable Security is held by Crosstex or one of its subsidiaries; (d) when such Registrable Security has been sold in a private transaction in which the transferor's rights under this Agreement are not assigned to the transferee of such securities; and (e) two years from the Effective Date.

ARTICLE II
REGISTRATION RIGHTS

Section 2.1 Shelf Registration.

(a) Shelf Registration. As soon as practicable following receipt of written notice from the holders of a majority of the Registrable Securities requesting the filing of the Shelf Registration Statement, Crosstex shall use its reasonable best efforts to prepare and file a Shelf Registration Statement under the Securities Act covering the Registrable Securities; provided that the right of such holders to request such filing shall expire on the eighth anniversary of the Closing Date (the "Eighth Anniversary Date"). Crosstex shall use its reasonable best efforts to cause the Shelf Registration Statement to become effective no later than 180 days after the date of filing of such Shelf Registration Statement (the "Filing Date"). A Shelf Registration Statement filed pursuant to this Section 2.l(a) shall be on such appropriate registration form of the Commission as shall be selected by Crosstex;provided, however, that if a prospectus supplement will be used in connection with the marketing of an Underwritten Offering from the Shelf Registration Statement and the Managing Underwriter at any time shall notify Crosstex in writing that, in the sole judgment of such Managing Underwriter, inclusion of detailed information to be used in such prospectus supplement is of material importance to the success of the Underwritten Offering of such Registrable Securities, Crosstex shall use its commercially reasonable efforts to include such information in the prospectus. Crosstex will use its commercially reasonable efforts to cause the Shelf Registration Statement filed pursuant to this Section 2.l(a) to be continuously effective under the Securities Act until the earliest of (i) all Registrable Securities covered by the Shelf Registration Statement have been distributed in the manner set forth and as contemplated in the Shelf Registration Statement, (ii) there are no longer any Registrable Securities outstanding and (iii) two years from the Effective Date (the "Effectiveness Period"). The Shelf Registration Statement when declared effective (including the documents incorporated therein by reference) will comply as to form in all material respects with all applicable requirements of the Securities Act and the Exchange Act and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading (and, in the case of any prospectus contained in such Shelf Registration Statement, in the light of the circumstances under which a statement is made). As soon as practicable following the date that the Shelf Registration Statement becomes effective, but in any event within five (5) Business Days of such date, Crosstex shall provide the Holders with written notice of the effectiveness of the Shelf Registration Statement.

(b) Failure to Become Effective. If the Shelf Registration Statement required by Section 2.1(a) does not become or is not declared effective within 180 days after the Filing Date, then the Purchaser shall be entitled to a payment (with respect to each of the Purchaser's Purchased Units), as liquidated damages and not as a penalty, of 0.25% of the Purchase Price per 30-day period for the first sixty (60) days following the 180th day after the Filing Date, with such payment amount increasing by an additional 0.25% of the Purchase Price per

30-day period for each subsequent 60 days, up to a maximum of 1.00% of the Purchase Price per 30-day period (the "Liquidated Damages"), until such time as the Shelf Registration Statement is declared effective or there are no longer any Registrable Securities outstanding. The Liquidated Damages shall accrue on a daily basis and be paid to the Purchaser in cash within ten (10) Business Days of the end of such 30-day period. Any Liquidated Damages shall be paid to the Purchaser in cash or immediately available funds. For the avoidance of doubt, nothing in this Section 2.1(b) shall relieve Crosstex from its obligations under Section 2.1(a).

(c) Delay Rights. Notwithstanding anything to the contrary contained herein, Crosstex may, upon written notice to any Selling Holder whose Registrable Securities are included in the Shelf Registration Statement, suspend such Selling Holder's use of any prospectus which is a part of the Shelf Registration Statement (in which event the Selling Holder shall discontinue sales of the Registrable Securities pursuant to the Shelf Registration Statement) if (i) Crosstex is pursuing an acquisition, merger, reorganization, disposition or other similar transaction and Crosstex determines in good faith that Crosstex's ability to pursue or consummate such a transaction would be materially and adversely affected by any required disclosure of such transaction in the Shelf Registration Statement or (ii) Crosstex has experienced some other material non-public event the disclosure of which at such time, in the good faith judgment of Crosstex, would materially and adversely affect Crosstex; provided, however, that in no event shall the Selling Holders be suspended from selling Registrable Securities pursuant to the Shelf Registration Statement for a period that exceeds an aggregate of sixty (60) days in any one hundred-eighty (180) day period or ninety (90) days in any 365 day period. Upon disclosure of such information or the termination of the condition described above, Crosstex shall provide prompt notice to the Selling Holders whose Registrable Securities are included in the Shelf Registration Statement, and shall promptly terminate any suspension of sales it has put into effect and shall take such other actions necessary or appropriate to permit registered sales of Registrable Securities as contemplated in this Agreement.

Section 2.2 Piggyback Registration.

(a) Participation. If at any time Crosstex proposes to file (i) during the Effectiveness Period a prospectus supplement to an effective shelf registration statement, other than the Shelf Registration Statement contemplated by Section 2.1, or (ii) prior to (A) the expiration of the Effectiveness Period or (B) if the Effectiveness Period has not begun by the Eighth Anniversary Date, the Eighth Anniversary Date, a registration statement, other than a shelf registration statement, in either case (i) or (ii), for the sale of Common Units in an Underwritten Offering for its own account and/or the account of another Person, then, as soon as practicable following the engagement of counsel to Crosstex to prepare the documents to be used in connection with an Underwritten Offering, Crosstex shall give notice of such proposed Underwritten Offering to the Holders as soon as practicable but not less than three Business Days following such engagement of counsel by Crosstex, and such notice shall offer the Holders the opportunity to include in such Underwritten Offering such number of Registrable Securities (the "Included Registrable Securities") as each such Holder may request in writing (a "Piggyback Registration"); provided, however, that Crosstex shall not be required to offer such opportunity to Holders if the Holders do not offer a minimum of $5,000,000 of Registrable

Securities and Other Registrable Securities, in the aggregate, (determined by multiplying the number of Registrable Securities and Other Registrable Securities owned by the average of the closing price on NASDAQ for Common Units for the ten (10) trading days preceding the date of such notice). The notice required to be provided in this Section 2.2(a) to Holders shall be provided on a Business Day pursuant to Section 3.1 hereof and confirmation of receipt of such notice shall be requested in the notice. Holder shall then have two (2) Business Days to request inclusion of Registrable Securities in the Underwritten Offering. If no request for inclusion from a Holder is received within the specified time, such Holder shall have no further right to participate in such Piggyback Registration. If, at any time after giving written notice of its intention to undertake an Underwritten Offering and prior to the closing of such Underwritten Offering, Crosstex shall determine for any reason not to undertake or to delay such Underwritten Offering, Crosstex may, at its election, give written notice of such determination to the Selling Holders and, (x) in the case of a determination not to undertake such Underwritten Offering, shall be relieved of its obligation to sell any Included Registrable Securities in connection with such terminated Underwritten Offering, and (y) in the case of a determination to delay such Underwritten Offering, shall be permitted to delay offering any Included Registrable Securities for the same period as the delay in the Underwritten Offering. Any Selling Holder shall have the right to withdraw such Selling Holder's request for inclusion of such Selling Holder's Registrable Securities in such Underwritten Offering by giving written notice to Crosstex of such withdrawal up to and including the time of pricing of such offering. No Holders shall be entitled to participate in any such Underwritten Offering under this Section 2.2(a) unless such Holder (together with any Affiliates that are Selling Holders) participating therein holds at least fifteen million dollars ($15,000,000) of Registrable Securities and Other Registrable Securities, in the aggregate, (determined by multiplying the number of Registrable Securities and Other Registrable Securities owned by the average of the closing price for Common Units for the ten (10) trading days preceding the date of such notice).

(b) Priority of Piggyback Registration. If the Managing Underwriter or Underwriters of any proposed Underwritten Offering of Common Units included in a Piggyback Registration advises Crosstex that the total amount of Common Units which the Selling Holders and any other Persons intend to include in such offering exceeds the number which can be sold in such offering without being likely to have an adverse effect on the price, timing or distribution of the Common Units offered or the market for the Common Units, then the Common Units to be included in such Underwritten Offering shall include the number of Common Units that such Managing Underwriter or Underwriters advises Crosstex can be sold without having such adverse effect, with such number to be allocated pro rata among the Selling Holders, the holders of Other Registrable Securities and any other Persons who have been or are granted registration rights on or after the date of this Agreement (together with the holders of Other Registrable Securities, the "Other Holders") who have requested participation in the Piggyback Registration (based, for each such Selling Holder or Other Holder, on the percentage derived by dividing (A) the number of Common Units proposed to be sold by such Selling Holder or such Other Holder in such offering; by (B) the aggregate number of Common Units proposed to be sold by all Selling Holders and all Other Holders in the Piggyback Registration.

Section 2.3 Underwritten Offering.

(a) S-3 Registration. In the event that a Selling Holder (together with any Affiliates that are Selling Holders) elects to dispose of Registrable Securities under the Shelf Registration Statement pursuant to an Underwritten Offering of at least fifteen million dollars ($15,000,000) of Registrable Securities and Other Registrable Securities, Crosstex shall, at the request of such Selling Holder, enter into an underwriting agreement in customary form with the Managing Underwriter or Underwriters, which shall include, among other provisions, indemnities to the effect and to the extent provided in Section 2.8, and shall take all such other reasonable actions as are requested by the Managing Underwriter in order to expedite or facilitate the disposition of the Registrable Securities.

(b) General Procedures. In connection with any Underwritten Offering (i) under Section 2.2 of this Agreement, Crosstex shall be entitled to select the Managing Underwriter or Underwriters, and (ii) under Section 2.3 of this Agreement, the Selling Holders shall be entitled to select the Managing Underwriter or Underwriters. In connection with an Underwritten Offering contemplated by this Agreement in which a Selling Holder participates, each Selling Holder and Crosstex shall be obligated to enter into an underwriting agreement with the Managing Underwriter or Underwriters which contains such representations, covenants, indemnities and other rights and obligations as are customary in underwriting agreements for firm commitment offerings of equity securities. No Selling Holder may participate in such Underwritten Offering unless such Selling Holder agrees to sell its Registrable Securities on the basis provided in such underwriting agreement and completes and executes all questionnaires, powers of attorney, indemnities and other documents reasonably required under the terms of such underwriting agreement. Each Selling Holder may, at its option, require that any or all of the representations and warranties by, and the other agreements on the part of, Crosstex to and for the benefit of such underwriters also be made to and for such Selling Holder's benefit and that any or all of the conditions precedent to the obligations of such underwriters under such underwriting agreement also be conditions precedent to its obligations. No Selling Holder shall be required to make any representations or warranties to or agreements with Crosstex or the underwriters other than representations, warranties or agreements regarding such Selling Holder and its ownership of the securities being registered on its behalf and its intended method of distribution and any other representation required by law. If any Selling Holder disapproves of the terms of an underwriting, such Selling Holder may elect to withdraw therefrom by notice to Crosstex and the Managing Underwriter; provided, however, that such withdrawal must be made prior to the pricing of such Underwritten Offering to be effective. No such withdrawal or abandonment shall affect Crosstex's obligation to pay Registration Expenses. Upon the receipt by Crosstex of a written request from the Holders of at least fifteen million dollars ($15,000,000) of Common Units that are participating in any Underwritten Offering contemplated by this Agreement, Crosstex's management shall be required to participate in a roadshow or similar marketing effort in connection with any Underwritten Offering.

Section 2.4 Sale Procedures. In connection with its obligations under this Article II, Crosstex will, as expeditiously as possible:

(a) prepare and file with the Commission such amendments and supplements to the Shelf Registration Statement and the prospectus used in connection therewith as may be

necessary to keep the Shelf Registration Statement effective for the Effectiveness Period and as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by the Shelf Registration Statement;

(b) if a prospectus supplement will be used in connection with the marketing of an Underwritten Offering from the Shelf Registration Statement and the Managing Underwriter at any time shall notify Crosstex in writing that, in the sole judgment of such Managing Underwriter, the inclusion of detailed information to be used in such prospectus supplement is of material importance to the success of the Underwritten Offering of such Registrable Securities, Crosstex shall use its commercially reasonable efforts to include such information in the prospectus supplement;

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

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

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

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

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

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

(i) otherwise use its commercially reasonable efforts to comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least 12 months, but not more than 18 months, beginning with the first full calendar month after the effective date of such registration statement, which earnings statement shall satisfy the provisions of Section l1(a) of the Securities Act and Rule 158 promulgated thereunder;

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

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

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

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

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

(o) if reasonably requested by a Selling Holder, (i) incorporate in a prospectus supplement or post-effective amendment such information as such Selling Holder reasonably requests to be included therein relating to the sale and distribution of Registrable Securities, including information with respect to the number of Registrable Securities being offered or sold, the purchase price being paid therefor and any other terms of the offering of the Registrable Securities to be sold in such offering; and (ii) make all required filings of such prospectus supplement or post-effective amendment after being notified of the matters to be incorporated in such prospectus supplement or post-effective amendment; and

(p) (i) cooperate with such Selling Holder if any Selling Holder could reasonably be deemed to be an "underwriter," as defined in Section 2(a)(11) of the Securities Act, in connection with the registration statement in respect of any registration of the Registrable Securities of the Purchaser pursuant to this Agreement, and any amendment or supplement thereof (any such registration statement or amendment or supplement a "Selling Holder Underwriter Registration Statement"), in allowing such Selling Holder to conduct customary "underwriter's due diligence" with respect to Crosstex and satisfy its obligations in respect thereof, (ii) furnish to such Selling Holder upon such Selling Holder's request, on the date of the effectiveness of any Selling Holder Underwriter Registration Statement and thereafter from time to time on such dates as such Selling Holder may reasonably request, (A) a "cold comfort" letter, dated such date, from Crosstex's independent certified public accountants in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the Purchaser, (B) an opinion, dated as of such date, of counsel representing Crosstex for purposes of such Selling Holder Underwriter Registration Statement, in form, scope and substance as is customarily given in an underwritten public

offering, including a standard "10b-5" opinion for such offering, addressed to such Selling Holder and (C) a standard officer's certificate from the chief executive officer or chief financial officer, or other officers serving such functions, of the General Partner addressed to the Selling Holder; provided, however, that with respect to any placement agent, Crosstex's obligations with respect to this Section 2.4(p) shall be limited to one time, with an additional bring-down request within 30 days of the date of such documents, and (iii) permit legal counsel to such Selling Holder to review and comment upon any such Selling Holder Underwriter Registration Statement at least five (5) Business Days prior to its filing with the Commission and all amendments and supplements to any such Selling Holder Underwriter Registration Statement within a reasonable number of days prior to their filing with the Commission and not file any Selling Holder Underwriter Registration Statement or amendment or supplement thereto in a form to which the Purchaser's legal counsel reasonably objects in writing.

Each Selling Holder, upon receipt of notice from Crosstex of the happening of any event of the kind described in subsection (f) of this Section 2.4, shall forthwith discontinue disposition of the Registrable Securities until such Selling Holder's receipt of the copies of the supplemented or amended prospectus contemplated by subsection (f) of this Section 2.4 or until it is advised in writing by Crosstex that the use of the prospectus may be resumed, and has received copies of any additional or supplemental filings incorporated by reference in the prospectus, and, if so directed by Crosstex, such Selling Holder will, or will request the Managing Underwriter or underwriters, if any, to deliver to Crosstex (at Crosstex's expense) all copies in their possession or control, other than permanent file copies then in such Selling Holder's possession, of the prospectus and any prospectus supplement covering such Registrable Securities current at the time of receipt of such notice.

Section 2.5 Cooperation by Holders. Crosstex shall have no obligation to include Registrable Securities of a Holder in the Shelf Registration Statement or in an Underwritten Offering under Article II of this Agreement if such Selling Holder has failed to timely furnish such information which, in the opinion of counsel to Crosstex, is reasonably required in order for the registration statement or prospectus supplement, as applicable, to comply with the Securities Act.

Section 2.6 Restrictions on Public Sale by Holders of Registrable Securities. For a period of one year following the Effective Date, each Holder of Registrable Securities who is included in the Shelf Registration Statement agrees not to effect any public sale or distribution of the Registrable Securities during the 30 calendar day period beginning on the date of a prospectus supplement filed with the Commission with respect to the pricing of an Underwritten Offering, or other prospectus (including any free writing prospectus) containing the terms of the pricing of such Underwritten Offering, provided that the duration of the foregoing restrictions shall be no longer than the duration of the shortest restriction generally imposed by the underwriters on the officers or directors or any other unitholder of Crosstex on whom a restriction is imposed and provided further that such Selling Holder (together with any Affiliates that are Selling Holders) owns at least fifteen million dollars ($15,000,000) of Registrable Securities, and Other Registration Securities, in the aggregate (determined by multiplying the number of Registrable Securities and Other Registrable Securities owned by the average of the closing price for Common Units for the ten (10) trading days preceding the date of such filing).

Section 2.7 Expenses.

(a) Certain Definitions. "Registration Expenses" means all expenses incident to Crosstex's performance under or compliance with this Agreement to effect the registration of Registrable Securities in a Shelf Registration pursuant to Section 2.1, a Piggyback Registration pursuant to Section 2.2, or an Underwritten Offering pursuant to Section 2.3, and the disposition of such securities, including, without limitation, all registration, filing, securities exchange listing and NASDAQ fees, all registration, filing, qualification and other fees and expenses of complying with securities or blue sky laws, fees of the Financial Industry Regulatory Authority, including, transfer taxes and fees of transfer agents and registrars, all word processing, duplicating and printing expenses, the fees and disbursements of counsel and independent public accountants for Crosstex, including the expenses of any special audits or "cold comfort" letters required by or incident to such performance and compliance. Except as otherwise provided in Section 2.8 hereof, Crosstex shall not be responsible for legal fees incurred by Holders in connection with the exercise of such Holders' rights hereunder. In addition, Crosstex shall not be responsible for any "Selling Expenses," which means all underwriting fees, discounts and selling commissions and transfer taxes allocable to the sale of the Registrable Securities.

(b) Expenses. Crosstex will pay all reasonable Registration Expenses in connection with a Shelf Registration, a Piggyback Registration or Underwritten Offering, whether or not any sale is made pursuant to such Shelf Registration, Piggyback Registration or Underwritten Offering. Each Selling Holder shall pay all Selling Expenses in connection with any sale of its Registrable Securities hereunder.

Section 2.8 Indemnification.

(a) By Crosstex. In the event of a registration of any Registrable Securities under the Securities Act pursuant to this Agreement, Crosstex will indemnify and hold harmless each Selling Holder thereunder, its directors, officers, employees, agents and managers, and each underwriter, pursuant to the applicable underwriting agreement with such underwriter, of Registrable Securities thereunder and each Person, if any, who controls such Selling Holder or underwriter within the meaning of the Securities Act and the Exchange Act, and its directors, officers, employees, agents and managers, against any losses, claims, damages, expenses or liabilities (including reasonable attorneys' fees and expenses) (collectively, "Losses"), joint or several, to which such Selling Holder or underwriter or controlling Person may become subject under the Securities Act, the Exchange Act or otherwise, insofar as such Losses (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact (in the case of any prospectus, in light of the circumstances under which such statement is made) contained in the Shelf Registration Statement or any other registration statement contemplated by this Agreement, any preliminary prospectus or final prospectus contained therein, or any free writing prospectus related thereto, or any amendment or supplement thereof, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of a prospectus, in light of the circumstances under which they were made) not misleading, and will reimburse each such Selling Holder, its directors and officers, each such underwriter and each such controlling Person for any legal or other expenses reasonably incurred by them in connection with investigating or

defending any such Loss or actions or proceedings; provided, however, that Crosstex will not be liable in any such case if and to the extent that any such Loss arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission so made in strict conformity with information furnished by such Selling Holder, such underwriter or such controlling Person in writing specifically for use in the Shelf Registration Statement or such other registration statement, or prospectus supplement, as applicable. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Selling Holder or any such director, officer, employee, agent, manager or controlling Person, and shall survive the transfer of such securities by such Selling Holder.

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

(c) Notice. Promptly after receipt by an indemnified party hereunder of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party hereunder, notify the indemnifying party in writing thereof, but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party other than under this Section 2.8(c) except to the extent that the indemnifying party is materially prejudiced by such failure. In any action brought against any indemnified party, it shall notify the indemnifying party of the commencement thereof. The indemnifying party shall be entitled to participate in and, to the extent it shall wish, to assume and undertake the defense thereof with counsel reasonably satisfactory to such indemnified party and, after notice from the indemnifying party to such indemnified party of its election so to assume and undertake the defense thereof, the indemnifying party shall not be liable to such indemnified party under this Section 2.8 for any legal expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation and of liaison with counsel so selected; provided, however, that, (i) if the indemnifying party has failed to assume the defense and employ counsel or (ii) if the defendants in any such action include both the indemnified party and the indemnifying party and counsel to the indemnified party shall have concluded that there may be reasonable defenses available to the indemnified party that are different from or additional to those available to the indemnifying party, or if the interests of the indemnified party reasonably may be deemed to conflict with the interests of the indemnifying party, then the indemnified party shall have the right to select a separate counsel and to assume such legal defense and otherwise to participate in the defense of such action, with the reasonable expenses and fees of such separate counsel and other reasonable expenses related to such participation to be reimbursed by the indemnifying party as incurred. Notwithstanding any other provision of this Agreement, the indemnifying party shall not settle any indemnified claim without the consent of the indemnified party, unless the settlement thereof imposes no liability or obligation on,

includes a complete release from liability of, and does not contain any admission of wrong doing by, the indemnified party.

(d) Contribution. If the indemnification provided for in this Section 2.8 is held by a court or government agency of competent jurisdiction to be unavailable to Crosstex or any Selling Holder or is insufficient to hold them harmless in respect of any Losses, then each such indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such Losses in such proportion as is appropriate to reflect the relative fault of Crosstex on the one hand and of such Selling Holder on the other in connection with the statements or omissions which resulted in such Losses, as well as any other relevant equitable considerations; provided, however, that in no event shall such Selling Holder be required to contribute an aggregate amount in excess of the dollar amount of proceeds (net of Selling Expenses) received by such Selling Holder from the sale of Registrable Securities giving rise to such indemnification. The relative fault of Crosstex on the one hand and each Selling Holder on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact has been made by, or relates to, information supplied by such party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The parties hereto agree that it would not be just and equitable if contributions pursuant to this paragraph were to be determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the first sentence of this paragraph. The amount paid by an indemnified party as a result of the Losses referred to in the first sentence of this paragraph shall be deemed to include any legal and other expenses reasonably incurred by such indemnified party in connection with investigating or defending any Loss which is the subject of this paragraph. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who is not guilty of such fraudulent misrepresentation.

(e) Other Indemnification. The provisions of this Section 2.8 shall be in addition to any other rights to indemnification or contribution which an indemnified party may have pursuant to law, equity, contract or otherwise.

Section 2.9 Rule 144 Reporting. With a view to making available the benefits of certain rules and regulations of the Commission that may permit the sale of the Registrable Securities to the public without registration, Crosstex agrees to use its commercially reasonable efforts to:

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

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

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

Section 2.10 Transfer or Assignment of Registration Rights. The rights to cause Crosstex to register Registrable Securities granted to the Purchaser by Crosstex under this Article II may be transferred or assigned by the Purchaser to one or more transferee(s) or assignee(s) of such Registrable Securities, who (a) are Affiliates of the Purchaser, or (b) hold, collectively with its or their Affiliates, after giving effect to such transfer or assignment, at least fifteen million dollars ($15,000,000) of Registrable Securities and Other Registrable Securities. Crosstex shall be given written notice prior to any said transfer or assignment, stating the name and address of each such transferee and identifying the securities with respect to which such registration rights are being transferred or assigned, and each such transferee shall assume in writing responsibility for its obligations of the Purchaser under this Agreement.

Section 2.11 Limitation on Subsequent Registration Rights. From and after the date hereof, Crosstex shall not, without the prior written consent of the Holders of a majority of the outstanding Registrable Securities, enter into any agreement with any current or future holder of any securities of Crosstex that would allow such current or future holder to require Crosstex to include securities in any registration statement filed by Crosstex on a basis that is superior in any way to the piggyback rights granted to the Purchaser hereunder.

Section 2.12 Aggregation of Registrable Securities. All Registrable Securities held or acquired by Persons who are Affiliates of one another shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

Section 2.13 Common Unit Notices. The Partnership shall distribute to the holders of Purchased Units copies of all notices, materials, annual and quarterly reports, proxy statements, information statements and any other documents distributed generally to the holders of Common Units, at such times and by such method as such documents are distributed to such holders of Common Units.

Section 2.14 Remarketing. If any holder of Purchased Units approaches the Partnership with a desire to sell more than 1,500,000 Purchased Units in a private sale pursuant to an exemption from the registration requirements of the Securities Act, or Registrable Securities having equivalent economic value, the Partnership shall cooperate reasonably with such holder to provide information reasonably requested by potential purchasers, to make the Partnership's management reasonably available by telephone and to confirm that the Partnership has made all requisite filings required by the Exchange Act.

ARTICLE III
MISCELLANEOUS

Section 3.1 Communications. All notices and demands provided for hereunder shall be in writing and shall be given by registered or certified mail, return receipt requested,

facsimile, air courier guaranteeing overnight delivery or personal delivery to the following addresses:

(a) If to GSO Crosstex Holdings LLC:

GSO Crosstex Holdings LLC
280 Park Avenue
New York, New York 10017
Attention: James Bennett, Marisa Beeney and Chris Sullivan
Facsimile: (212) 503-2157
Internet electronic mail: james.bennett@gsocap.com, maris.beeney@gsocap.com
or chris.sullivan@gsocap.com

with a copy to:

Andrews Kurth LLP
600 Travis, Suite 4200
Houston, Texas 77002
Attention: G. Michael O'Leary
Facsimile: (713) 238-7130
Internet electronic mail: moleary@akllp.com

(b) If to Crosstex:

Crosstex Energy, L.P.
2501 Cedar Springs
Dallas, Texas 75201
Attention: General Counsel
Facsimile: (214) 721-9383
Internet electronic mail: joe.davis@crosstexenergy.com

with a copy to:

Baker Botts L.L.P.
2001 Ross Avenue
Dallas, Texas 75201-2980
Attention: Doug Rayburn
Facsimile: (214) 661-4634
Internet electronic mail: doug.rayburn@bakerbotts.com

or, if to a transferee of the Purchaser, to the transferee at the address provided pursuant to Section 2.10 above. All notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; upon actual receipt if sent by certified or registered mail, return receipt requested, or regular mail, if mailed; upon actual receipt of the facsimile copy, if sent via facsimile; and upon actual receipt when delivered to an air courier guaranteeing overnight delivery.

Section 3.2 Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties, including subsequent Holders of Registrable Securities to the extent permitted herein.

Section 3.3 Assignment of Rights. All or any portion of the rights and obligations of the Purchaser under this Agreement may be transferred or assigned by the Purchaser in accordance with Section 2.10 hereof.

Section 3.4 Recapitalization (Exchanges, etc. Affecting the Common Units). The provisions of this Agreement shall apply to the full extent set forth herein with respect to any and all units of Crosstex or any successor or assign of Crosstex (whether by merger, consolidation, sale of assets or otherwise) which may be issued in respect of, in exchange for or in substitution of, the Registrable Securities, and shall be appropriately adjusted for combinations, recapitalizations and the like occurring after the date of this Agreement.

Section 3.5 Specific Performance. Damages in the event of breach of this Agreement by a party hereto may be difficult, if not impossible, to ascertain, and it is therefore agreed that each such Person, in addition to and without limiting any other remedy or right it may have, will have the right to an injunction or other equitable relief in any court of competent jurisdiction, enjoining any such breach, and enforcing specifically the terms and provisions hereof, and each of the parties hereto hereby waives any and all defenses it may have on the ground of lack of jurisdiction or competence of the court to grant such an injunction or other equitable relief. The existence of this right will not preclude any such Person from pursuing any other rights and remedies at law or in equity which such Person may have.

Section 3.6 Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement.

Section 3.7 Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

Section 3.8 Governing Law, Submission to Jurisdiction. This Agreement, and all claims or causes of action (whether in contract or tort) that may be based upon, arise out of or relate to this Agreement or the negotiation, execution or performance of this Agreement (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement), will be construed in accordance with and governed by the laws of the State of Delaware without regard to principles of conflicts of laws. Any action against any party relating to the foregoing shall be brought in any federal or state court of competent jurisdiction located within the State of Delaware, and the parties hereto hereby irrevocably submit to the non-exclusive jurisdiction of any federal or state court located within the State of Delaware over any such action. The parties hereby irrevocably waive, to the fullest extent permitted by applicable Law, any objection which they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the parties hereto agrees that a judgment in

any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law.

Section 3.9 Waiver of Jury Trial. THE PARTIES TO THIS AGREEMENT EACH HEREBY WAIVE, AND AGREE TO CAUSE THEIR AFFILIATES TO WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (i) ARISING UNDER THIS AGREEMENT OR (ii) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO IN RESPECT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS RELATED HERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. THE PARTIES TO THIS AGREEMENT EACH HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT THE PARTIES TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

Section 3.10 Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting or impairing the validity or enforceability of such provision in any other jurisdiction.

Section 3.11 Entire Agreement. This Agreement and the Purchase Agreement are intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein or therein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein or therein with respect to the rights granted by Crosstex set forth herein or therein. This Agreement, the Purchase Agreement and the Non-Disclosure Agreement supersede all prior agreements and understandings between the parties with respect to such subject matter.

Section 3.12 Amendment. This Agreement may be amended only by means of a written amendment signed by Crosstex and the Holders of a majority of the then outstanding Registrable Securities; provided, however, that no such amendment shall adversely affect the rights of any Holder hereunder without the consent of such Holder.

Section 3.13 No Presumption. In the event any claim is made by a party relating to any conflict, omission, or ambiguity in this Agreement, no presumption or burden of proof or persuasion shall be implied by virtue of the fact that this Agreement was prepared by or at the request of a particular party or its counsel.

Section 3.14 Obligations Limited to Parties to Agreement. Each of the parties hereto covenants, agrees and acknowledges that no Person other than the Purchaser, Selling Holders, their respective permitted assignees and Crosstex shall have any obligation hereunder and that,

notwithstanding that one or more of Crosstex and the Purchaser may be a corporation, partnership or limited liability company, no recourse under this Agreement or under any documents or instruments delivered in connection herewith or therewith shall be had against any former, current or future director, officer, employee, agent, general or limited partner, manager, member, stockholder or Affiliate of any of Crosstex, the Purchaser, Selling Holders or their respective permitted assignees, or any former, current or future director, officer, employee, agent, general or limited partner, manager, member, stockholder or Affiliate of any of the foregoing, whether by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any applicable law, it being expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on or otherwise by incurred by any former, current or future director, officer, employee, agent, general or limited partner, manager, member, stockholder or Affiliate of any of Crosstex, the Purchaser, Selling Holders or any of their respective assignees, or any former, current or future director, officer, employee, agent, general or limited partner, manager, member, stockholder or Affiliate of any of the foregoing, as such, for any obligations of Crosstex, the Purchaser, Selling Holders or their respective permitted assignees under this Agreement or any documents or instruments delivered in connection herewith or therewith or for any claim based on, in respect of or by reason of such obligation or its creation, except in each case for any assignee of the Purchaser or a Selling Holder hereunder.

Section 3.15 Interpretation. Article and Section references in this Agreement are references to the corresponding Article and Section to this Agreement, unless otherwise specified. All references to instruments, documents, contracts and agreements are references to such instruments, documents, contracts and agreements as the same may be amended, supplemented and otherwise modified from time to time, unless otherwise specified. The word “including” shall mean “including but not limited to.” Whenever any determination, consent or approval is to be made or given by the Purchaser under this Agreement, such action shall be in the Purchaser’s sole discretion unless otherwise specified.

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

CROSSTEX ENERGY, L.P.

By: Crosstex Energy GP, L.P., its general partner

By: Crosstex Energy GP, LLC, its general partner

By: /s/ Joe A. Davis
Name: Joe A. Davis
Title: Executive Vice President, General Counsel & Secretary

GSO CROSSTEX HOLDINGS LLC, by its Members

BLACKSTONE / GSO CAPITAL SOLUTIONS FUND LP

By: Blackstone / GSO Capital Solutions Associates LLC,
its General Partner

By: /s/ George Fan
George Fan – Authorized Signatory

GSO CROSSTEX HOLDINGS (US) INC.

By: /s/ Marisa Beeney
Marisa Beeney – Authorized Signatory

Schedule A

Purchaser

GSO Crosstex Holdings LLC

Exhibit 10.1

EXECUTION VERSION

BOARD REPRESENTATION AGREEMENT

This BOARD REPRESENTATION AGREEMENT (this "*Agreement*"), dated as of January 19, 2010, is entered into by and among Crosstex Energy GP, LLC, a Delaware limited liability company (the "*GP LLC*"), Crosstex Energy GP, L.P., a Delaware limited partnership (the "*GP LP*"), Crosstex Energy, L.P., a Delaware limited partnership (the "*Partnership*"), Crosstex Energy, Inc., a Delaware corporation ("*CEI*" and, together with GP LLC, GP LP and the Partnership, the "*Crosstex Entities*"), and GSO Crosstex Holdings LLC, a Delaware limited liability company (the "*Purchaser*"). Capitalized terms used but not defined herein are used as defined in the Series A Convertible Preferred Unit Purchase Agreement dated as of January 6, 2010 by and among the Partnership and the Purchaser (the "*Purchase Agreement*").

RECITALS:

A. CEI is the sole member of GP LLC, which is the general partner of GP LP, which is the general partner of the Partnership.

B. Pursuant to the Purchase Agreement, the Partnership has agreed to sell to the Purchaser Series A Preferred Units.

C. To induce the Purchaser to enter into the transactions evidenced by the Purchase Agreement, each of the Crosstex Entities are required to deliver this Board Representation Agreement, duly executed by each of the Crosstex Entities, to the Purchaser contemporaneously with the Closing of the transactions contemplated by the Purchase Agreement.

D. The investment by the Purchaser in the Partnership is reasonably expected to benefit, directly or indirectly, each of the Crosstex Entities, and the general partner, board of directors, board of managers or other governing body of each of the Crosstex Entities has determined that entering into and executing this Board Representation Agreement is in the best interest of such Crosstex Entity.

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

Section 1. Board Representation.

(a) Each of the Crosstex Entities shall take all actions necessary or advisable to cause one director serving on the Board of Directors (or other applicable governing body) of the general partner of the Partnership (which term as used herein shall include, if the general partner of the Partnership is a limited partnership, the general partner of such general partner (which as of the date of this agreement shall be GP LLC)) to be designated by the Purchaser, in its sole discretion (the "*Purchaser Designated Director*"), at all times from the date of this Agreement until the occurrence of a Designation Right Termination Event (as defined below), at which time the right of the Purchaser under this Agreement to designate a member of such Board of Directors shall terminate; provided, however, that such Purchaser Designated Director shall have the requisite skill and experience to serve as a director of a public company and such Purchaser Designated Director shall not be prohibited from serving as a director of the Company pursuant to any rule

or regulation of the Commission or the NASDAQ. Prior to a Designation Right Termination Event, any Purchaser Designated Director may be removed by the Purchaser at any time and by a majority of the other director(s) then serving on such Board of Directors (or other applicable governing body) for "cause" (as defined below), but not by any other party; and any vacancy in such position shall be filled solely by the Purchaser. As used herein, "cause" means that the Purchaser Designated Director (i) is prohibited from serving as a director of the Company under any rule or regulation of the Commission or the NASDAQ; (ii) has been convicted of a felony or misdemeanor involving moral turpitude; (iii) has engaged in acts or omissions against the Partnership constituting dishonesty, breach of fiduciary obligation, or intentional wrongdoing or misfeasance; or (iv) has acted intentionally or in bad faith in a manner that results in a material detriment to the assets, business or prospects of the Company. Any action by the Purchaser to designate, remove or replace a Purchaser Designated Director shall be evidenced in writing furnished to GP LLC, shall include a statement that the action has been approved by the requisite vote of the Purchaser and shall be executed by or on behalf of the Purchaser. None of the Crosstex Entities shall take any action which would, or would be reasonably likely to, lessen, restrict, prevent or otherwise have an adverse effect upon the foregoing rights of the Purchaser to board representation. The Crosstex Entities shall not allow a new general partner of the Partnership or of GP LP unless such new general partner first agrees in writing to be bound by the provisions of this Agreement as a "Crosstex Entity".

(b) Commencing as of Closing, the Purchaser Designated Director is D. Dwight Scott.

(c) In furtherance of the foregoing, CEI shall execute on the date hereof the amendment to the limited liability company agreement of GP LLC set forth on Exhibit A attached hereto. CEI and GP LLC shall not amend, and shall not permit the amendment of, the limited liability agreement of GP LLC in any manner that would, or would be reasonably likely to, have an adverse effect on the board representation rights of the Purchaser as set forth in such amendment; provided, however, that any increase or reduction in the size of the Board of Directors of GP LLC shall not be deemed to have such effect.

(d) Upon the occurrence of a Designation Right Termination Event, the right of the Purchaser to designate a Purchaser Designated Director shall terminate and the Purchaser Designated Director then serving as such a member of such Board of Directors, promptly upon (and in any event within two Business Days following) receipt of a request from a majority of the other director(s) then serving on such Board of Directors (or other applicable governing body) of the general partner of the Partnership or the owner(s) of a majority of the equity interests of such general partner, shall resign as a member of such Board of Directors (or other applicable governing body). If the Purchaser Designated Director does not resign upon such request, then a majority of the other director(s) then serving on such Board of Directors (or other applicable governing body) of the general partner of the Partnership or the owner(s) of a majority of the equity interests of such general partner, may remove the Purchaser Designated Director as a member of such Board of Directors (or other applicable governing body). At all times while a Purchaser Designated Director is serving as a member of the Board of Directors (or other applicable governing body) of the general partner of the Partnership, and following any such Purchaser Designated Director's resignation, removal or other cessation as a director in such former Purchaser Designated Director's capacity as a former director, each Purchaser Designated Director shall be entitled to all rights to indemnification and exculpation as are then made

available to any other member of such Board of Directors (or other applicable governing body) by the Crosstex Entities.

(e) For the purposes of this Agreement, a "Designation Right Termination Event" shall occur on the earliest to occur of (i) the Purchaser and its Affiliates holding a number of Series A Preferred Units and Conversion Units that is less than twenty-five percent (25%) of the number of Series A Preferred Units initially issued to the Purchaser pursuant to the Purchase Agreement, (ii) such time as the sum of (A) the number of Common Units into which the Series A Preferred Units collectively held by the Purchaser and its Affiliates are convertible and (B) the number of Conversion Units which are then collectively held by the Purchaser and its Affiliates represent less than ten percent (10%) of the Common Units then outstanding and (iii) the Purchaser ceasing to be an Affiliate of The Blackstone Group L.P. Prior to the occurrence of a Designation Right Termination Event, GP LLC shall invite the Purchaser Designated Director to attend all meetings of each committee of the Board of Directors (other than the Audit Committee, the Conflicts Committee, the Compensation Committee, the Governance Committee, any pricing committee established for an offering of securities by the Partnership and any committee established to deal with conflicts with the Purchaser or its Affiliates) in a nonvoting observer capacity and, in this respect, shall give the Purchaser Designated Director copies of all notices, minutes, consents and other materials that it provides to such committee members.

Section 2. Miscellaneous.

(a) Notwithstanding anything herein to the contrary, all measurements and references related to Common Unit, Series A Preferred Unit or Conversion Unit numbers herein shall be, in each instance, appropriately adjusted for unit splits, unit re-combinations, unit distributions and the like.

(b) This Agreement, the Purchase Agreement and the other Basic Documents constitute the entire understanding and agreement between the parties with regard to the subject matter hereof and thereof.

(c) All notices and demands provided for hereunder shall be in writing and shall be given as provided to in Section 7.07 of the Purchase Agreement (with notices and demands to any of the Crosstex Entities to be sent care of the Partnership).

(d) Section and Exhibit references in this Agreement are references to the corresponding Section or Exhibit to this Agreement, unless otherwise specified. All Exhibits to this Agreement are hereby incorporated and made a part hereof as if set forth in full herein and are an integral part of this Agreement. All references to instruments and agreements are references to such instruments and agreements as the same may be amended, supplemented and otherwise modified from time to time, unless otherwise specified. The word "including" shall mean "including but not limited to" and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it. Whenever any Crosstex Entity has an obligation under this Agreement, the expense of complying with that obligation shall be an expense of such Crosstex Entity unless otherwise specified. Whenever any determination, consent or approval is to be made or given by the Purchaser, such action shall be in such Purchaser's sole discretion, unless otherwise specified in this Agreement. If any provision in this

Agreement is held to be illegal, invalid, not binding or unenforceable, (i) such provision shall be fully severable and this Agreement shall be construed and enforced as if such illegal, invalid, not binding or unenforceable provision had never comprised a part of this Agreement, and the remaining provisions shall remain in full force and effect and (ii) the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible. When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded. If the last day of such period is a non-Business Day, the period in question shall end on the next succeeding Business Day. Any words imparting the singular number only shall include the plural and vice versa. The words such as "herein," "hereinafter," "hereof" and "hereunder" refer to this Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires. The division of this Agreement into Sections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect or be utilized in construing or interpreting this Agreement.

(e) This Agreement, and all claims or causes of action (whether in contract or tort) that may be based upon, arise out of or relate to this Agreement or the negotiation, execution or performance of this Agreement (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement), will be construed in accordance with and governed by the laws of the State of Delaware without regard to principles of conflicts of laws.

(f) Any action against any party relating to the foregoing shall be brought in any federal or state court of competent jurisdiction located within the State of Delaware, and the parties hereto hereby irrevocably submit to the non-exclusive jurisdiction of any federal or state court located within the State of Delaware over any such action. The parties hereby irrevocably waive, to the fullest extent permitted by applicable Law, any objection which they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the parties hereto agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law.

(g) THE PARTIES TO THIS AGREEMENT EACH HEREBY WAIVE, AND AGREE TO CAUSE THEIR AFFILIATES TO WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (i) ARISING UNDER THIS AGREEMENT OR (ii) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO IN RESPECT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS RELATED HERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. THE PARTIES TO THIS AGREEMENT EACH HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT THE PARTIES TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS

AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

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

(i) Except as otherwise provided herein, no amendment, waiver, consent, modification or termination of any provision of this Agreement shall be effective unless signed by each of the parties hereto or thereto affected by such amendment, waiver, consent, modification or termination. Any amendment, supplement or modification of or to any provision of this Agreement, any waiver of any provision of this Agreement and any consent to any departure by any Crosstex Entity from the terms of any provision of this Agreement shall be effective only in the specific instance and for the specific purpose for which made or given. Except where notice is specifically required by this Agreement, no notice to or demand on any Crosstex Entity in any case shall entitle such Crosstex Entity to any other or further notice or demand in similar or other circumstances. Any investigation by or on behalf of any party shall not be deemed to constitute a waiver by the party taking such action of compliance with any representation, warranty, covenant or agreement contained herein.

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

(k) This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, but will not be assignable or delegable by any party hereto without the prior written consent of the other parties; provided, however, that any of the rights and obligations of the Purchaser hereunder may be transferred or assigned in whole or in part by the Purchaser to any Affiliate of the Purchaser (provided that such rights and obligations shall terminate and cease to be so transferred or assigned, upon any Affiliate to which such rights and obligations are transferred or assigned no longer being an Affiliate of the Purchaser).

(l) Each of the parties acknowledges that it has been represented by independent counsel of its choice throughout all negotiations that have preceded the execution of this Agreement and that it has executed the same with consent and upon the advice of said independent counsel. Each party and its counsel cooperated in the drafting and preparation of this Agreement and the documents referred to herein, and any and all drafts relating thereto will be deemed the work product of the parties and may not be construed against any party by reason of its preparation. Accordingly, any rule of law or any legal decision that would require interpretation of any ambiguities in this Agreement against the party that drafted it is of no application and is hereby expressly waived.

(m) Each party hereto acknowledge that each party would not have an adequate remedy at law for money damages in the event that this Agreement has not been performed in accordance with its terms, and therefore agrees that each other party shall be entitled to specific enforcement of the terms hereof in addition to any other remedy to which it may be entitled, at law or in equity.

(n) Each of the parties hereto shall, from time to time and without further consideration execute such further instruments and take such other actions as any other party hereto shall reasonably request in order to fulfill its obligations under this Agreement to effectuate the purposes of this Agreement.

(Signature page follows)

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

CROSSTEX ENERGY, L.P.

By: Crosstex Energy GP, L.P.,
its general partner

By: Crosstex Energy GP, LLC,
its general partner

By: /s/ Joe A. Davis
Name: Joe A. Davis
Title: Executive Vice President, General Counsel & Secretary

CROSSTEX ENERGY GP, L.P.

By: Crosstex Energy GP, LLC,
its general partner

By: /s/ Joe A. Davis
Name: Joe A. Davis
Title: Executive Vice President, General Counsel & Secretary

CROSSTEX ENERGY GP, LLC

By: /s/ Joe A. Davis
Name: Joe A. Davis
Title: Executive Vice President, General Counsel & Secretary

CROSSTEX ENERGY, INC.

By: /s/ Joe A. Davis
Name: Joe A. Davis
Title: Executive Vice President, General Counsel & Secretary

GSO CROSSTEX HOLDINGS LLC, by its Members

BLACKSTONE / GSO CAPITAL SOLUTIONS FUND LP

By: Blackstone / GSO Capital Solutions Associates LLC,
its General Partner

By: /s/ George Fan
George Fan – Authorized Signatory

GSO CROSSTEX HOLDINGS (US) INC.

By: /s/ Marisa Beeney
Marisa Beeney – Authorized Signatory

EXHIBIT A

Separately filed with the Commission.

Exhibit 99.1

FOR IMMEDIATE RELEASE
JANUARY 19, 2010

Contact: Jill McMillan, Director, Public & Industry Affairs
Phone: (214) 721-9271
Jill.McMillan@CrosstexEnergy.com

CROSSTEX COMPLETES SALE OF EAST TEXAS ASSETS FOR $40 MILLION TO WASKOM GAS PROCESSING COMPANY

DALLAS, January 19, 2010 — The Crosstex Energy companies, Crosstex Energy, L.P. (NASDAQ: XTEX) (the Partnership) and Crosstex Energy, Inc. (NASDAQ: XTXI) (the Corporation), announced today the completion of the sale of the Partnership's gathering and treating assets in East Texas for $40 million to Waskom Gas Processing Company. Crosstex will use the net proceeds from the transaction to pay down the Partnership's outstanding debt and for general corporate purposes.

About the Crosstex Energy Companies
Crosstex Energy, L.P., a midstream natural gas company headquartered in Dallas, operates approximately 3,300 miles of pipeline, 10 processing plants and three fractionators. The Partnership currently provides services for 3.2 billion cubic feet of natural gas per day, or approximately six percent of marketed U.S. daily production.

Crosstex Energy, Inc. owns the two percent general partner interest, a 33 percent limited partner interest and the incentive distribution rights of Crosstex Energy, L.P.

Additional information about the Crosstex companies can be found at www.crosstexenergy.com.

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Exhibit 99.2

FOR IMMEDIATE RELEASE
JANUARY 20, 2010

Contact: **Jill McMillan, Director, Public & Industry Affairs**
Phone: (214) 721-9271
Jill.McMillan@CrosstexEnergy.com

CROSSTEX ENERGY COMPLETES BLACKSTONE / GSO TRANSACTION;
APPOINTS DWIGHT SCOTT TO BOARD OF DIRECTORS

DALLAS, January 20, 2010 – The Crosstex Energy companies, Crosstex Energy, L.P. (NASDAQ: XTEX) (the Partnership) and Crosstex Energy, Inc. (NASDAQ: XTXI) (the Corporation), today announced the close of its previously announced sale of approximately $125 million of Series A Convertible Preferred Units to Blackstone / GSO Capital Solutions funds. Consistent with the terms of the transaction, D. Dwight Scott, a Senior Managing Director of GSO Capital Partners LP and head of GSO's Houston office has joined the Board of Directors of Crosstex Energy, GP, LLC.

"We are pleased that the transaction has been completed," said Barry E. Davis, Crosstex President and Chief Executive Officer. "We welcome Dwight Scott to the Board and are confident that Crosstex will benefit from his strong finance and energy expertise as we pursue our strategic plan to deliver value to our unitholders and our shareholders."

Mr. Scott focuses on investments in the energy and power markets and is a member of GSO's Investment Committee. Before joining GSO Capital, Mr. Scott was an Executive Vice President and Chief Financial Officer of El Paso Corporation. Prior to joining El Paso, Mr. Scott served as a managing director in the energy investment banking practice of Donaldson, Lufkin & Jenrette.

Mr. Scott earned a BA from the University of North Carolina at Chapel Hill and MBA from The University of Texas at Austin. He is currently a Director of Cheniere Energy, Inc., Crestwood Midstream Partners, MCV Investors, Inc., SandRidge Energy, Inc. and United Engines Holding Company, LLC. Mr. Scott is a member of the Board of Trustees of KIPP, Inc. and the River Oaks Baptist School.

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About the Crosstex Energy Companies

Crosstex Energy, L.P., a midstream natural gas company headquartered in Dallas, operates approximately 3,400 miles of pipeline, 10 processing plants and three fractionators. The Partnership currently provides services for 3.2 billion cubic feet of natural gas per day, or approximately six percent of marketed U.S. daily production.

Crosstex Energy, Inc. owns the two percent general partner interest, a 33 percent limited partner interest and the incentive distribution rights of Crosstex Energy, L.P.

Additional information about the Crosstex companies can be found atwww.crosstexenergy.com.

About The Blackstone Group and GSO Capital Partners

Blackstone is one of the world's leading investment and advisory firms. Blackstone seeks to create positive economic impact and long-term value for its investors, the companies it invests in, the companies it advises and the broader global economy. The firm does this through the commitment of its extraordinary people and flexible capital. GSO Capital Partners LP, with approximately $24 billion of assets under management, is one of the largest credit-oriented alternative asset managers in the world and a major participant in the leveraged finance marketplace. GSO seeks to generate superior risk-adjusted returns in its credit business by investing in a broad array of public and private instruments across multiple investment strategies. Key areas of focus include mezzanine, credit hedge funds, leveraged loans and other special situation strategies. Blackstone's other alternative asset management businesses include the management of private equity funds, real estate funds, funds of hedge funds, and closed-end mutual funds. The Blackstone Group also provides various financial advisory services, including mergers and acquisitions advisory, restructuring and reorganization advisory and fund placement services. Further information is available at www.blackstone.com.

This press release contains forward-looking statements within the meaning of the federal securities laws. These statements are based on certain assumptions made by the Partnership and the Corporation based upon management's experience and perception of historical trends, current conditions, expected future developments and other factors the Partnership and the Corporation believe are appropriate in the circumstances. These statements include, but are not limited to, statements with respect to the Partnership's strategic plan. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Partnership and the Corporation, which may cause the Partnership's and the Corporation's actual results to differ materially from those implied or expressed by the forward-looking statements. These risks include, but are not limited to, risks discussed in the Partnership's and the Corporation's filings with the Securities and Exchange Commission. The Partnership and the Corporation have no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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