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Cc: Eileen Alexanderson <[REDACTED]>
Subject: Getting Funds to Ben
Sent: Thursday, October 9, 2014 1:13:38 PM

Good morning Jeffrey,

I understand that one of the trusts is to make a loan to Ben in the amount of \$1.5 million (I assume this will be a 9-year loan at the AFR-1.85% for October 2014). We can approach it two ways:

Option 1: The APO1 Trust makes the loan to Ben and Ben pays the APO1 Trust annual interest. This involves:

- Trustee Resolution by APO1 Trustees (signed by Barry, John and Richard); and
- Promissory Note (signed by Ben).

OR

Option 2: We could do something similar to what we did in July when Ben received his \$10 million distribution. That is: (i) have the APO1 Trust pay down another \$1.5 million of the Note it gave to the BEB 2011 Trust in June (interest at 1.91%) when it purchased interests in the LDB 2011 LLC from the BEB 2011 Trust, and (ii) have the BEB 2011 Trust lend the \$1.5 million to Ben. This involves:

- Trustee Resolution by BEB 2011 Trust Non-Administrative Trustees (signed by Debra, John and Barry);
- Promissory Note (signed by Ben); and
- Letter of Direction to US Trust as Administrative Trustee to enter the Promissory Note on the Trust's books and records (signed by Debra, Barry and John).

Under this approach, Ben pays interest (at 1.85%) on the \$1.5 million directly to the BEB 2011 Trust—interest paid by APO1 Trust (at 1.91%) to BEB 2011 Trust is reduced due the \$1.5 million principal payment. Because the BEB 2011 Trust requires that the net income of the trust be distributed to Ben—he will have his interest payment repaid to him.

What do you think?

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