

## SECURED PROMISSORY NOTE

**SECURED PROMISSORY NOTE** (this "Note"), made as of August 15, 2013 (the "Effective Date"), is made by Leon D. Black (the "Payor"), in favor of John J. Hannan, Richard Ressler, and Leon D. Black, as Trustees of the Black 2006 Family Trust under Trust Agreement dated December 21, 2006 (collectively, the "Noteholder").

WHEREAS, the Black 2006 Family Trust (the "Trust") was created under trust agreement dated December 21, 2006 between the Payor, and Leon D. Black and John J. Hannan, as original Trustees, as such Trust Agreement was amended by First Amendment dated December 1, 2010 and Second Amendment dated July 16, 2013 (the "Trust Agreement").

WHEREAS, the Payor wishes to exercise his power under paragraph (L) of the Trust Agreement to acquire from the Trust one hundred percent (100%) of the Trust's limited partnership interest in Black Family Partners, [REDACTED] (the "Interest") in exchange for this Note.

NOW, THEREFORE, FOR VALUE RECEIVED, the Payor hereby promises to pay to the Noteholder the principal amount equal to the fair market value of the Interest as determined by Empire Valuation Consultants, LLC as set forth in that certain instrument whereby the Payor exercised his power to acquire the Interest from the Trust (such amount, as may be reduced by repayments of principal hereunder from time to time, the "Principal Amount"), plus interest thereon pursuant to the terms of this Note. The parties hereto hereby agree as follows:

### **Article 1** **Definitions**

1.1 Definitions. Capitalized terms used in this Note are used as defined in this Article 1 or elsewhere in this Note.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the laws of, or are in fact closed in, New York (New York).

"Event of Default" shall mean the occurrence of any of the following:

(a) The Payor shall fail to perform or observe any covenant or agreement contained in this Note and such default shall continue unremedied for a period of five (5) days after the occurrence thereof; or

(b) Any representation, warranty or statement made by or on behalf of the Payor in this Note or in any financing statement or other document delivered in connection therewith shall prove to have been incorrect in any material respect when made or at any future date; or

(c) The Payor: (a) commences any case, proceeding or other action under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy,

insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to him, or seeking to adjudicate him bankrupt or insolvent, or seeking reorganization, composition, extension or other such relief with respect to him or his debts, or seeking appointment of a receiver, trustee, custodian or other similar official for all or any substantial part of his assets (a "Bankruptcy Action") or (ii) becomes the debtor named in any Bankruptcy Action which results in the entry of an order for relief or any such adjudication or appointment remains undismissed or undischarged for a period of sixty (60) days or (iii) makes a general assignment for the benefit of his creditors; or

(e) This Note shall cease to be in full force and effect, valid or enforceable or any event shall have occurred which results in the Noteholder failing to have the security interests which purport to be granted to the Noteholder by the Payor pursuant to Section 5 hereof.

"Fair Market Value" means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress or necessity of either party, as determined by an opinion of an independent valuation or appraisal firm reasonably acceptable to the Noteholder.

"Lien" shall mean any lien, charge, claim, restriction, encumbrance, security interest or pledge of interest of any kind.

"Maturity Date" shall mean August 14, 2022.

"Note Obligations" means the Principal Amount and all interest or other amounts due under the Note including, without limitation, any indemnification obligations under this Note.

"UCC" shall mean the Uniform Commercial Code as in effect in the State of New York; provided that, if perfection or the effect of perfection or non-perfection or the priority of any security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, "UCC" means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

## **Article 2** **Payments**

2.1 Scheduled Payments of Principal. All principal under this Note, together with all accrued and unpaid interest thereon and all other sums evidenced by this Note shall be immediately due and payable on the earlier to occur of (a) the Maturity Date and (b) the acceleration of the maturity of this Note upon the occurrence of an Event of Default.

2.2 Payment of Interest. From the date hereof until the Maturity Date, interest on this Note shall accrue on the unpaid principal balance of this Note outstanding from time to time at a rate per annum equal to 1.63% annually in arrears on December 31 (and on the Maturity Date), commencing on December 31, 2013, or if any such day is not a business day, on the prior business day (each an "Interest Payment Date") by wire transfer of immediately available funds

to an account or accounts previously designated by the Noteholder. Interest shall be calculated on the basis of a 365 or 366 day year, as applicable, and actual days elapsed.

2.3 Voluntary Prepayments. The Payor may voluntarily prepay, in whole or in part, the unpaid Principal Amount of this Note, together with accrued interest thereon, in cash without premium or penalty.

### **Article 3** **Covenants**

The Payor covenants and agrees with the Noteholder that from and after the date of this Note and until the date on which the Note Obligations have been paid in full (other than contingent claims for indemnification not yet asserted) (the "Termination Date"):

3.1 Punctual Payment. The Payor will duly and punctually pay or cause to be paid the Principal Amount and all interest under this Note and all other amounts provided for in this Note, all in accordance with the terms of this Note.

3.2 Notices.

(a) Event of Default. The Payor will, promptly upon the Payor becoming aware thereof, notify the Noteholder in writing of the occurrence of any Event of Default, together with a reasonably detailed description thereof, and the actions the Payor proposes to take with respect thereto.

(b) Notification of Claim against Collateral. Payor will, promptly, but in any event no later than five (5) Business Days upon the Payor becoming aware thereof, notify the Noteholder in writing of any rights of setoff, claims, withholdings or other defenses to which the Collateral, or the Noteholder's rights with respect to the Collateral, are subject.

3.3 Additional Information. The Payor shall furnish Noteholder with such additional information as Noteholder shall reasonably request in order to enable Noteholder to determine whether the terms, covenants, provisions and conditions of this Note have been complied with by the Payor.

### **Article 4** **Events of Default**

4.1 Events of Default. If an Event of Default shall have occurred and be continuing, then, upon notice to the Payor by the Noteholder (which notice shall not be required in the case of an Event of Default pursuant to clause (c) of the definition thereof) the Note, including all unpaid principal and accrued interest shall become immediately due and payable in cash. If any Event of Default shall have occurred and is continuing, the Noteholder may, in addition to all other rights and remedies granted to it in this Note, exercise all rights and remedies available to the Noteholder at law or in equity.

**Article 5**  
**Security Agreement**

5.1 Grant of Lien. As collateral security for the full and timely payment of the principal of and interest on the Note and any other amounts payable to the Noteholder hereunder, Payor hereby pledges and assigns to the Noteholder, and hereby grants to the Noteholder a security interest in, all of Payor's right, title and interest in and to the following, in each case whether now or hereafter existing or in which Payor now has or hereafter acquires an interest and wherever the same may be located (the "Collateral"):

(a) the Interest, any replacements or substitutions thereof, and the certificates, if any, representing such interests; or

(b) any other assets or property having a Fair Market Value at least equal to the value of the Interest or the assets and property that constitute Collateral from time to time, as applicable (it being understood that the Payor shall have the right to substitute such Collateral, including in substitution for the Interests, from time to time).

Upon request by the Noteholder, Payor shall deliver to the Noteholder appropriate undated security transfer powers duly executed in blank for the Collateral and will deliver appropriate undated security transfer powers duly executed in blank for the Collateral to be pledged hereunder from time to time hereafter.

5.2 Perfection. The Payor shall take all commercially reasonable action that may be necessary or reasonably desirable, or that Noteholder may reasonably request, so as at all times to maintain the validity, perfection, enforceability and priority of Noteholder's security interest in and Lien on the Collateral or to enable Noteholder to protect, exercise or enforce its rights hereunder and in the Collateral. By its signature hereto, the Payor hereby authorizes Noteholder to file one or more financing, continuation or amendment statements pursuant to the UCC in each jurisdiction and with such filing offices that Noteholder deems necessary or desirable in order to perfect its security interests in the Collateral. All charges, expenses and fees Noteholder may incur in doing any of the foregoing, and any local taxes relating thereto, shall be borne by the Noteholder.

5.3 Remedies; Rights Upon Default. Subject to any restriction imposed by applicable law or any contractual obligation (including, without limitation, the organizational documents governing the Interests or the underlying equity interests in which the Interests are indirectly invested), if an Event of Default shall have occurred and be continuing, the Noteholder shall thereafter have the following rights and remedies (to the extent permitted by applicable law) in addition to the rights and remedies of a secured party under the UCC, all such rights and remedies being cumulative, not exclusive, and enforceable alternatively, successively or concurrently, at such time or times as the Noteholder deems expedient:

(a) the Noteholder may demand, sue for, collect or make any compromise or settlement the Noteholder deems suitable in respect of any Collateral; and

(b) the Noteholder may sell, resell, assign and deliver, or otherwise dispose of any or all of the Collateral, for cash or credit or both and upon such terms at such place or places,

at such time or times and to such entities or other persons as the Noteholder thinks expedient, all without demand for performance by the Payor or any notice or advertisement whatsoever except as expressly provided herein or as may otherwise be required by law.

5.4 Sale of Collateral. Subject to any restriction imposed by applicable law or any contractual obligation (including, without limitation, the organizational documents governing the Interests or the underlying equity interests in which the Interests are indirectly invested), in the event of any sale or other disposition of the Collateral and to the extent that any notice thereof is required to be given by law, the Noteholder shall give to the Payor at least ten (10) Business Days' prior authenticated notice of the time and place of any public sale or other disposition of the Collateral or of the time after which any private sale or any other intended disposition is to be made. The Payor hereby acknowledges that ten (10) Business Days' prior written notice of such sale or other disposition shall be reasonable notice. The Noteholder may enforce its rights hereunder without any other notice and without compliance with any other condition precedent now or hereafter imposed by statute, rule of law or otherwise (all of which are hereby expressly waived by the Payor to the fullest extent permitted by law). The Noteholder may buy or otherwise acquire any part or all of the Collateral at any public sale or other disposition. Any proceeds of any sale or other disposition of the Collateral remaining after the occurrence of the Termination Date shall be promptly paid over to the Payor.

5.5 Release of Collateral. Noteholder agrees that it shall release its Lien on all of the Collateral upon occurrence of the Termination Date. If the Collateral is so released, Noteholder agrees that it will promptly execute and deliver or authorize the filing of appropriate documentation to evidence such release as the Payor may reasonably request.

5.6 Reinstatement. This Note shall remain in full force and effect and continue to be effective should any petition be filed by or against the Payor for liquidation or reorganization, should the Payor become insolvent or make an assignment for the benefit of any creditor or creditors or should a receiver or trustee be appointed for all or any significant part of the Payor's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Note Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Note Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Note Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

## **Article 6** **Miscellaneous**

6.1 Notices. All notices or other communications to be given or delivered under or by reason of the provisions of this Note shall be given in writing and shall be delivered personally, or mailed by certified or registered mail, return receipt requested and postage prepaid, or sent via a recognized overnight courier (with signed receipt) at the address set forth below (or to such other address as the Payor or the Noteholder may designate by written notice) or via any form of electronic transmission:

if to the Payor, to:

Leon D. Black  
c/o Apollo Global Management, LLC  
9 W 57th Street  
New York NY 10019

if to the Noteholder, to:

The Black 2006 Family Trust  
c/o John J. Hannan  
Apollo Global Management, LLC  
9 W 57th Street  
New York NY 10019

6.2 Waiver and Consent. The Payor: (a) except for any notice expressly required by the terms of the Note, waives presentment, demand, protest, notice of intent to accelerate, notice of acceleration of maturity, notice of protest, notice of nonpayment, notice of dishonor, and any other notice required to be given under the law to the Payor in connection with the delivery, acceptance, performance, default or enforcement of this Note or any other documents executed in connection with this Note and (b) consents to all waivers of any term hereof, or the failure to act on the part of Noteholder, or any indulgence shown by the Noteholder (without notice to or further assent from the Payor), and agrees that no such action, failure to act or failure to exercise any right or remedy by the Noteholder shall in any way affect or impair the obligations of the Payor or be construed as a waiver by the Noteholder of, or otherwise affect, any of the Noteholder's rights under this Note.

6.3 Assignment and Amendment. Neither this Note nor any of the rights, interests or obligations hereunder shall be assigned, transferred or negotiated by one party to this Note without the prior consent of the other party to this Note; provided that the Noteholder may transfer this Note to any one or more successor trusts or similar estate planning vehicles. No term of this Note may be amended without the written consent of the Payor or the Noteholder.

6.4 Taxes. The Payor agrees to pay any stamp or other documentary taxes which may be payable in connection with the execution or delivery of this Note.

6.5 Expenses. Except as otherwise expressly provided herein, each of the parties hereto shall pay its own expenses in connection herewith. The Payor agrees to pay or reimburse Noteholder for all reasonable and documented out-of-pocket costs and expenses incurred by Noteholder after the Effective Date in connection with the enforcement or attempted enforcement of this Note (including all such costs and expenses incurred during any "workout" or restructuring in respect of the Note Obligations and during any legal proceeding, including any proceeding under any debtor relief law), including, in each case, the reasonable fees and expenses of external counsel. All amounts due under this Section 6.5 shall be payable within five (5) Business Days after demand therefor. The agreements in this Section shall survive the termination of this Note and repayment of all the other Note Obligations.

6.6 Governing Law; Venue. This Note shall be governed by, and interpreted and enforced in accordance with, the Laws in force in the State of New York (excluding any conflict of laws rule or principle which might refer such questions to the laws of another jurisdiction). Any legal action, suit or proceeding arising out of or relating to this Note may be exclusively instituted in any court of the State of New York in New York County or the United States District Court for the Southern District of New York. Each of the Payor and the Noteholder further irrevocably submits to the jurisdiction of any such court in any such action, suit or proceeding.

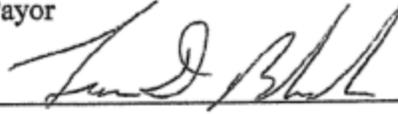
6.7 Waiver of Jury Trial. EACH OF PAYOR AND THE NOTEHOLDER HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THE NOTE OR THE TRANSACTIONS CONTEMPLATED HEREBY.

6.8 Counterparts. This Note may be executed in several counterparts, each of which will be deemed original but all of which will constitute one and the same instrument. Any proof of execution, however, will require production of only one copy signed by the party to be charged.

**[signature page follows]**

IN WITNESS WHEREOF, the Payor and the Noteholder have executed and delivered this Note as of the date hereof.

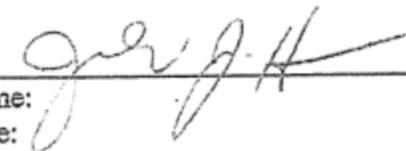
**LEON D. BLACK**  
as Payor



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**JOHN J. HANNAN, RICHARD  
RESSLER, AND LEON D. BLACK, as  
Trustees of the Black 2006 Family Trust  
under Trust Agreement dated December 21,  
2006, as Noteholder**

By:   
Name: Leon D. Black  
Title: TRUSTEE

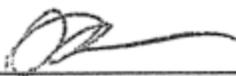
By:   
Name:  
Title:

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

**JOHN J. HANNAN, RICHARD  
RESSLER, AND LEON D. BLACK, as**  
Trustees of the Black 2006 Family Trust  
under Trust Agreement dated December 21,  
2006, as Noteholder

By:   
Name: Leon D. Black  
Title: Trustee

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

By:   
Name:  
Title: