

The amount of the annuity payable to you by the end of the first year is equal to such percentage of the value of the assets transferred to a GRAT, valued on June 6, 2007, that when increased by 20% each year results in the present value of your annuity stream being equal to 99.99% of the initial fair market value of the assets transferred to such GRAT. The present value of your annuity payments is calculated using the interest rate that the Internal Revenue Service uses to calculate the value of annuities. That rate was 5.6% in June 2007. As a result the first year annuity percentage will be equal to 49.4248% and the second year payment, equal to 59.3098%.

At the end of a GRAT's two-year term, the assets remaining in the GRAT after the second annuity payment is made will be distributed to the Black 2007 Family Trust (the "Family Trust"), a trust you created and funded with a nominal amount of cash immediately prior to funding the GRATs on June 6, 2007 (discussed in more detail below).

Empire Valuation Consultants has appraised the interests contributed to the GRATs for federal gift tax purposes as of June 6, 2007. Empire's gift tax values for each GRAT are as follows:

Judah Investment Trust L: \$22,640,750.68

Judah Investment Trust M: \$58,759,781.57

Judah Investment Trust N: \$121,515,630.63

Judah Investment Trust O: \$0¹

¹ Apollo Advisers VI (EH), L.P. owns all of the Class A interests in AAA Associates, L.P., which entitles it to receive 100% of the carry earned by AAA Associates, L.P. from co-investments with Fund VI and which represents the majority of the value of AAA Associates. Accordingly, the value of the interest that you transferred to GRAT O was nominal. The gift tax value of the property you transferred to GRAT N includes the value of your indirect interest in AAA Associates, L.P. through Apollo Advisers VI(EH), L.P.

As a result, the following annuity payments should be made to you by the annuity payment date from each GRAT:

GRAT L:

Annuity Payment Date	Annuity (% of initial fair market value)	Annuity Amount
6/5/08	49.4248%	\$11,190,155.76
6/5/09	59.3098%	\$13,428,186.91

GRAT M:

Annuity Payment Date	Annuity (% of initial fair market value)	Annuity Amount
6/5/08	49.4248%	\$29,041,930.53
6/5/09	59.3098%	\$34,850,316.63

GRAT N:

Annuity Payment Date	Annuity (% of initial fair market value)	Annuity Amount
6/5/08	49.4248%	\$60,058,911.18
6/5/09	59.3098%	\$72,070,693.42

GRAT O:

Annuity Payment Date	Annuity (% of initial fair market value)	Annuity Amount
6/5/08	49.4248%	\$0
6/5/09	59.3098%	\$0

Each of your GRATs is also required to distribute to you the operating profits earned by the Apollo interests it holds. The amounts of such profits paid to you before the annuity payment date are to be credited against and will reduce each year's Annuity Payment.

Gift Tax Reporting Obligations

A. The GRATs

The value of your taxable gift to each of your GRATs is equal to .01% of the initial fair market value for gift tax purposes of the property you transferred to such GRAT. The amount of the taxable gift for each of the four GRATs is as follows:

Judah Investment Trust L: \$2,264.08

Judah Investment Trust M: \$5,875.98

Judah Investment Trust N: \$12,151.56

Judah Investment Trust O: \$0

You are required to file a federal gift tax return to report these gifts. The return is due on the date your federal income tax return is due taking into account the extensions of time to file that you have obtained. A copy of the trust agreement and schedules establishing the GRATs, as well as copies of the appraisals valuing the transferred interests, should be attached to the return.

Because the assets remaining in each GRAT at the end of the term of the GRAT will be distributed to the Family Trust for the benefit of your children, and because the allocation of generation-skipping transfer ("GST") exemption to a GRAT is generally an inefficient use of the GST exemption, we recommend that you elect out of the automatic GST exemption allocation rule on your 2007 gift tax return, both for your transfers to the GRATs and for the year in which the GRATs terminate and their remaining assets are transferred to the Family Trust, by completing the attached form and affixing it to your gift tax return.

B. The Family Trust

You made a \$10 contribution to the Family Trust when you created it on June 6, 2007. On your 2007 gift tax return, you should report your \$10 gift to the Family Trust. As discussed above, you should you elect out of the automatic allocation of GST tax exemption on your 2007 gift tax return for your transfer to the Family Trust in 2007 and all transfers in future years (which will cover the transfer of assets from the GRATs to the Family Trust at the end of the GRATs' two-year terms).

If you have any questions, please call Carlyn at [REDACTED] or Elyse at [REDACTED]

* * * * *

As part of its effort to curb tax shelters, the Internal Revenue Service recently issued regulations that impose sanctions on attorneys who provide informal written tax advice without prominently disclosing that the advice cannot be relied upon by the taxpayer for the purpose of avoiding penalties. Because this memorandum contains a discussion of tax issues that we do not believe warrants the significant additional time or expense that would be involved in the preparation of a formal opinion that complies with the IRS rules, we include the relevant IRS disclosure, below. If you would like us to prepare a formal tax opinion on which you may rely for penalty relief, please let us know, and we can discuss the cost of preparing one.

* * * * *

IRS Circular 230 Notice: To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. tax advice contained in this communication is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein. For more information about this notice, see <http://www.weil.com/circular230/article.html>

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CSMcC/EGK

United States Gift (and Generation Skipping Transfer)
2007 Tax Return (Form 709)

Leon D. Black

Social Security No. _____

Notice of Section 2632(c)(5)(A)(i)(II) Election

The Donor elects not to have the automatic allocation provisions of Internal Revenue Code Section 2632(c) apply to all transfers made or deemed made by the Donor in 2007 and at any time thereafter to the trusts listed below, unless and to the extent that this election is validly terminated or a future election is validly made under Internal Revenue Code Section 2632(c)(5).

1. Black 2007 Family Trust held under Article II of the
Black 2007 Family Trust Agreement

Trustees: Leon D. Black and John J. Hannan

Address:

EIN:

2. Judah Investment Trust L held under Article II of the
Judah Investment Trust Agreement

Trustees: Leon D. Black and John J. Hannan

Address:

EIN:

3. Judah Investment Trust M held under Article II of the
Judah Investment Trust Agreement

Trustees: Leon D. Black and John J. Hannan

Address:

EIN:

4. Judah Investment Trust N held under Article II of the
Judah Investment Trust Agreement

Trustees: Leon D. Black and John J. Hannan

Address:

EIN:

5. Judah Investment Trust O held under Article II of the
Judah Investment Trust Agreement

Trustees: Leon D. Black and John J. Hannan

Address:

EIN:

Leon D. Black

LEON D. BLACK

Rider 1 to Form 709

United States Gift and Generation Skipping Transfer Tax Return

Calendar Year 2007

Social Security No. _____

Disclosure Pursuant to Regulation Section 301.6501(c)-1(f)(2)

CONTRIBUTION TO JUDAH INVESTMENT TRUST L (Sch. A, Part 3, Item 1)

The transaction referred to as Item 1 on Schedule A, Part 3 of this Return represents the contribution by Leon D. Black (the "Taxpayer") to the Judah Investment Trust L (the "Trust"), created under trust agreement dated June 6, 2007 (the "Trust Creation Date") between Leon D. Black, as settlor, and Leon D. Black and John Hannan, as trustees (the "Trust Agreement"). The Trust is a grantor-retained annuity trust in which the Taxpayer retained a Qualified Interest, as defined in § 2702(b) of the Internal Revenue Code (the "Code"). A copy of the Trust Agreement is attached as Exhibit ____.

Under the terms of the Trust Agreement, an annuity is payable from the Trust to the Taxpayer (or, if the Taxpayer is not living, to the Taxpayer's estate) on the day before the first anniversary of the Trust Creation Date, and on the day before the 2nd and final anniversary of the Trust Creation Date during the Trust's 2-year term. The value of the first annuity is equal to such percent of the fair market value of the trust fund of the Trust as finally determined for federal gift tax purposes that, when increased by twenty (20%) percent in the 2nd and final year of the 2-year term, results in the Taxpayer's right to receive the annuity payments having a value equal to 99.99% of the fair market value of the trust fund of the Trust as finally determined for federal gift tax purposes. The value of the second and final annuity payable to the Taxpayer is equal to 120% of the value of the prior year's annuity. The Trust ends on the day before the 2nd anniversary of the Trust Creation Date. Upon the termination of the Trust, the remaining trust property will be distributed to the trustees of the Black 2007 Family Trust (the "Family Trust"), to be added to the principal of the Family Trust and disposed of therewith.

The value of the gift is determined by subtracting the value of the qualified annuity interest from the value of the property contributed to the Trust. Under Treas. Reg. § 25.2702-2(b)(2), the value of a qualified annuity interest is determined under Code § 7520.

Accordingly, for the transfer shown as Item 1 of Schedule A, Part 3 of the Return, there is shown below (1) the valuation of the initial fair market value of the Trust, (2) the annuity percentages taken from the Trust Agreement, (3) the annuity term taken from the Trust Agreement, (4) the § 7520 rate in effect for the month in which the transfers occurred, (5) the value of the qualified annuity and (6) the resulting gift.

On June 6, 2007, the Taxpayer contributed to the Trust 361.5 Points in Apollo Advisors IV, L.P. and his entire interest in Apollo Co-Investors IV, L.L.C., both Delaware limited partnerships. The Taxpayer received no consideration from the Trust in return for his contribution. Based on an appraisal by Empire Valuation Consultants, a copy of which is attached as Exhibit ____, on June 6, 2007 the gift tax value of the transferred property was \$22,640,750.68.

(1) Initial Fair Market Value of the Trust Fund	\$22,640,750.68
(2) Annuity Rate Per Trust Agreement:	49.4248% in year 1 59.3098% in year 2
(3) Annuity Term Per Trust Agreement	2 Years
(4) Section 7520 Rate for June 2007	5.6%
(5) Value of Qualified Annuity	\$22,638,468.60
(6) Value of Gift	\$2,264.08

LEON D. BLACK

Rider 1 to Form 709

United States Gift and Generation Skipping Transfer Tax Return

Calendar Year 2007

Social Security No. _____

Disclosure Pursuant to Regulation Section 301.6501(c)-1(f)(2)

CONTRIBUTION TO JUDAH INVESTMENT TRUST M (Sch. A, Part 3, Item 1)

The transaction referred to as Item 1 on Schedule A, Part 3 of this Return represents the contribution by Leon D. Black (the "Taxpayer") to the Judah Investment Trust M (the "Trust"), created under trust agreement dated June 6, 2007 (the "Trust Creation Date") between Leon D. Black, as settlor, and Leon D. Black and John Hannan, as trustees (the "Trust Agreement"). The Trust is a grantor-retained annuity trust in which the Taxpayer retained a Qualified Interest, as defined in § 2702(b) of the Internal Revenue Code (the "Code"). A copy of the Trust Agreement is attached as Exhibit ____.

Under the terms of the Trust Agreement, an annuity is payable from the Trust to the Taxpayer (or, if the Taxpayer is not living, to the Taxpayer's estate) on the day before the first anniversary of the Trust Creation Date, and on the day before the 2nd and final anniversary of the Trust Creation Date during the Trust's 2-year term. The value of the first annuity is equal to such percent of the fair market value of the trust fund of the Trust as finally determined for federal gift tax purposes that, when increased by twenty (20%) percent in the 2nd and final year of the 2-year term, results in the Taxpayer's right to receive the annuity payments having a value equal to 99.99% of the fair market value of the trust fund of the Trust as finally determined for federal gift tax purposes. The value of the second and final annuity payable to the Taxpayer is equal to 120% of the value of the prior year's annuity. The Trust ends on the day before the 2nd anniversary of the Trust Creation Date. Upon the termination of the Trust, the remaining trust property will be distributed to the trustees of the Black 2007 Family Trust (the "Family Trust"), to be added to the principal of the Family Trust and disposed of therewith.

The value of the gift is determined by subtracting the value of the qualified annuity interest from the value of the property contributed to the Trust. Under Treas. Reg. § 25.2702-2(b)(2), the value of a qualified annuity interest is determined under Code § 7520.

Accordingly, for the transfer shown as Item 1 of Schedule A, Part 3 of the Return, there is shown below (1) the valuation of the initial fair market value of the Trust, (2) the annuity percentages taken from the Trust Agreement, (3) the annuity term taken from the Trust Agreement, (4) the § 7520 rate in effect for the month in which the transfers occurred, (5) the value of the qualified annuity and (6) the resulting gift.

On June 6, 2007, the Taxpayer contributed to the Trust 351.86 Points in Apollo Advisors V, L.P. and 351.68 Points in Apollo Advisors V (EH Cayman), L.P. The Taxpayer received no consideration from the Trust in return for his contribution. Based on an appraisal by Empire Valuation Consultants, a copy of which is attached as Exhibit ____, on June 6, 2007 the gift tax value of the transferred property was \$58,759,781.57.

(1) Initial Fair Market Value of the Trust Fund	\$58,759,781.57
(2) Annuity Rate Per Trust Agreement:	49.4248% in year 1 59.3098% in year 2
(3) Annuity Term Per Trust Agreement	2 Years
(4) Section 7520 Rate for June 2007	5.6%
(5) Value of Qualified Annuity	\$58,753,905.59
(6) Value of Gift	\$5,875.98

LEON D. BLACK

Rider 1 to Form 709

United States Gift and Generation Skipping Transfer Tax Return

Calendar Year 2007

Social Security No. _____

Disclosure Pursuant to Regulation Section 301.6501(c)-1(f)(2)

CONTRIBUTION TO JUDAH INVESTMENT TRUST N (Sch. A, Part 3, Item 1)

The transaction referred to as Item 1 on Schedule A, Part 3 of this Return represents the contribution by Leon D. Black (the "Taxpayer") to the Judah Investment Trust N (the "Trust"), created under trust agreement dated June 6, 2007 (the "Trust Creation Date") between Leon D. Black, as settlor, and Leon D. Black and John Hannan, as trustees (the "Trust Agreement"). The Trust is a grantor-retained annuity trust in which the Taxpayer retained a Qualified Interest, as defined in § 2702(b) of the Internal Revenue Code (the "Code"). A copy of the Trust Agreement is attached as Exhibit ____.

Under the terms of the Trust Agreement, an annuity is payable from the Trust to the Taxpayer (or, if the Taxpayer is not living, to the Taxpayer's estate) on the day before the first anniversary of the Trust Creation Date, and on the day before the 2nd and final anniversary of the Trust Creation Date during the Trust's 2-year term. The value of the first annuity is equal to such percent of the fair market value of the trust fund of the Trust as finally determined for federal gift tax purposes that, when increased by twenty (20%) percent in the 2nd and final year of the 2-year term, results in the Taxpayer's right to receive the annuity payments having a value equal to 99.99% of the fair market value of the trust fund of the Trust as finally determined for federal gift tax purposes. The value of the second and final annuity payable to the Taxpayer is equal to 120% of the value of the prior year's annuity. The Trust ends on the day before the 2nd anniversary of the Trust Creation Date. Upon the termination of the Trust, the remaining trust property will be distributed to the trustees of the Black 2007 Family Trust (the "Family Trust"), to be added to the principal of the Family Trust and disposed of therewith.

The value of the gift is determined by subtracting the value of the qualified annuity interest from the value of the property contributed to the Trust. Under Treas. Reg. § 25.2702-2(b)(2), the value of a qualified annuity interest is determined under Code § 7520.

Accordingly, for the transfer shown as Item 1 of Schedule A, Part 3 of the Return, there is shown below (1) the valuation of the initial fair market value of the Trust, (2) the annuity percentages taken from the Trust Agreement, (3) the annuity term taken from the Trust Agreement, (4) the § 7520 rate in effect for the month in which the transfers occurred, (5) the value of the qualified annuity and (6) the resulting gift.

On June 6, 2007, the Taxpayer contributed to the Trust 352.87509 Points in Apollo Advisors VI, L.P. and 352.87509 Points in Apollo Advisors VI (EH), L.P. The Taxpayer received no consideration from the Trust in return for his contribution. Based on an appraisal by Empire Valuation Consultants, a copy of which is attached as Exhibit ____, on June 6, 2007 the gift tax value of the transferred property was \$121,515,630.63.

(1) Initial Fair Market Value of the Trust Fund	\$121,515,630.63
(2) Annuity Rate Per Trust Agreement:	49.4248% in year 1 59.3098% in year 2
(3) Annuity Term Per Trust Agreement	2 Years
(4) Section 7520 Rate for June 2007	5.6%
(5) Value of Qualified Annuity	\$121,503,479.06
(6) Value of Gift	\$12,151.56

LEON D. BLACK

Rider 1 to Form 709

United States Gift and Generation Skipping Transfer Tax Return

Calendar Year 2007

Social Security No. _____

Disclosure Pursuant to Regulation Section 301.6501(c)-1(f)(2)

CONTRIBUTION TO JUDAH INVESTMENT TRUST O (Sch. A, Part 3, Item 1)

The transaction referred to as Item 1 on Schedule A, Part 3 of this Return represents the contribution by Leon D. Black (the "Taxpayer") to the Judah Investment Trust O (the "Trust"), created under trust agreement dated June 6, 2007 (the "Trust Creation Date") between Leon D. Black, as settlor, and Leon D. Black and John Hannan, as trustees (the "Trust Agreement"). The Trust is a grantor-retained annuity trust in which the Taxpayer retained a Qualified Interest, as defined in § 2702(b) of the Internal Revenue Code (the "Code"). A copy of the Trust Agreement is attached as Exhibit ____.

Under the terms of the Trust Agreement, an annuity is payable from the Trust to the Taxpayer (or, if the Taxpayer is not living, to the Taxpayer's estate) on the day before the first anniversary of the Trust Creation Date, and on the day before the 2nd and final anniversary of the Trust Creation Date during the Trust's 2-year term. The value of the first annuity is equal to such percent of the fair market value of the trust fund of the Trust as finally determined for federal gift tax purposes that, when increased by twenty (20%) percent in the 2nd and final year of the 2-year term, results in the Taxpayer's right to receive the annuity payments having a value equal to 99.99% of the fair market value of the trust fund of the Trust as finally determined for federal gift tax purposes. The value of the second and final annuity payable to the Taxpayer is equal to 120% of the value of the prior year's annuity. The Trust ends on the day before the 2nd anniversary of the Trust Creation Date. Upon the termination of the Trust, the remaining trust property will be distributed to the trustees of the Black 2007 Family Trust (the "Family Trust"), to be added to the principal of the Family Trust and disposed of therewith.

The value of the gift is determined by subtracting the value of the qualified annuity interest from the value of the property contributed to the Trust. Under Treas. Reg. § 25.2702-2(b)(2), the value of a qualified annuity interest is determined under Code § 7520.

Accordingly, for the transfer shown as Item 1 of Schedule A, Part 3 of the Return, there is shown below (1) the valuation of the initial fair market value of the Trust, (2) the annuity percentages taken from the Trust Agreement, (3) the annuity term taken from the Trust Agreement, (4) the § 7520 rate in effect for the month in which the transfers occurred, (5) the value of the qualified annuity and (6) the resulting gift.

On June 6, 2007, the Taxpayer contributed all of his direct interest in AAA Associates, L.P. to the Trust. The Taxpayer received no consideration from the Trust in return for his contribution. Based on an appraisal by Empire Valuation Consultants, a copy of which is attached as Exhibit ____, on June 6, 2007 the gift tax value of the transferred property was \$0.¹

(1) Initial Fair Market Value of the Trust Fund	\$0
(2) Annuity Rate Per Trust Agreement:	49.4248% in year 1 59.3098% in year 2
(3) Annuity Term Per Trust Agreement	2 Years
(4) Section 7520 Rate for June 2007	5.6%
(5) Value of Qualified Annuity	\$0
(6) Value of Gift	\$0

¹ After the Taxpayer made the transfer to the Trust described above, it was discovered that Apollo Advisors VI (EH), L.P. owns all of the Class A interests in AAA Associates, L.P., which represents almost all of the value of AAA Associates. Accordingly, the value of the interest the Taxpayer transferred to the Trust was nominal.