

To: Jeffrey[jeevacation@gmail.com]
From: Eileen Alexanderson
Sent: Thur 7/5/2012 7:02:02 PM
Subject: RE: follow up

See Article II on pgs 1-2 of the 2006 Trust Doc attached to my last email for language related to distribution of 'trust accounting income' from operating profits of 'relevant companies' which you will see detailed in II(A)3. The 'relevant companies' are the Apollo entities Leon had ownership interests in that he contributed into the GRATs that poured into the 2006 Trust. There isn't specific language surrounding the principal. The trusts owns the interests in Black Family Partners and the monetization of the value of the BRH interests would not constitute 'trust accounting income' from 'operating profits' and would therefore remain in the trust.

I will next forward a summary entitled 'History/Structure' that I wrote for myself early on as I was trying to come up to speed on what had been put in place. I believe I left you a hard copy which was behind the org chart of Black Family Partners. There is a section on the first page with comments on FLPs-I was in an education mode and, with hindsight, did not fully understand the control issues but I think otherwise this will help you understand where we came from.

Importantly, you will see there were 2 sets of GRATs. The termination of GRATs A-K went as planned. But the second set, GRATs L-O lacked sufficient cash to make the final annuity payment to Leon so we did an inkind transfer of the Black Family Partners these GRATs owned to Leon and then he contributed these into a new GRAT, the Judah 2009 Trust. We made that a 4 year GRAT instead of 2 years like the original ones we did because I felt we would not have generated enough cash in 2 years to make the annuity payments to Leon.

-----Original Message-----

From: Jeffrey [mailto:jeevacation@gmail.com]
Sent: Thursday, July 05, 2012 1:46 PM
To: Eileen Alexanderson
Subject: Re: follow up

Send me grat docs that separate income from capital appreciation

Sorry for all the typos .Sent from my iPhone

On Jul 5, 2012, at 12:09 PM, Eileen Alexanderson [REDACTED] wrote:

> Jeffrey, thinking back through dialogs with Carlyn & Elyse and looking at some of my old notes from those dialogs that relate to our conversation this morning I offer the following:

>

> Regarding the issue of why turning off the income right now works is that it would be the independent trustees turning off the income right, not Leon, and that the 2006 Trust was drafted purposely in anticipation of this. I believe this relates to the language on page 30 in the attached.

>

> Also, Ada (from US Trust) at one point had suggested to Carlyn that we consider having the trustees turn off the income right in the 2006 Trust and then decant the assets from the 2006 Trust into a new trust before proceeding with the Art Partnership to insure a cleaner transaction.

>

> Also, on the subject of the 2006 Trust and other trust paying their own taxes-important implication for Black Family Partners would be that we no longer have a single taxpayer.

>
> Best,
> Eileen
>
> -----Original Message-----
> From: NY_730_11_XRX_COPYROOM [mailto:NY_730_11_XRX_COPYROOM@apollo1p.com]
> Sent: Thursday, July 05, 2012 12:06 PM
> To: Eileen Alexanderson
> Subject: Scan from a Xerox Color
>
> Please open the attached document. It was scanned and sent to you using a
Xerox Color.
>
> Number of Images: 60
> Attachment File Type: PDF
>
> Device Name: NY_730_11_XRX_COPYROOM
> Device Location:
>
> For more information on Xerox products and solutions, please visit
<http://www.xerox.com/>
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> <img-705120530-0001.pdf>

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