

LDB 2011 LLC  
ART LEASE AGREEMENT

WHEREAS, on August 19, 2011, LDB 2011 LLC (the "LLC") became the owner of the items of art listed on the attached Schedule A (the "Art") when the trusts that owned the Art, the BEB 2011 TRUST, the JMB 2011 TRUST, the ASB 2011 TRUST and the VRB 2011 TRUST transferred their interests in the Art to the LLC as a contribution to the capital of the LLC; and

WHEREAS, LEON BLACK (the "Lessee") wishes to lease the Art from the LLC; and

WHEREAS, the LLC has determined it advisable to lease the Art to the Lessee; and

WHEREAS, the Lessee and the LLC (separately referred to as a "Party" and collectively referred to as the "Parties") would like to formalize the terms under which the LLC leases the Art to the Lessee; and

WHEREAS, the Lessee acknowledges that all of the Art is currently in his possession and is in good condition.

NOW THEREFORE, the Parties agree as follows:

1. PERIOD OF LEASE. The period of the lease shall begin on August 19, 2011 and shall end upon the earliest to occur of (i) the date of Lessee's death and (ii) the termination date described in paragraph 5.
2. INSURANCE.
  - a. The Lessee agrees to reimburse the LLC for all risk wall-to-wall fine arts insurance coverage for the safekeeping and preservation of the Art, such Art to be insured for the value stated on Schedule A attached hereto (the "Insurance Value"). The LLC agrees that the insurance coverage it has obtained for the Insurance Value of the Art is the stated value for each item of the Art and all claims, whether for full or partial damage, will be based on the Insurance Value. If the Lessee so requires, the LLC agrees to provide the Lessee with a Certificate of Insurance evidencing such insurance coverage. Any other statement by the Lessee to the contrary notwithstanding, the Lessee hereby specifically agrees to accept absolute responsibility for the Art wall-to-wall at the Insurance Value and to accept responsibility and liability for any deficiencies or exclusions in insurance coverage. The Lessee agrees to use reasonable efforts as required to enable the LLC to submit and pursue a claim for insurance

coverage. In the case of partial loss or damage to any item of the Art, the LLC and the Lessee shall agree upon the reasonable cost of repair to such Art and the amount of any reduction in the fair market value and fair market rental value of such item of the Art after repair, or in the absence of agreement, these amounts will be determined by an appraiser selected by the Parties as provided in paragraph 4.a. The Lessee shall pay all costs in connection with the appraiser's evaluation.

- b. From time to time, the Parties shall review the insurance coverage of the Art and determine whether to increase such insurance coverage.

3. CARE AND PRESERVATION.

- a. The Lessee will give the Art the same care he gives comparable property of his own. Precautions will be taken to protect the Art from fire, theft, mishandling, dirt, and insects, and from extremes of light, temperature, and humidity while in Lessee's custody. It is understood by the Parties that all tangible objects are subject to gradual inherent deterioration for which neither Party is responsible.
- b. Evidence of damage at the time of receipt or while in the Lessee's custody will be reported immediately to the LLC.
- c. The LLC will be requested to provide written authorization for any alteration, restoration, or repair. The Lessee, for his own purposes, may examine objects by all modern scientific methods.

4. PAYMENT OF RENT. During the term of the lease, the Lessee shall pay the LLC the fair market rental value of the Art on December 31 of each year. The rental payment for any partial year shall be prorated. The fair market rental value of the Art shall be determined as follows:

- a. The fair market value of the Art shall be determined annually on or about November 30 of such year by a qualified appraiser selected by the Parties in accordance with the principles of section 2512 of the Internal Revenue Code of 1986, as amended (the "Code"), and the valuation principles set forth in section 25.2512 of the treasury regulations promulgated under the Code (the "Regulations"). The fair market value of the Art as determined by such qualified appraiser in any particular year shall be referred to as the "Annual Appraisal Value."

- b. All expenses incurred in connection with the foregoing appraisals shall be paid by the Lessee.
  - c. The fair market rental value of the Art in any particular year shall be equal to the Annual Appraisal Value multiplied by the published Federal interest rate applicable to demand notes for the month during which such payment is being made.
  - d. The Lessee's obligation to pay to the LLC the fair market rental value of the Art shall commence on August 19, 2011 and in each subsequent calendar year shall commence on the first date of such calendar year. Interest shall accrue on any unpaid rent owed by Lessee to the LLC at the applicable federal rate prescribed under section 1274(d) of the Code for the month in which Lessee's obligation to pay to the LLC the fair market rental value of the Art commences.
5. **TERMINATION AND RETURN OF ART.** This Agreement shall terminate five (5) business days after written notice of one Party of his or its desire to terminate has been delivered to the other Party. After such termination neither Party shall have any further obligation to the other, except as specifically provided in this paragraph. The Lessee shall return all of the Art to the LLC within ten (10) business days at his expense to such address as the LLC shall direct in a written notice delivered to the Lessee. The provisions of paragraphs 2 and 3, relating to insurance and liability for damage to the Art, and the provisions of paragraph 4 relating to the payment of rent for any prorated year, shall survive the termination of the Agreement.
6. **NOTICES.** Any notice required herein shall be deemed to have been delivered to a Party at such time as it is actually received by such Party. Notices shall be delivered to a Party at the address set forth below, unless such Party provides another address to the other Party for purposes of delivering notices.

To the Lessee:

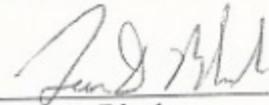
Leon D. Black  
760 Park Avenue  
New York, New York

To the LLC:

John J. Hannan  
c/o Apollo Management LP  
9 West 57th Street, 43rd Floor  
New York, New York 10009

7. **ENTIRE AGREEMENT/CHOICE OF LAW:** This Agreement contains the entire understanding between the Parties with respect to the Art and may only be modified by a written document signed by both Parties. This Agreement shall be interpreted in accordance with the laws of the State of New York.

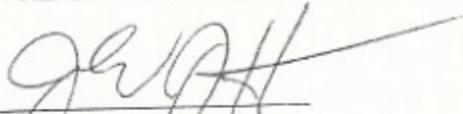
LESSEE:

  
Leon D. Black

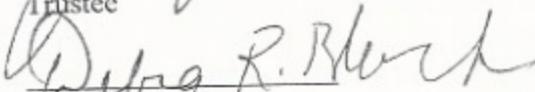
Date: 1/25, 2012

THE LLC:

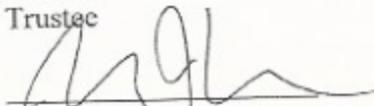
BEB 2011 TRUST, Member  
JMB 2011 TRUST, Member  
ASB 2011 TRUST, Member  
VRB 2011 TRUST, Member

  
John H. Hannan  
Trustee

Date: 1/24/12, 2012

  
Debra R. Black  
Trustee

Date: 1/24/12, 2012

  
Barry J. Cohen  
Trustee

Date: Jan. 23, 2012

### Schedule A

<u>Artist</u>	<u>Name of Item</u>	<u>Date of Purchase</u>
William Blake	The Parable of the Wise	6/8/2000
Georges Seurat	Le Chien Noir	8/10/2000
Pablo Picasso	Deux Femmes, Hiver	8/15/2000
Paul Gauguin	Femme Tahitienne	2/2/2001
Alexander Calder	Portrait de Ferdinand Leger	3/21/2001
Pablo Picasso	Jeune Homme et Cheval	6/11/2001
Egon Schiele	River Landscape With Two Trees	5/8/2006
Georges Seurat	Au Divan Japonais	12/12/2008
Antoine Watteau	Study of a Seated Woman	7/18/2000
Mondrian	Church at Bomberg	4/25/2002

**Leon Black Art Lease Agreement  
Instrument Transmitting Payment of Rent**

WHEREAS, as of December 31, 2011, an agreement (the "Art Lease Agreement") was entered into by and between LDB 2011 LLC (the "LLC") and Leon D. Black, in his individual capacity (the "Lessee"); and

WHEREAS, the LLC received the items of art listed on the attached Schedule A (the "Art") on August 19, 2011, and has owned the Art since that time; and

WHEREAS, since August 19, 2011, the LLC has leased all of the Art to the Lessee and the Lessee has accepted such lease; and

WHEREAS, the LLC and the Lessee entered into the Art Lease Agreement to formalize the terms under which the LLC has leased the Art to the Lessee; and

WHEREAS, section 4 of the Art Lease Agreement provides that the Lessee shall be required to make an annual payment to the LLC in exchange for the Lease of the Art. Such payment shall be made on December 31<sup>st</sup> of each calendar year; and

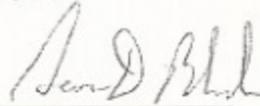
WHEREAS, the amount of such annual payment shall be equal to the product of (1) the fair market value of the Art as of November 30<sup>th</sup> of the year with respect to which the payment is being made and (2) the published Federal interest rate applicable to demand notes for the month during which such payment is being made; and

WHEREAS, the parties have calculated that the rent owed by Lessee for the entire calendar year 2011 based on the formula set forth in section 4 of the Art Lease Agreement is \$93,500; and

WHEREAS, because the parties to whom the Lessee owes such rent for the period of time in calendar year 2011 prior to August 19th, are no longer in existence and have transferred all of their assets to the LLC, the parties believe that it is appropriate for the Lessee to pay the LLC the full \$93,500 in rent for calendar year 2011 even though the LLC did not hold the Art until August 19th, 2011; and

NOW, THEREFORE, (1) the Lessee hereby transfers to the LLC the sum of \$93,500 in full satisfaction of his payment obligation under section 4 of the Art Lease Agreement for 2011 and (2) the LLC acknowledges payment of such sum in full satisfaction of such obligation for 2011.

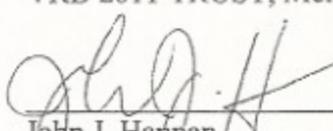
LESSEE:

  
Leon D. Black

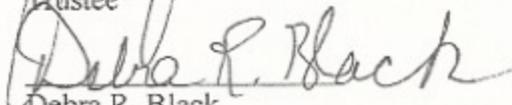
Date: 1/25, 2012

THE LLC:

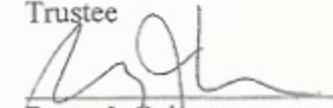
BEB 2011 TRUST, Member  
JMB 2011 TRUST, Member  
ASB 2011 TRUST, Member  
VRB 2011 TRUST, Member

  
John J. Hannan  
Trustee

Date: 1/24/12, 2012

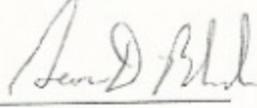
  
Debra R. Black  
Trustee

Date: 1/24/12, 2012

  
Barry J. Cohen  
Trustee

Date: Jan. 23, 2012

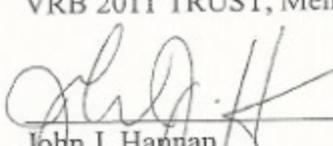
LESSEE:

  
Leon D. Black

Date: 1/28, 2012

THE LLC:

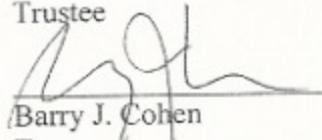
BEB 2011 TRUST, Member  
JMB 2011 TRUST, Member  
ASB 2011 TRUST, Member  
VRB 2011 TRUST, Member

  
John J. Hannan  
Trustee

Date: 1/24/12, 2012

  
Debra R. Black  
Trustee

Date: 1/24/12, 2012

  
Barry J. Cohen  
Trustee

Date: Jan. 23, 2012