

BLACK FAMILY TRUST STRUCTURE (June 2012)

<u>Trust</u>	<u>Trustees</u>	<u>Dispositive Provisions</u>	<u>Assets</u>	<u>Expected Cash Flow</u>
Black 2006 Family Trust	Leon Black John Hannan Richard Ressler	Beneficiaries are (a) Debra & (b) Leon's issue. Trustees have broad discretion to distribute trust income & principal to one or more of the beneficiaries. Leon receives trust accounting income (operating profits from Apollo entities). After death of the survivor of Leon and Debra, trust fund paid to Leon's children then living, in separate lifetime trusts for each of them. After age 35, each child can withdraw up to 3% of the trust principal per year. Plus, trust agreement states that Leon requests that the trustees pay 10% of the trust fund of each separate trust to the beneficiary at age 35.	<ul style="list-style-type: none"> • 70.869% interest in BFP through LBF & 1.806% direct interest in BFP (\$1.07 billion). • Art (\$58 million at cost). • \$16.5 million at US Trust. • Apollo Investment Corp interest (\$6.7 million). • Apollo Credit Opp. (\$152 million). • Note receivable from 2009 GRAT (\$13.5 million). • Note payable to BFP (-\$33 million). <p>TOTAL VALUE: \$1.283 billion</p>	Income level depends on the level of dividends paid on Apollo stock and distributions from CoInvest vehicles of Apollo Funds III-VI. Dividend at \$1/share generates \$92mil/yr. Apollo Credit Opportunity Fund and Apollo Investment investments generate \$20mil/year.
Black Family 1997 Trust	Debra Black John Hannan Barry Cohen Richard Ressler	Beneficiaries are (a) Debra & (b) Leon's issue. Trustees have broad discretion to distribute trust income & principal to one or more of the beneficiaries. After death of the survivor of Leon and Debra, trust fund paid to Leon's children then living, in separate lifetime trusts for each of them. After age 35, each child can withdraw up to 3% of the trust principal per year. Plus, trust agreement states that Leon requests that the trustees pay 10% of the trust fund of each separate trust to the beneficiary at age 35.	<ul style="list-style-type: none"> • 4.468% interest in BFP (\$63.2 million). • Art (\$202 million at cost). • Marketable securities (\$23.6 million). • Private equity investment partnerships (\$8.4 million). • 101 Warren Street apt (\$3 million). • Cash/stocks at JP Morgan (\$2.5). • Note payable to LDB (\$-23 million) <p>TOTAL VALUE:</p>	\$6 million (total) from private equity investments. Cash flow from BFP interest reinvested in private equity investments.
Black Family 1997 GST Exempt Trust	Debra Black John Hannan Barry Cohen Richard Ressler	Same as Black 1997 Family Trust The assets in the Black 1997 GST Exempt Family Trust are exempt from GST tax	\$3.0 million cash at US Trust TOTAL VALUE: \$3.0 million	

Black 2011 Family Trust (4 separate trusts, 1 for each child)	Debra Black John Hannan Barry Cohen US Trust (Del.)	<p>If Beneficiary under age 25, distributions of trust income at trustees' discretion. If Beneficiary over age 25, trustees must distribute trust income to Beneficiary in quarter-annual installments. Trustees have broad discretion to distribute trust principal to Beneficiary.</p> <p>After death of Leon & Debra, if Beneficiary is 35 or older, Beneficiary can appoint trust assets at his or her death to any of Leon's issue. In addition, at age 35 Beneficiary can remove and replace trustees.</p> <p>Each trust terminates at death of the Beneficiary. Upon termination, assets payable to Beneficiary's issue per stirpes, in separate lifetime trust for each of them.</p>	<ul style="list-style-type: none"> • Each Trust holds 25% interest in LDB 2011 LLC, which in turn holds the following assets: • 6.874% interest in BFP (\$97.2 million). • Art (\$47 million at cost). • Cash at JPM (\$17.5 million). • Stocks at JPM (\$5 million). • Investment partnerships (\$15.1 million). <p>TOTAL VALUE: \$181 million</p>	No significant regular cash flow currently. Of the \$17.5 mil cash currently in the LLC, \$11mil will be called down in the next 6 months and another \$2mil over the next 2 yrs. Cash flow received as owner of 6.6% of BFP has been re-invested in BFP. Looking forward after 2017, we should start to see a steady stream of income over the following 10 years of as much as \$5mil/yr..
Judah 2009-A Investment Trust	Leon Black John Hannan	Four-year GRAT terminates August 2013 Remainder beneficiary is Black Family 1997 Trust	<ul style="list-style-type: none"> • 8.868% interest in BFP (\$125.4 million) • Note payable to 2006 Family Trust (\$-13 million) <p>TOTAL VALUE: \$112 million</p>	Two more annuity payments. For last 2 payments, GRAT borrowed money from 2006 trust. Cash flow received as owner of 8.6% of BFP has been re-invested in BFP.
Benjamin Black 2010 Trust	Leon Black US Trust (Del.)	Beneficiary is Benjamin. Trustees distribute trust income and principal to Benjamin at the discretion of Trust Advisor (Debra). Trust terminates at Benjamin's death. Unless Ben exercises his broad limited testamentary power of appointment, remaining trust fund paid to Ben's issue per stirpes, in separate lifetime trust for each of them.	<ul style="list-style-type: none"> • \$7.8 million notes receivable from Ben's 2011 Trust. <p>TOTAL VALUE: \$7.8 million</p>	

Joshua Max Black 2011 Trust	Leon Black US Trust (Del.)	Beneficiary is Joshua. Trustees distribute trust income and principal to Joshua at the discretion of Trust Advisor (Debra). Trust terminates at Joshua's death. Unless Josh exercises his broad limited testamentary power of appointment, remaining trust fund paid to Josh's issue per stirpes, in separate lifetime trust for each of them.	<ul style="list-style-type: none"> \$10.7 million notes receivable from Josh's 2011 Trust. <p>TOTAL VALUE: \$10.7 million</p>
Leon D. Black 1999 Insurance Trust # 1			<ul style="list-style-type: none"> \$50 million insurance on Leon's life
Leon D. Black 1999 Insurance Trust #2			<ul style="list-style-type: none"> \$150 million insurance on joint lives of Leon & Debra
Leon's Will and Revocable Trust Agreement (1997)	Debra Black John Hannan Barry Cohen Richard Ressler (Executors & Trustees)	<ul style="list-style-type: none"> Artwork to marital trust for Debra (or to trusts for children if Debra does not survive). Remaining tangibles to Debra outright (or to children if Debra does not survive). Residential property to Debra. \$25 million to Debra outright. \$5 million to trust for sister Judy. Remainder to marital trust for Debra (or to separate equal trusts for children if Debra does not survive). Marital Trust for Debra: mandatory income distributions; distributions of principal at discretion of independent trustees (but not more than 20% of initial principal of the trust). At Debra's death, trust terminates and assets paid to trusts for children. Trusts for Children: Discretionary lifetime trust f/b/o child of Leon. Independent trustees have discretion to distribute any portion of trust fund to beneficiary. After age 35, each child can withdraw up to 3% of the principal per year and has broad testamentary limited power of appt. Plus, Leon requests that the trustees pay 10% of the trust fund to the beneficiary at age 35. Trust terminates at beneficiary's death. 	<ul style="list-style-type: none"> Assets of Leon and Debra <u>not</u> in trust \$1.77 billion <p>TOTAL VALUE: \$1.77 million</p>

