
From: jeffrey E. <jeevacation@gmail.com>
Sent: Thursday, February 19, 2015 5:31 PM
To: Ada Clapp
Subject: Re: Funding of APO-B Trust/exchange for Class B GP Interest

no

On Thu, Feb 19, 2015 at 10:45 AM, Ada Clapp &=t[REDACTED] <mailto:[REDACTED]> > wrote:

Good morning Jeffrey,

Since it has been a while since we discussed all the steps involved in funding the art partnership, we wanted to be sure that you were on board with the plan for funding the APO-B Trust. As you know, the APO-B Trust will acquire the Class B GP Interest from Leon and act as the Class B GP of AP Narrows LP. The plan to accomplish this is as follows:

1. A0 The APO1 Trustees would bifurcate the \$1.6 bil Note into two notes; one equal to the value of the Class B GP Interest ("Note B") and the other equal to the balance of the \$1.6 bil. ("Note A").
2. A0 The APO1 Trustees would keep Note A and decant Note B into the APO-B Trust.
3. A0 The APO-B Trust will then acquire the Class B GP Interest from Leon in exchange for Note B (either in a sale or a substitution of assets).
4. A0 Note B is then cancelled (as Leon is both lender and borrower).

The Class B GP interest the APO-B Trust receives in exchange for Note B is intangible property reflecting a 1% equity interest in AP Narrows, so no sales tax should be triggered.

Are you in agreement with this plan?

Ada Clapp

Chief Legal Officer

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