

MEMORANDUM

To: Files
From: Ada Clapp
Date: July 3, 2012
Re: Summary of Limited Partnership Agreement of Black Family Partners L.P.

Following is a summary of the Limited Partnership Agreement of Black Family Partners L.P. (the "Partnership"), as amended by a First Amendment dated December 2009, which was prepared by McDermott Will & Emery.

I. Partners.

- A. Black Family GP, LLC (Leon is the sole member and manager).
- B. Limited Partners:
 - 1. LBF Holdings LLC (Black 2006 Family Trust sole member);
 - 2. Black 2006 Family Trust (direct interest);
 - 3. 2009 GRAT;
 - 4. Black Family 1997 Trust
 - 5. Black 2011 Family Trust (4 trusts/one for each of Leon's children);
 - 6. AIV IV Management Inc. (no economic interest)
 - 7. Leon Black (individually)

II. Formation/Purpose. (Article 2)

- A. Purpose: to engage in lawful activities for which a limited partnership may be formed.
- B. Delaware. The Certificate of Limited Partnership was filed, and the Partnership formed, in Delaware.
- C. Principal Office. c/o Leon D. Black, Apollo Management LP, 9 West 57th Street, New York, New York 10019.
- D. Fiscal Year. The fiscal year of the Partnership is the calendar year.

III. Definitions. (Article 1)

Sole discretion of the General Partner. Unless expressly provided otherwise, the GP has sole and absolute authority to make all decisions and take all actions for the partnership.

IV. Management. (Article 7)

- A. GP Controls. The Partnership shall be managed by and be under the control and direction of the GP. (See Section 7.2)
- B. No removal of the GP. The GP cannot be removed at any time.
- C. No Control by LPs. No LP may participate in the management of the Partnership or have any vote in Partnership matters.
- D. Successor General Partner. Upon an Event of Withdrawal (the death, resignation, dissolution, bankruptcy, or other inability to act as GP) of the GP, if no GP is acting, a majority of the LPs shall elect a new GP within 10 days.

V. Capital Accounts/Loans. (Article 3)

- A. Capital Contributions/Accounts.
 - 1. It appears that the GP has no economic interest in the Partnership (*we should confirm*).
 - 2. The GP will update ownership percentages at a future time to reflect partnership interests based upon an independent valuation.
- B. Withdrawal of Capital. A Partner can withdraw any part or all of its capital account at any time. The value of non-cash assets will be determined by a qualified appraiser selected by the GP. *We should discuss with Leon that this provision will likely negate any valuation discounts for being "locked in".*
- C. Loans. A partner can lend money to the Partnership with the GP's consent. Any such loan does not increase the lending partner's capital account.

VI. Allocations and Distributions. (Article 5)

- A. Allocations. The Partnership's profits and losses for any period (as determined by the GP) are allocated to each partner in accordance with the partner's Sharing Ratio.
- B. Distributions. The Partnership may make distributions to partners at such time and in such amounts as the GP shall determine and such distribution shall be charged against the partner's capital account. Distributions shall be shared among the partners *pro rata* in accordance with their respective capital accounts.

- C. Allocation of Profits and losses/Transferred Partnership interests. In general, gain or loss realized in connection with a sale of Partnership assets shall be allocated solely to the partners owning the Partnership Interests as of the date such sale occurs.

VII. Transfer/Withdrawal/ Bankruptcy/Death/Disability

- A. Transfer. Partners can sell, transfer, pledge, encumber and dispose of his or her Partnership Interest without the consent of any other partner. The GP must consent to make the transferee a partner.
- B. Admission of Partners. No additional or substitute LP can be admitted unless the GP consents, the LP agreement is signed by such partner and all other paperwork is complete.
- C. Death. If a partner dies, his rights devolve onto his or her legal representative.- but need GP's consent for legal representative to become a substitute partner.

VIII. Dissolution. (Article 10) The Partnership will dissolve upon any of the following events:

- A. Bankruptcy or dissolution of the GP
- B. Determination of the GP to dissolve the Partnership.
- C. Entry of a decree of dissolution.
- D. Any other event that would cause dissolution under Delaware law.

IX. Liabilities of Partners. (Article 6)

- A. General Partner. The GP is not liable to the Partnership or to any partner for any losses, claims, etc incurred by such GP except in the case of gross negligence or willful misconduct and the GP is to be fully indemnified by the Partnership for any such claims.
- B. Limited Partners. LPs are not liable for Partnership losses, debts or liabilities.

X. Costs and Expenses. (Article 4) Operating and other costs are to be paid by the GP and reimbursed by the Partnership.

IMPORTANT: This brief summary is for discussion purposes only. It does not contain legal, tax, investment, or insurance advice and cannot be relied upon for implementation and/or protection from penalties. The provisions of your estate planning documents will govern the disposition of your estate. Always consult with your independent attorney and tax advisor for legal and tax advice.

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