



**Tax Receivable Agreement (TRA) Payment Workbook**

**Tax Year 2010**

**Partner Version**  
4/1/2011

EFTA01076062



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**TRA Related Payment**

Net Tax Benefit Allocated  
Tax Benefit Schedule - Payment to TRA Holders  
Tax Benefit Schedule - Realized Tax Benefit - APO Corp  
Interest Amount Calculation

**TRA Payment  
For the Year Ended 12.31.2010**

**TRA payment**  
**\$ 51,913,251**

<b>TRA Holder</b>	<b>TRA Ownership %</b>	<b>2010 Payment Amount</b>
Leon Black	41.0768%	21,324,316
Less: 25% Deferral		(5,331,079)
Net Payment		15,993,237

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**APO Corp Related Taxable Income  
Tax Benefit Payments - Article III  
For the Year Ended 12.31.2010**

TRA Agmt Appendix C  
Tax Receivable Agreement  
(TRA) Reference (Article III)

	Description	Amount	Notes
	APO Corp. 2010 Tax Year Realized Tax Benefit (Detriment)	\$ 61,025,252	
3.01(b)(1),(3)	Excess Realized Tax Benefit (Detriment)	-	
3.01(b)(2),(4)	Adjusted Realized Tax Benefit	<u>61,025,252</u>	
3.01(b)	85% Per TRA	<u>85%</u>	
3.01(b)	Tax Benefit Payment (includes Imputed Interest under IRC Section 483)	<u>\$ 51,871,464</u>	
	IRC Section 483 Imputed Interest (installment sale rules) Section 483 Interest Rate (5.15%) - LT AFR	\$ 43,025,537	(1)
	Present Value of Tax Benefit Payment from April 5, 2011 to July 14, 2007 - Total Sales Proceeds	\$ 8,845,928	(2)
3.01(b)	Interest Amount Per TRA (Through April 5, 2011)	<u>41,787</u>	(3)
3.01(b)	<b>Total Net Tax Benefit - i.e., Tax Benefit Payment related to 2010 Tax Return</b>	<u><b>\$ 51,913,251</b></u>	

**Notes:**

(1) To calculate the amount of imputed installment sale interest that is taxable on the tax return the Applicable Federal Rate (AFR) that applies to the term of the installment sale on the date of the sale (July 13, 2007) was used. The AFR was 5.15%.

(2) The present value of the Tax Benefit Payment is calculated using the following formula:

$$\frac{\text{Amount of Future Payment}}{1 + (\# \text{ of days July 15, 2007 to April 5, 2011}) / 365 \times \text{Annual Interest Rate}}$$

Amount of Future Payment	\$ 51,871,464
Annual Interest Rate (Long term AFR for July 2007)	5.15%
3 Year (July 14, 2007 through July 14, 2010)	3 Year
# of Days (July 15, 2010 through April 5, 2011)	289 Days

(3) Interest is calculated from the due date of the 2010 Tax Return (without extensions). Please see the attached calculation.

**APO Corp Related Taxable Income  
Tax Benefit Schedule - Article II Section 2.03  
For the Year Ended 12.31.2010**

**Realized Tax Benefit Calculation - Article III  
Tax Benefit Schedule - Article II Section 2.0**

Item	A	B	C=A-B
	2010 Non-Stepped-Up Tax Liability	2010 Actual Liability	Difference
Partnership Distributive Share Income/(Loss)	\$169,157,721	\$169,157,721	
Standalone APO Corp Income	(\$494,864)	(\$494,864)	
Section 197 Amortization	-	(65,898,090)	
Sec 483 Imputed Interest Related to 754 election	-	(1,871,766)	
Interest Expense on Late Payment	-	(21,580)	
Net Operating Loss	-	(79,720,686)	
Charity Contribution Carryforward	(394,104)	(394,104)	
State & Local Taxes	(15,938,836)	(1,483,430)	
Taxable Income	<u>\$152,329,917</u>	<u>\$19,273,213</u>	
Federal Tax Liability	49,097,864	2,528,018	
2010 State Income Tax (NY, NYC, CA)	<u>15,938,836</u>	<u>1,483,430</u>	
Total 2010 Current Tax Liability	<u>65,036,700</u>	<u>4,011,448</u>	<u>61,025,252</u>

- A.** With respect to any Taxable Year, the liability for Taxes of APO Corp., including with respect to the income and gains allocable to APO Corp. from any Partnership in which APO Corp. has an interest using the same methods, elections, conventions and similar practices used on APO Corp's Return, but calculated using the Non-Stepped Up Tax Basis instead of the tax basis of the C Assets and excluding any deduction attributable to the Imputed Interest.

**APO Corp Related Taxable Income  
TRA Late Payment Interest Amount Calculation  
Tax Year 2010**

Tax Benefit Payment	\$ 51,913,251.06
Interest Amount <sup>1</sup>	<u>\$ 41,820.55</u>
<b>Total Payment</b>	<b><u><u>\$ 51,955,071.61</u></u></b>

<b>Month</b>	<b>Date for LIBOR <sup>2</sup></b>	<b>LIBOR (assumed to be 6 month rate)</b>	<b>Plus 100 Basis Points</b>	<b>Rate for the Interest Amount</b>	<b>Monthly Interest</b>	<b>Cumulative Tax Benefit Payment Amount</b>
February, 2011	February 26, 2011	0.3869%	1.00%	1.39%	31,561	51,944,812
March, 2011	March 30, 2011	0.4419%	1.00%	1.44%	10,260	51,955,072

<sup>1</sup> Reflects TRA payment occurring on April 5, 2011.

<sup>2</sup> means for each month (or portion thereof) during any period, an interest rate per annum equal to the rate per annum reported, on the date two days prior to the first day of such month, on the Telerate Page 3750 (or if such screen shall cease to be publicly available, as reported on Reuters Screen page "LIBO" or by any other publicly available source of such market rate) for London interbank offered rates for U.S. dollar deposits for such month (or portion thereof).