

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT (the “Agreement”) dated as of February ___, 2013, by and between BLACK FAMILY GP, LLC, a Delaware limited liability company having an office at 9 West 57th Street, 43rd Floor, New York, NY 10019 (the “Company”), and Ada Clapp (“Executive”).

WHEREAS, the Company desires to employ Executive as its senior lawyer and Executive is willing to serve the Company in such capacity for the period and upon such other terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein and intending to be legally bound hereby, the parties hereto agree as set forth below:

Section 1. Employment.

(a) Term. The term of Executive’s employment under this Agreement shall be effective as of the date hereof (the “Effective Date”) and shall continue until the third anniversary of the Effective Date (the “Expiration Date”), provided that on the Expiration Date and each subsequent anniversary of the Expiration Date, the term of Executive’s employment under this Agreement shall be extended for one additional year unless either party provides written notice to the other party at least 60 days prior to the Expiration Date (or any such anniversary, as applicable) that Executive’s employment hereunder shall not be so extended (such notice, provided by either Executive or the Company, the “Notice of Nonrenewal”); provided, further, that Executive’s employment under this Agreement may be terminated at any time pursuant to the provisions of Section 4. The period of time from the Effective Date through the termination of this Agreement and Executive’s employment hereunder is herein referred to as the “Term.”

(b) For purposes of this Agreement, the following terms, as used herein, shall have the definitions set forth below.

“Affiliate” means, with respect to any specified Person, any other Person that directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such specified Person.

“Cause” means: (i) Executive’s gross negligence or willful misconduct, or willful and continued failure to substantially perform Executive’s duties hereunder (other than due to physical or mental illness or incapacity), which, in either case, causes material injury to the reputation or business of the Company, (ii) Executive’s material breach of a material provision of the Agreement, (iii) Executive’s conviction of, or plea of guilty or nolo contendere to, a felony, (iv) Executive’s fraud or embezzlement or other material misuse of funds or property belonging to the Company or (v) Executive’s use of alcohol or illegal drugs, in each case, that causes material injury to the reputation or business of the Company.

“Control” (including, with correlative meanings, the terms “Controlled by” and “under common Control with”), as used with respect to any Person, means the direct or indirect possession of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

“Governmental Entity” means any national, state, county, local, municipal or other government or any court of competent jurisdiction, administrative agency or commission or other governmental authority or instrumentality.

“Person” means any individual, firm, corporation, partnership, limited liability company, trust, joint venture, association, Governmental Entity, unincorporated entity or other entity.

Section 2. Position and Duties.

(a) During the Term, Executive agrees to be employed by, and devote all of Executive’s business time and attention to, the Company and the promotion of its interests and the performance of Executive’s duties and responsibilities hereunder, upon the terms and conditions of this Agreement. Executive shall serve as the Chief Legal Officer of the Company and shall report to Leon Black and/or such Persons as he may designate including Eileen Alexanderson and shall have such duties and responsibilities as directed from time to time by Mr. Black and/or his designees, if applicable. During the Term, Executive’s principal place of business shall be at the Company’s New York office, it being understood that Executive may be required to travel on Company business at such other locations as may be necessary or appropriate.

(b) During the Term, Executive shall use Executive’s best efforts to faithfully and diligently serve the Company and shall not act in any capacity that is in conflict with Executive’s duties and responsibilities hereunder. For the avoidance of doubt, during the Term, Executive shall not be permitted to become engaged in or render services for any Person other than the Company and its Affiliates, and shall not be permitted to be a member of the board of directors of any company or entity, unless approved in advance in writing by the Company.

Section 3. Base Salary. (a) For services performed by Executive for the Company pursuant to this Agreement during the Term, Executive shall receive an aggregate annual base salary (“Base Salary”) at a rate of \$400,000, payable in accordance with the Company’s applicable payroll practices.

(b) Discretionary Bonus. During the Term, Executive shall be eligible for an annual bonus in the sole discretion of the Company.

(c) Benefits. During the Term, Executive shall be entitled to participate in the medical and dental benefit plans and programs (“Benefits”), that are

provided by the Company from time to time for its personnel, subject to the terms and conditions of such plans. Such Benefits may be amended, modified or terminated from time to time by the Company, in its sole discretion.

(d) Vacations. Executive shall be entitled to four weeks paid vacation annually in accordance with the Company's policies and practices.

(e) Expenses. The Company shall pay or reimburse, or cause to be paid or reimbursed, Executive for all reasonable expenses incurred or paid by Executive in performance of Executive's duties hereunder, upon presentation of expense statements (which shall be substantiated and itemized where appropriate) and such other information as the Company may reasonably require in accordance with the Company's policies.

(f) Signing Bonus. The Company shall pay Executive a one-time signing bonus equal to \$40,000 on or within ten (10) days after the Effective Date. Executive acknowledges and agrees that if Executive voluntarily terminates her employment with the Company prior to the first anniversary of the Effective Date, Executive shall repay the Company \$40,000 and if such voluntary termination occurs on or after the first anniversary of the Effective Date but prior to the second anniversary of the Effective Date, Executive shall repay the Company \$20,000, in each case within ten (10) days after such termination.

Section 4. Termination of Employment. (a) Executive's employment under this Agreement may be terminated by either party at any time and for any reason in accordance with the provisions of this Section 4.

(i) Termination by Executive. Executive may, upon 60 days' prior written notice to the Company, voluntarily terminate employment with the Company;

(ii) By the Company for Cause. Executive's employment may, upon written notice to Executive, be terminated by the Company at any time for Cause;

(iii) By the Company other than for Cause. Executive's employment may, upon not less than 30 days' advance written notice (or pay in lieu thereof) be terminated by the Company other than for Cause;

(iv) Death. Executive's employment shall terminate automatically upon Executive's death;

(v) Nonrenewal of the Agreement. If a Notice of Nonrenewal is delivered, then the termination of Executive's employment at the end of the Term shall be treated the same as a termination by Executive under Section 4(a)(i).

(b) Notice of Termination. Any purported termination of Executive's employment by the Company or Executive (other than pursuant to Executive's death, in which case no written notice is required) shall be communicated by a written Notice of Termination to Executive or the Company, respectively, delivered in accordance with

Section 13(f) hereof. For purposes of this Agreement, a “Notice of Termination” shall mean a notice which shall indicate the specific termination provision in the Agreement relied upon, the date of termination, and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of employment under the provision so indicated. The date of termination of Executive’s employment shall be the date so stated in the Notice of Termination.

(c) Notwithstanding any other provision in this Agreement, the Company’s obligations under Sections 1, 2, 3 hereof shall cease upon termination of Executive’s employment hereunder pursuant to Section 4(a) hereof, except as otherwise provided in this Section 4(c):

(i) Termination by Executive; Termination for Cause by the Company; Death. If Executive’s employment is terminated by Executive or as a result of the Executive’s death or by the Company for Cause pursuant to Section 4(a)(i) (ii) or (iv) hereof, respectively, the Company shall pay, or cause to be paid, to Executive any Base Salary earned on or prior to the effective date of such termination, but unpaid, under Section 3 hereof, and all reimbursable expenses incurred prior to the effective date of such termination under Section 3(e) hereof (collectively, the “Accrued Obligations”), in each case, on or as soon as practical after the date of such termination.

(ii) Without Cause by the Company. If Executive’s employment is terminated by the Company other than for Cause (or death), the Company shall pay, or cause to be paid, to Executive all Accrued Obligations, and shall continue to pay to Executive amounts of Base Salary Executive would have been entitled to receive, for the period from the date of such termination and ending six months after the date of termination. For the avoidance of doubt, Executive shall not be entitled to receive any severance under any plan, program or arrangement of the Company other than this Agreement.

(iii) Death or Disability. If Executive’s employment is terminated due to the death or Disability of Executive the Company shall pay, or cause to be paid, to Executive or Executive’s spouse or estate, as applicable, any Accrued Obligations

(d) Release. Any payments payable upon a termination of Executive’s employment under this Section 4, other than the Accrued Obligations, are conditioned upon Executive delivering within 55 days after the date of termination an effective and irrevocable waiver and general release of claims in favor of the Company, its Affiliates, their respective predecessors and successors, and all of the respective current or former directors, officers, employees, shareholders, partners, members, agents or representatives of any of the foregoing, in the customary form provided by the Company (the “Release Condition”). Payments of amounts which do not constitute nonqualified deferred compensation and are not subject to Section 409A (as defined below) shall commence five (5) days after the Release Condition is satisfied and payments which are subject to Section 409A shall commence on the 60th day after termination of employment (subject

to further delay, if required pursuant to Section 14 below) provided that the Release Condition is satisfied.

(e) Upon termination of Executive's employment for any reason, upon the Company's request Executive agrees to resign, as of the date of such termination of employment or such other date requested, from the board of directors (and any committees thereof) of the Company and any Affiliate of the Company to the extent Executive is then serving thereon.

Section 5. Acknowledgements. Executive acknowledges that the Company has expended and shall continue to expend substantial amounts of time, money and effort to develop business strategies, employee and customer relationships and goodwill and build an effective organization. Executive acknowledges that Executive is and shall become familiar with the Company's Confidential Information (as defined below), including trade secrets, and that Executive's services are of special, unique and extraordinary value to the Company and its Affiliates. Executive acknowledges that the Company has a legitimate business interest and right in protecting its Confidential Information, business strategies, employee and customer relationships and goodwill, and that the Company would be seriously damaged by the disclosure of Confidential Information and the loss or deterioration of its business strategies, employee and customer relationships and goodwill. Executive acknowledges and agrees that she will comply with all ethical and legal requirements imposed on her by virtue of her position as a lawyer.

Section 6. Confidentiality. (a) Executive acknowledges that the Confidential Information obtained by Executive while employed by the Company and its Affiliates is the property of the Company or its Affiliates, as applicable. Therefore, Executive agrees that Executive shall not disclose to any unauthorized Person or use for Executive's own purposes any Confidential Information without the prior written consent of the Company, unless and to the extent that the aforementioned matters become generally known to and available for use by the public other than as a result of Executive's acts or omissions in violation of this Agreement.

(b) For purposes of this Agreement, "Confidential Information" means information, observations and data concerning the business or affairs of the Company and its Affiliates, including, without limitation, all business information (whether or not in written form) which relates to the Company or its Affiliates, or other third parties in respect of which the Company or its Affiliates has a business relationship or owes a duty of confidentiality.

(c) Without limiting the foregoing, Executive agrees to keep confidential the existence of, and any information concerning, any dispute between Executive and the Company or its Affiliates, except that Executive may disclose information concerning such dispute to Executive's immediate family, to the Company's legal personnel charged with handling any such disputes, to the court that is considering such dispute or to Executive's financial and legal counsel and advisors (provided that

such counsel and advisors agree not to disclose any such information other than as necessary to the prosecution or defense of such dispute).

(d) Executive further agrees that Executive will not improperly use or disclose any confidential information or trade secrets, if any, of any former employers or any other Person to whom Executive has an obligation of confidentiality, and will not bring onto the premises of the Company or its Affiliates any unpublished documents or any property belonging to any former employer or any other Person to whom Executive has an obligation of confidentiality unless consented to in writing by the former employer or other Person.

Section 7. Company Property. Executive acknowledges that all notes, memoranda, specifications, devices, formulas, records, files, lists, drawings, documents, models, equipment, property, computer, software or intellectual property relating to the businesses of the Company and its Affiliates, in whatever form (including electronic), and all copies thereof, that are received or created by Executive while an employee of the Company or its Affiliates (including but not limited to wireless communications devices, computers, keys or access cards, and Company-issued or –sponsored credit cards and Confidential Information) are and shall remain the property of the Company and its Affiliates, and Executive shall immediately return such property to the Company upon the termination of Executive’s employment and, in any event, at the Company’s request. Notwithstanding the foregoing, Executive shall be entitled to keep a copy of her rolodex and shall be entitled to keep a copy of this Agreement. Executive further agrees that any property situated on the premises of, and owned by, the Company or its Affiliates, including disks and other storage media, filing cabinets or other work areas, is subject to inspection by Company’s personnel at any time with or without notice.

Section 8. Intellectual Property Rights. Any and all improvements or inventions or ideas, and any other tangible or intangible property which Executive may conceive, develop, learn, make or participate in or reduce to practice during the period of Executive’s employment, and any works-in-progress, shall be deemed works-made-for-hire and are the sole and exclusive property of the Company.

Section 9. Injunctive Relief with Respect to Covenants. Executive acknowledges and agrees that the covenants and obligations of Executive with respect to confidentiality and Company property contained in this Agreement relate to special, unique and extraordinary matters and that a violation of any of the terms of such covenants and obligations will cause the Company irreparable injury for which adequate remedies are not available at law (including the payment of damages). Therefore, Executive agrees that the Company shall be entitled (without the necessity of showing economic loss or other actual damage) to an injunction, restraining order, or such other equitable relief (in each case without the requirement to post a bond) as a court of competent jurisdiction may deem necessary or appropriate to restrain Executive from committing any violation of the covenants and obligations contained in this Agreement. These injunctive remedies are cumulative and are in addition to any other rights and remedies the Company may have at law or in equity.

Section 10. Nondisparagement. Executive shall not, whether in writing or orally, malign or disparage Leon Black and his family, the Company, its Affiliates or their respective predecessors and successors, or any of the current or former directors, officers, employees, shareholders, partners or members of any of the foregoing, with respect to any of their respective past or present activities. Executive further agrees not to write a book or article about Mr. Black, or his family in any media and not to publish or cause to be published in any media, and further agrees to keep confidential and not to disclose to any third party, including, but not limited to, newspapers, authors, publicists, journalists, bloggers, gossip columnists, producers, directors, script writers, media personalities, and the like, in any and all media or communication methods, any disparaging information about any of the foregoing. Nothing contained herein shall or shall be deemed to prevent or impair Executive from testifying, to the extent that she reasonably believes such testimony to be true, in any legal or administrative proceeding if such testimony is compelled or required (or from otherwise complying with legal requirements).

Section 11. No Conflict With Prior Agreements.

(a) Executive represents, warrants and covenants that as of the date hereof: (i) Executive has the full right, authority and capacity to enter into this Agreement and perform Executive's obligations hereunder, (ii) Executive is not bound by any agreement that conflicts with or prevents or restricts the full performance of Executive's duties and obligations to the Company hereunder during or after the Term and (iii) the execution and delivery of this Agreement shall not result in any breach or violation of, or a default under, any existing obligation, commitment or agreement to which Executive is subject.

(b) Prior to execution of this Agreement, Executive was advised by the Company of Executive's right to seek independent advice from an attorney of Executive's own selection regarding this Agreement. Executive acknowledges that Executive has entered into this Agreement knowingly and voluntarily and with full knowledge and understanding of the provisions of this Agreement after being given the opportunity to consult with counsel. Executive further represents that in entering into this Agreement, Executive is not relying on any statements or representations made by any of the Company's directors, officers, employees or agents which are not expressly set forth herein, and that Executive is relying only upon Executive's own judgment and any advice provided by Executive's attorney

Section 12. Cooperation. Executive agrees that, upon reasonable notice and without the necessity of the Company obtaining a subpoena or court order, Executive shall provide reasonable cooperation in connection with any suit, action or proceeding (or any appeal from any suit, action or proceeding), and any investigation and/or defense of any claims asserted against the Company and its Affiliates, their respective predecessors and successors, and all of the respective current or former directors, officers, employees, shareholders, partners, members, agents or representatives of any of the foregoing, which relates to events occurring during Executive's employment with the Company or its

Affiliates as to which Executive may have relevant information (including but not limited to furnishing relevant information and materials to the Company or its designee and/or providing testimony at depositions and at trial), provided that with respect to such cooperation occurring following termination of employment, the Company shall reimburse Executive for expenses reasonably incurred in connection therewith, and further provided that any such cooperation occurring after the termination of Executive's employment shall be scheduled to the extent reasonably practicable so as not to unreasonably interfere with Executive's business or personal affairs.

Section 13. Miscellaneous.

(a) Survival. Sections 4, 5, 6, 7, 8, 9, 10, 12, and this Section 13 of this Agreement shall survive the termination of Executive's employment hereunder.

(b) Binding Effect. This Agreement shall be binding on the Company, and subsequently any person or entity which succeeds to the interest of the Company (regardless of whether such succession occurs by operation of law) by reason of the sale of all or a portion of the Company's stock, a merger, consolidation, reorganization involving the Company or an assignment of this Agreement to any Person that is an Affiliate of Leon Black. This Agreement shall also inure to the benefit of Executive's heirs, executors, administrators and legal representatives.

(c) Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the matters referred to herein, and no other agreement, oral or otherwise, shall be binding between the parties unless it is in writing and signed by the party against whom enforcement is sought. There are no promises, representations, inducements or statements between the parties other than those that are expressly contained herein.

(d) Severability. If any term or provision of this Agreement is invalid, illegal or incapable of being enforced by any applicable law or public policy, all other conditions and provisions of this Agreement shall nonetheless remain in full force and effect to the fullest extent permitted by law. Executive agrees that in the event that any court of competent jurisdiction shall finally hold that any provision of this Agreement (whether in whole or in part) is void or constitutes an unreasonable restriction against Executive, such provision shall not be rendered void but shall be deemed to be modified to the minimum extent necessary to make such provision enforceable for the longest duration and the greatest scope as such court may determine constitutes a reasonable restriction under the circumstances.

(e) Waiver. Waiver by any party hereto of any breach or default by the other party of any of the terms of this Agreement shall not operate as a waiver of any other breach or default, whether similar to or different from the breach or default waived. No waiver of any provision of this Agreement shall be implied from any course of dealing between the parties hereto or from any failure by either party hereto to assert its or her rights hereunder on any occasion or series of occasions.

(f) Notices. For the purpose of this Agreement, notices provided for in this Agreement shall be in writing and shall be deemed to have been duly given if delivered personally, if delivered by overnight courier service, if sent by facsimile transmission or if mailed by United States registered mail, return receipt requested, postage prepaid, addressed to the respective addresses or sent via facsimile to the respective facsimile numbers, as the case may be, as set forth below, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt; provided, however, that (i) notices sent by personal delivery or overnight courier shall be deemed given when delivered; (ii) notices sent by facsimile transmission shall be deemed given upon the sender's receipt of confirmation of complete transmission, and (iii) notices sent by United States registered mail shall be deemed given two days after the date of deposit in the United States mail:

If to the Company, to the attention of [insert contact info] at the Company's principal executive offices.

If to Executive:

[insert address]

(g) Headings. Headings to paragraphs in this Agreement are for the convenience of the parties only and are not intended to be part of or to affect the meaning or interpretation hereof.

(h) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

(i) Withholding. Any payments provided for herein shall be reduced by any amounts required to be withheld by the Company from time to time under applicable Federal, State or local income or employment tax laws or similar statutes or other provisions of law then in effect.

(j) Governing Law; Interpretation. This Agreement shall be governed by the laws of the State of Delaware, and the validity, interpretation, construction, and performance of this Agreement in all respects shall be governed by the laws of the State of Delaware without regard to its principles of conflicts of law. No provision of this Agreement or any related document will be construed against or interpreted to the disadvantage of any party hereto by any court or other governmental or judicial authority by reason of such party having or being deemed to have structured or drafted such provision.

(k) Arbitration.

(i) Any controversy, claim or dispute between the parties relating to the Executive's employment or termination of employment, whether or not the

controversy, claim or dispute arises under this Agreement, shall be resolved by arbitration in New York City in accordance with the Employment Arbitration Rules and Mediation Procedures ("Rules") of the American Arbitration Association through a single arbitrator selected in accordance with the Rules. The decision of the arbitrator shall be rendered within thirty (30) days of the close of the arbitration hearing and shall include written findings of fact and conclusions of law reflecting the appropriate substantive law. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof in the State of New York. In reaching his or her decision, the arbitrator shall have no authority (a) to authorize or require the parties to engage in discovery (provided, however, that the arbitrator may schedule the time by which the parties must exchange copies of the exhibits that, and the names of the witnesses whom, the parties intend to present at the hearing), (b) to change or modify any provision of this Agreement, (c) to base any part of his or her decision on the common law principle of constructive termination, or (d) to award punitive damages or any other damages not measured by the prevailing party's actual damages and may not make any ruling, finding or award that does not conform to this Agreement. Each party shall bear all of his or its own legal fees, costs and expenses of arbitration and one-half (1/2) of the costs of the arbitrator. Except as may be necessary to enter judgment upon the award or to the extent required by applicable law, all claims, defenses and proceedings (including, without limitation, the existence of the controversy and the fact that there is an arbitration proceeding) shall be treated in a confidential manner by the arbitrator, the parties and their counsel, and each of their agents, and employees and all others acting on behalf of or in concert with them. No one shall divulge to any Person not directly involved in the arbitration the contents of the arbitration, except as may be necessary to enter judgment upon an award or as required by applicable law. Any court proceedings relating to the arbitration hereunder shall be filed under seal with the court, to the extent permitted by law. Notwithstanding the foregoing the Company shall be entitled to seek injunctive relief as set forth in Section 9 hereof.

(l) Indemnification. Executive shall be entitled to indemnification from the Company to the maximum extent provided by law, but not for any action, suit, arbitration or other proceeding (or portion thereof) initiated by Executive, unless authorized or ratified by the Company.

Section 15. Amendment; No Waiver; Code Section 409A. (a) No provisions of this Agreement may be amended, modified, waived or discharged except by a written document signed by Executive and a duly authorized officer of the Company (other than Executive). The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver of such party's rights or deprive such party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement. No failure or delay by either party in exercising any right or power hereunder will operate as a waiver thereof, nor will any single or partial exercise of any such right or power, or any abandonment of any steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power.

(b) The parties intend that any amounts payable hereunder that could constitute “deferred compensation” within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (“Section 409A”) will be compliant with Section 409A. However, in light of the uncertainty as of the date hereof with respect to the proper application of Section 409A of the Internal Revenue Code of 1986, as amended (“Section 409A”), the Company and Executive agree to negotiate in good faith to make amendments to this Agreement as the parties mutually agree, reasonably and in good faith, are necessary or desirable to avoid the imposition of taxes or penalties under Section 409A. Each payment is a separate payment for purposes of Section 409A. Notwithstanding the foregoing, neither the Company nor any Affiliate shall have any obligation to indemnify or otherwise hold Executive (or any beneficiary) harmless from any or all of such taxes or penalties. Notwithstanding anything in this Agreement to the contrary, in the event that the Executive is deemed to be a “specified employee” within the meaning of Section 409A(a)(2)(B)(i) and the Executive is not “disabled” within the meaning of Section 409A(a)(2)(C), no payments hereunder that are “deferred compensation” subject to Section 409A shall be made to the Executive prior to the date that is six (6) months after the date of the Executive’s “separation from service” (as defined in Section 409A and any Treasury Regulations promulgated thereunder) or, if earlier, the Executive’s date of death. Following any applicable six (6) month delay, all such delayed payments will be paid in a single lump sum on the earliest permissible payment date.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer, and Executive has hereunto set her hand as of the day and year first above written.

BLACK FAMILY GP, LLC

By: _____

ADA CLAPP
