

DOCUMENT SUMMARY

To: Leon D. Black
From: Ada Clapp
Date: April 12, 2013
cc: Eileen Alexanderson, Jeffrey Epstein
Re: Judah 2009 Investment Trust (2009 GRAT)

Following is a summary of the Judah 2009 Investment Trust Agreement dated August 13, 2009 (the "Trust Agreement") creating the Judah 2009-A Investment Trust (the "2009 GRAT"). Carlyn McCaffrey and Elyse Kirschner of McDermott Will & Emery prepared the Trust Agreement for you. You are the Settlor of the 2009 GRAT.

- I. GRAT Term. The 2009 GRAT will terminate on the 4th anniversary of the date of the Trust Agreement (August 13, 2013).
- II. Dispositive Provisions
 - A. Annuity During GRAT Term. An annuity payment will be made to you (or if you die during the GRAT Term, to your estate) each year of the GRAT Term.
 1. The annuity payment for the first year is equal to such percentage¹ of the initial fair market value of the property contributed to the 2009 GRAT that, when increased by 20% each subsequent year, results in your right to receive the annuity payments having a value equal to 99.99% of the initial fair market value of the GRAT property.
 2. The annuity payment for each subsequent year of the GRAT Term will equal 120% of the prior year's annuity payment.
 - B. Disposition at End of GRAT Term. At the end of the GRAT Term, any property remaining in the 2009 GRAT (after payment of the final annuity payment) will be distributed as follows:
 1. If you are then living, such property will be distributed to the trustees of the Black Family 1997 Trust (described in a separate memorandum).
 2. If you are not then living, such property will be distributed as follows:

¹ Based on the August 2009 Section 7520 rate.

- a. Any remaining 2009 GRAT property that is included in your estate for estate tax purposes will be distributed as you appoint (to anyone other than yourself, your estate or the creditors of either). Any such property you fail to appoint will be distributed to Debra provided that she was your surviving spouse.
- b. Any remaining 2009 GRAT property not includable in your estate for estate tax purposes will be distributed to the trustees of the Black Family 1997 Trust.

III. Trustees. You and John J. Hannon are the Trustees.

- A. Appointment/Removal. You (and after your death or disability Debra) may appoint additional and successor Trustees and may remove Trustees.
- B. Compensation. The Trust Agreement prohibits payment of 2009 GRAT property during the GRAT Term other than to satisfy the annuity payments (see pages 8 and 24 of the Trust Agreement), which presumably would prohibit payment of compensation to the Trustees.

IV. Grantor Trust. For added flexibility and to ensure grantor trust status, the Trust Agreement grants you power to substitute trust property with other property of equivalent value (see page 21 of the Trust Agreement). "Grantor trust" status means that you will be taxed on all income, including capital gains, generated in the 2009 GRAT during the GRAT Term.

V. Governing Law. New York law governs the 2009 GRAT.

IRS Circular 230 Disclosure: Pursuant to IRS Regulations, I inform you that any tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used by any person or entity for the purpose of (i) avoiding tax related penalties imposed by any governmental tax authority or agency, or (ii) promoting, marketing or recommending to another party any transaction or matter discussed herein. I advise you to consult with an independent tax advisor on your particular tax circumstances.