



Tax Receivable Agreement (TRA) Payment Workbook

Tax Year 2011

Partner Version
4/12/2012

EFTA01110636



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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 12.31.2011**

TRA payment

\$ 5,808,172

Gross up distribution

\$ 11,022,878

TRA Holder	TRA Ownership %	2011 Payment Amount	AP Professionals Ownership %	Gross up Distribution	Total
Leon Black	41.0768%	2,385,813	38.6363%	4,258,834	6,644,647

**APO Corp Related Taxable Income
Tax Benefit Payments - Article III
For the Year Ended 12.31.2011**

TRA Agmt Appendix C Tax Receivable Agreement (TRA) Reference (Article III)	Description	Amount	Notes
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	APO Corp. 2011 Tax Year Realized Tax Benefit (Detriment)	\$ 6,823,687	
3.01(b)(1),(3)	Excess Realized Tax Benefit (Detriment)	-	
3.01(b)(2),(4)	Adjusted Realized Tax Benefit	6,823,687	
3.01(b)	85% Per TRA	85%	
3.01(b)	Tax Benefit Payment (includes Imputed Interest under IRC Section 483)	\$ 5,800,134	
	IRC Section 483 Imputed Interest (installment sale rules)	\$ 4,568,454	(1)
	Section 483 Interest Rate (5.15%) - LT AFR Present Value of Tax Benefit Payment from April 13, 2012 to July 14, 2007 = Total Sales Proceeds	\$ 1,231,680	(2)
3.01(b)	Interest Amount Per TRA (Through April 13, 2012)	8,038	(3)
3.01(b)	Total Net Tax Benefit - i.e., Tax Benefit Payment related to 2011 Tax Return	\$ 5,808,172	

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:

$$\frac{\text{Amount of Future Payment}}{1 + (\# \text{ of days July 15, 2007 to April 13, 2012}) / 365 \times \text{Annual Interest Rate}}$$

Amount of Future Payment	\$ 5,800,134
Annual Interest Rate (Long term AFR for July 2007)	5.15%
3 Year (July 14, 2007 through July 14, 2011)	4 Year
# of Days (July 15, 2011 through April 13, 2012)	1,735

(3) Interest is calculated from the due date of the 2011 Tax Return (without extensions). Please see the attached calculation.

**APO Corp Related Taxable Income
Tax Benefit Schedule - Article II Section 2.03
December 31, 2011**

Descriptions	A Non- Stepped Up Tax Liability	B Actual Liability	C=A-B Realized Tax Benefit
Partnership Distributive Share Income/(Loss)	\$11,713,622	\$11,713,622	
Standalone APO Corp Income	(\$13,508)	(\$13,508)	
Section 197 Amortization	-	(68,630,497)	
Sec 483 Imputed Interest	-	(8,845,928)	
Interest Expense on Late Payment	-	(41,787)	
Net Operating Loss	-		
Charity Contribution Carryforward	-	136,228	
Special deductions	(125,599)	(80,407)	
State & Local Taxes	(548,060)	(11,650)	
Taxable Income	<u>\$11,026,455</u>	<u>(\$65,773,928)</u>	
Federal Income Tax	3,759,259	(2,528,018)	
AMT Tax Liability	-	-	
Federal Tax Liability (Greater of Regular or AMT)	<u>3,759,259</u>	<u>(2,528,018)</u>	
2011 State Income Tax (NY, NYC, CA)	548,060	11,650	
	<u>4,307,319</u>	<u>(2,516,368)</u>	
Fed Refund		(2,528,018)	
State Refund			
Total 2011 Current Tax Liability	<u>4,307,319</u>	<u>(2,516,368)</u>	<u>6,823,687</u>

A. With respect to any Taxable Year, the liability for Taxes of APO Corp., including with respect, directly or 'indirectly, to the income and gains allocable to APO Corp. from any Partnership in which APO Corp. owns '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 Original Assets and excluding any deduction attributable to the Imputed Interest.

**APO Corp Related Taxable Income
TRA Late Payment Interest Amount Calculation
Tax Year 2011**

Tax Benefit Payment	\$ 5,800,134
Interest Amount ¹	<u>\$ 8,038</u>
Total Payment	<u><u>\$ 5,808,172</u></u>

Month	Date for LIBOR ²	LIBOR (assumed to be 6 month rate)	Plus 100 Basis Points	Rate for the Interest Amount	Monthly Interest	Cumulative Tax Benefit Payment Amount
February, 2012	February 27, 2012	0.7521%	1.00%	1.75%	4,455	5,804,588
March, 2012	March 30, 2012	0.7334%	1.00%	1.73%	3,584	5,808,172

¹ Reflects TRA payment occurring on April 13, 2012.

² 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).