

DOCUMENT SUMMARY

To: Leon D. Black
From: Ada Clapp
Date: March 17, 2015
Re: Summary of the APO-B Trust

Following is a summary of the agreement creating the APO-B Trust (the "Agreement"), of which you are the Grantor.

- I. Discretionary Trust. Until such time as the Trustees decide to create Separate Trusts for your descendants, all trust property will be held in a single "Discretionary Trust" for the benefit of Debra and your descendants.
 - A. The Trustees have broad discretion to distribute income and principal to Debra and your descendants.
 - B. Instead of paying income and principal directly to a descendant of yours, the Trustees may instead fund a "Separate Trust" for such descendant (called the "Beneficiary" thereof), described in II below.
 - C. The Discretionary Trust will terminate upon the earlier of (i) 21 years after the death of the survivor of Debra and your children, or (ii) the death of Debra and all your descendants and the remaining property will be distributed to your descendants, or if none are living, to your estate.
- II. Separate Trusts. Each Separate Trust will be administered as follows:
 - A. The Trustees have broad discretion to distribute income and principal to the Beneficiary and his/her descendants.
 - B. Upon the Beneficiary's death, the Separate and will be distributed among your descendants (other than the Beneficiary, his/her estate or the creditors of either) as the Beneficiary appoints by Will. Any property the Beneficiary fails to appoint will pass to his/her descendants, or if none, to the descendants of the Beneficiary's nearest ancestor who was a descendant of yours, or if none, to your descendants, in each case subject to a Separate Trust.
- III. Trustees.
 - A. A blank has been inserted for you to name a Trustee or Trustees.

- B. Removal.
 - 1. You may remove Trustees but if you do, the successor you appoint cannot be related or “subordinate” to you (i.e., employed by you).
 - 2. Special Committee. After your death, the Special Committee may remove Trustees (who must be replaced with Trustees other than Special Committee members or Trustees related or subordinate to any Special Committee member). The Special Committee members are Debra and each of your four children who has attained age 30.
- C. Compensation.
 - 1. During your lifetime, individual Trustees are not entitled to compensation. After your death, individual Trustees may receive compensation determined by the Special Committee.
 - 2. Any corporate Trustee will be compensated pursuant to its published fee schedule.
- IV. Grantor Trust Status. For added flexibility, to ensure grantor trust status, the Agreement grants you power to substitute trust property with other property of equivalent value. “Grantor trust” status means that you will be taxed on all income, including capital gains, generated in the trusts created under the Agreement
- V. Governing Law. The Agreement is governed by New York law.