

## PLEDGE AGREEMENT

THIS PLEDGE AGREEMENT (this "Agreement"), is made as of the       day of June, 2014, by and between Barry J. Cohen, Richard Ressler and John J. Hannan, as Trustees (the "APO1 Trustees") of the trust created under the **APO1 AGREEMENT** dated October 25, 2013 between Leon D. Black, as Grantor, and the APO1 Trustees (hereinafter referred to as the "Debtor") and Barry J. Cohen, Debra R. Black and John J. Hannan, as Trustees, and U.S. Trust Company of Delaware, as Administrative Trustee, (the "BEB Trustees") of the **BEB 2011 TRUST**, created under trust agreement dated June 10, 2011 between Leon D. Black, as Grantor, and the BEB Trustees (hereinafter referred to as the "Lender").

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

1.     Definitions.

"Collateral" shall have the meaning set forth in Section 2 of this Agreement.

"Company" means **LDB 2011 LLC**, a Delaware limited liability company.

"Event of Default" shall have the meaning set forth in Section 10 of this Agreement.

"First Priority" means, with respect to any lien purported to be created in any Collateral pursuant to this Agreement, such lien is the most senior lien to which such Collateral is subject (subject only to liens that take priority by operation of law).

"Lender" shall have the meaning set forth in the preamble to this Agreement and shall refer to the holder of the Subject Indebtedness.

"Pledged Interest" shall mean the Debtor's twenty-five percent (25%) membership interest in the Company acquired pursuant to the Purchase and Sale Agreement and pledged pursuant to the terms of Section 2 of this Agreement.

"Promissory Note" shall mean the promissory note in the original principal amount of the Purchase Price (as hereinafter defined) made by the Debtor, dated as of the date of this Agreement, payable to the order of the BEB Trustees, as trustees of the BEB 2011 Trust.

"Purchase and Sale Agreement" shall mean the Purchase and Sale Agreement of even date herewith by and among the Debtor, as purchaser, the Holder, as seller, and the Company for the purchase by Debtor of a twenty-five percent (25%) membership interest in the Company.

"Purchase Price" shall have the meaning as defined in the Purchase and Sale Agreement.

"Sale Documents" shall mean this Agreement, the Purchase and Sale Agreement and the Promissory Note collectively.

"Subject Indebtedness" shall mean the obligations of the Debtor in respect of the Promissory Note.

"Secured Obligations" shall mean all obligations of the Debtor owing to the Lender in respect of the Subject Indebtedness, whether now or hereafter existing and, whether direct or indirect, absolute or contingent, and whether for principal, interest (including interest and fees that accrue after the commencement by or against the Debtor of any proceeding under any debtor relief laws naming the Debtor as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding), fees, premiums, penalties, contract causes of action, costs, expenses or otherwise.

"UCC" shall mean the Uniform Commercial Code as in effect from time to time in the State of New York; *provided, however*, that if by reason of mandatory provisions of law, any or all of the perfection or priority of the Lender's security interest in any item or portion of the Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, the term "UCC" means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection or priority and for purposes of definitions relating to such provisions.

## 2. Pledge.

2.1 As security for the due and punctual payment in full of the Secured Obligations, when due and payable, whether at maturity, by acceleration, or otherwise, the Debtor hereby pledges to the Lender and grants the Lender, a security interest in the Pledged Interest, and all dividends, distributions, return of capital, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Pledged Interests and all subscription warrants, rights or options issued thereon or with respect thereto, and all proceeds and products of the foregoing (collectively, the "Collateral").

2.2 The Debtor agrees that the Lender shall have no liability of any kind with respect to the Collateral, other than to hold, release or dispose of the same and otherwise to proceed in accordance with this Agreement.

## 3. Perfection of Uncertificated Pledged Interests.

The Debtor hereby agrees that if any portion of the Pledged Interest at any time consists of uncertificated securities, the Debtor will cause the issuer thereof either (a) to register the Lender as the registered owner of such securities or (b) to agree in an authenticated record with the Debtor and the Lender that such issuer will comply with instructions with respect to such securities originated by the Lender without further consent of the Debtor such authenticated record to be substantially in the form of Exhibit A or in form and substance satisfactory to the Lender, and (c) upon request by the Lender, provide to the Lender an opinion of counsel, in form and substance reasonably satisfactory to the Lender, confirming such pledge and perfection thereof and (d) if reasonably requested by the Lender, request the issuer of such securities to cause such securities to become certificated and in the event such securities become certificated, to deliver such certificates to the Lender in accordance with the provisions of Section 4.2. The Debtor agrees that after the occurrence and during the continuance of any Event of Default, upon request by the Lender, the Debtor will (A) cause the limited liability company

agreement of the issuer to be amended to provide that such uncertificated securities shall be treated as "securities" for purposes of the UCC and (B) cause such securities to become certificated and delivered to the Lender in accordance with the provisions of Section 4.2.

4. Perfection of Certificated Pledged Interests.

4.1 On the date of this Agreement there are no certificates evidencing the Pledged Interest.

4.2 The Debtor hereby agrees that all certificates, agreements, or instruments representing or evidencing the Pledged Interest acquired by the Debtor after the date hereof, shall immediately upon receipt thereof by the Debtor be held by or on behalf of and delivered to the Lender in suitable form for transfer by delivery or accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to the Lender.

5. Filings

The Debtor hereby irrevocably authorizes the Lender at any time and from time to time to file in any relevant jurisdiction any financing statements and amendments thereto that contain the information required by Article 9 of the UCC of each applicable jurisdiction for the filing of any financing statement or amendment relating to the Collateral without the signature of such Debtor where permitted by law.

6. Further Assurances.

The Debtor shall take such further actions, and execute and/or deliver to the Lender such additional financing statements, amendments, assignments, agreements, supplements, powers and instruments, and will obtain such governmental consents and corporate approvals and will cause to be done all such other things as the Lender may in its judgment deem necessary or appropriate in order to perfect, preserve and protect the security interest in the Collateral as provided herein and the rights and interests granted to the Lender hereunder, and enable the Lender to exercise and enforce its rights, powers and remedies hereunder with respect to any Collateral, including the filing of any financing statements, continuation statements and other documents under the UCC (or other similar laws) in effect in any jurisdiction with respect to the security interest created hereby, all in form satisfactory to the Lender and in such offices wherever required by law to perfect, continue and maintain a valid, enforceable, First Priority security interest in the Collateral as provided herein and to preserve the other rights and interests granted to the Lender hereunder, as against third parties, with respect to the Collateral. With respect to any Collateral of the Debtor over which the Lender may obtain "control" within the meaning of section 8-106 of the UCC, the Debtor shall take all actions as may be requested from time to time by the Lender so that control of such Collateral is obtained and at all times held by the Lender. Without limiting the generality of the foregoing, but subject to applicable law, the Debtor shall make, execute, endorse, acknowledge, file or refile and/or deliver to the Lender from time to time upon request by the Lender such lists, schedules, descriptions and designations of the Collateral, statements, confirmatory assignments, supplements, additional security agreements, conveyances, financing statements, transfer endorsements, powers of attorney, certificates, reports and other assurances or instruments as the Lender shall reasonably request. If an Event of

Default has occurred and is continuing, the Lender may institute and maintain, in its own name or in the name of the Debtor, such suits and proceedings as the Lender may deem necessary or expedient to prevent any impairment of the security interest in or the perfection thereof in the Collateral. All of the foregoing shall be at the sole cost and expense of the Debtor.

7. Representations and Warranties of the Debtor.

The Debtor represents and warrants to the Lender that, on the date hereof: (a) the Debtor is the legal and beneficial owner of the Collateral, (b) the pledge of the Collateral pursuant to this Agreement creates a valid and perfected First Priority, security interest in the Collateral securing payment of the Secured Obligations, (c) to the best knowledge of the Debtor, the Pledged Interests have been duly authorized and validly issued, (d) no consent of any other person or entity and no authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the pledge by the Debtor of the Collateral pursuant to this Agreement or for the execution, delivery or performance of this Agreement by the Debtor, (e) the Pledged Interest constitutes on the date hereof twenty-five percent (25%) of the aggregate outstanding membership interests of the Company, (f) the Debtor has not executed or filed, or authorized any third party to file, any financing statement or other instrument similar in effect covering all or any part of the Collateral in any recording office, except those that have been filed in favor of the Lender, (g) no financing statement or other instrument similar in effect covering all or any part of the Collateral is on file in any recording office, except those that have been filed in favor of the Lender pursuant to this Agreement, (h) except as provided herein and in the amended and restated limited liability agreement of the Company dated as of \_\_\_\_\_, 2014, as amended, restated, supplemented or otherwise modified from time to time, there are no restrictions upon this transfer of the Collateral and that Debtor has the right to transfer to the Lender such interests free of any encumbrances.

8. [Reserved].

9. Distributions; Voting Rights.

9.1 Distributions. The Lender agrees that prior to the Lender providing written notice to the Debtor that it is exercising remedies hereunder upon the occurrence and during the continuation of an Event of Default, the Debtor shall be entitled to receive and utilize all cash distributions (other than liquidating distributions) from the Company with respect to the Collateral. Any sums paid in respect of any Collateral upon the liquidation or dissolution of the Company, any distribution of capital on or in respect of the Collateral or any property distributed upon or with respect to any Collateral upon a recapitalization or reclassification of the capital of the Company or pursuant to the reorganization thereof, unless otherwise consented to by the Lender, shall be delivered to the Lender to be held as additional collateral security for the Secured Obligations.

9.2 Voting Rights. The Lender agrees that prior to the Lender providing written notice to the Debtor that it is exercising remedies hereunder upon the occurrence and during the continuation of an Event of Default, the Debtor shall be entitled to exercise any and all voting and/or consensual rights and powers relating or pertaining to the Collateral or any part thereof (i) for any purpose not inconsistent with the terms of the Sale

Documents and (ii) in a manner that could reasonably be expected to have a material adverse effect on the value of the Collateral or the interests of the Lender.

10. Default.

10.1 Events of Default. The following shall be deemed to be Events of Default under this Agreement:

10.1.1 a Default (as defined in the Promissory Note);

10.1.2 the Debtor takes any action to (i) sell, assign or otherwise dispose of, or grant any option with respect to, any of the Collateral, other than sales, assignments and other dispositions of Collateral, and options relating to Collateral, approved by the Lender, (ii) create or suffer to exist any lien upon or with respect to any of the Collateral except for the pledges, assignments and security interests created under this Agreement, liens by way of operation of law and liens approved by the Lender, or (iii) sell, transfer, lease or otherwise dispose of (in one transaction or in a series of transactions) all or any material portion of the Company's assets (whether now owned or hereafter acquired) without the consent of the Lender;

10.1.3 any representation or warranty made by the Debtor in any of the Sale Documents shall prove to have been false or misleading in any material respect when so made;

10.1.4 default shall be made in the due observance or performance by the Debtor of any covenant, condition or agreement contained in any of the Sale Documents and such default shall continue unremedied for a period of thirty (30) days after notice thereof from the Lender;

10.1.5 (i) any material provision of any of the Sale Documents shall for any reason be asserted in writing by the Debtor not to be a legal, valid and binding obligation of the Debtor, or (ii) any security interest purported to be created hereby and to extend to the Collateral shall cease to be, or shall be asserted in writing by the Debtor not to be, a valid and perfected security interest (perfected as or having the priority required by this Agreement and subject to such limitations and restrictions as are set forth herein) in the Collateral as defined herein, except from the failure of the Lender to maintain possession of certificates actually delivered to it representing securities pledged hereunder; provided that no Event of Default shall occur under this Section 10.1.5 if the Debtor cooperates with the Lender to replace or perfect such security interest, such security interest is replaced and the rights, powers and privileges of the Lender are not materially adversely affected by such replacement.

10.2 Remedies Upon Event of Default. Upon the occurrence of an Event of Default and so long as the same shall be continuing, the Lender, may, in addition to any and all other rights and remedies which the Lender may then have under the UCC or otherwise at law or in equity:

10.2.1 notify the Debtor that all rights of the Debtor to exercise consensual rights and powers which the Debtor is entitled to exercise pursuant to Section 9.2 hereof shall cease, and upon such notice all such rights shall thereupon become vested in the

Lender who shall have the sole and exclusive authority to exercise such voting and/or consensual rights during the continuance of such Event of Default;

10.2.2 provide written notice to the Debtor that the Lender will collect and receive all cash dividends and other distributions made in respect of the Collateral directly from the Company for application in accordance with the terms of this Agreement;

10.2.3 make a demand upon the Debtor to amend this Agreement to provide additional collateral in form and substance reasonably acceptable to the Lender, as collateral security for the Secured Obligations;

10.2.4 enforce the security interest in all or any part of the Collateral by any available judicial procedure;

10.2.5 after five (5) days' written notice, sell or otherwise dispose of, at the Lender's office, or elsewhere, as chosen by the Lender, all or any part of the Collateral, and any such sale or other disposition may be as a unit or in parcels, by public or private proceedings, and by way of one or more contracts (it being agreed that the sale of any part of the Collateral shall not exhaust the Lender's power of sale, but sales may be made from time to time until all of the Collateral has been sold or until the Secured Obligations have been paid or discharged in full) on such terms and conditions as the Lender shall select;

10.2.6 at the Lender's discretion, retain the Collateral in satisfaction of the unpaid balance of principal of and interest upon the Secured Obligations, whenever the circumstances are such that the Lender is entitled to do so under the UCC; or

10.2.7 buy the Collateral at any public or private sale; provided, however, that any such sale, transfer or assignment of the Collateral by the Lender under this Section 10.2.7 shall be made only in accordance with the provisions of any agreement affecting the disposition of the Collateral, including the limited liability company agreement of the Company, as amended and restated and as in effect from time to time with respect to such interest, and provided further, that upon any such public or private sale the Debtor may cure such default and redeem such shares by paying to the Lender an amount equal to the price offered to the Lender at any such sale.

10.3 Application of Proceeds. The proceeds of sale of the Collateral or any other amounts received by the Lender in respect of the Subject Indebtedness shall be applied by the Lender as follows:

First, to the payment of all costs and expenses of the sale of the Collateral, including reasonable compensation to the Lender and its agents and attorneys employed in connection therewith, and all liabilities and advances made or incurred in connection therewith;

Second, to the payment of interest and fees then due from the Debtor to the Lender in accordance with the amounts of interest and fees then due;

Third, to the payment of principal of the Subject Indebtedness then due from the Debtor to the Lender in accordance with the amounts of principal then due;

Fourth, to the payment of any other amounts in respect of the Subject Indebtedness or this Agreement then outstanding from the Debtor to the Lender in accordance with the amounts of principal then due; and

Fifth, the balance, if any, of such proceeds shall be paid to the Debtor, its successors or assigns, or as a court of competent jurisdiction may direct.

10.4 If the Lender exercises its rights under this Section 10 not to sell the Collateral, the Lender will retain such Collateral in full satisfaction of the obligations of the Debtor to the Lender and the Debtor shall be released from all liability to the Lender.

10.5 Deficiency. The Debtor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral is insufficient to pay the Secured Obligations and the fees and out-of-pocket expenses of the Lender to collect such deficiency.

## 11. General.

11.1 Notice. Any notice or other communication required or permitted hereunder shall be in writing and shall be delivered personally, by way of electronic transmission including, without limitation, by facsimile and email (with original sent via first class mail) or sent by certified, registered, or express mail, postage prepaid, and addressed as set forth below. Any notice or other communication shall be deemed given when so delivered personally, sent by way of electronic transmission including, without limitation, by facsimile and email or, if mailed, five (5) days after the date of deposit in the United States mails.

If to the Debtor:

John J. Hannan, Trustee of the APO1 Agreement  
c/o Apollo Management  
9 West 57<sup>th</sup> Street  
48<sup>th</sup> Floor  
New York, New York 10019

If to the Lender:

Barry J. Cohen, Trustee of the BEB 2011 Trust  
c/o Elysium Management LLC  
445 Park Avenue, Suite 1401  
New York, New York 10022

11.2 Governing Law. This Agreement and the rights of the parties shall be governed by and shall be construed and enforced in accordance with the laws of the State of New York applicable to agreements made and to be entirely performed therein.

11.3 Consent to Jurisdiction. The Debtor hereby agrees and consents that any action, suit or proceeding arising out of this Agreement may be brought in any appropriate court located in the State of New York or in any other court having jurisdiction over



the subject matter, all at the sole election of the Lender, and by the execution and delivery of this Agreement the Debtor irrevocably consents to the jurisdiction of each such court. The Debtor irrevocably consents to the service of any complaint, summons, notice or other process relating to any action or proceeding by delivery thereof to it by hand or by any other manner provided for in Section 11.1 hereof.

11.4 Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the pledge transaction contemplated herein and may not be changed or terminated orally.

11.5 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and electronically transmitted copies may be acceptable as originals.

11.6 Successors and Assigns. The Debtor may not assign any of such Debtor's rights, liabilities or obligations hereunder without the written consent of the Lender. The Lender may assign this Agreement to any subsequent Lender without the consent of the Debtor.

11.7 Amendments. This Agreement may be amended, modified, superseded or canceled, and the terms, covenants or conditions hereof may be waived, only by a written instrument executed by all of the parties hereto, or in the case of a waiver, by the party waiving compliance. The failure of any party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by any party of any condition, or of the breach of any term or covenant contained in this Agreement, whether by conduct or otherwise, in any one or more instances shall be deemed to be, or construed as, a further or continuing waiver of any such condition or breach or a waiver of any other condition, or of the breach of any other term or covenant contained in this Agreement.

11.8 Costs and Expenses. All expenses of protecting, insuring, handling and maintaining the Collateral, all taxes payable with respect to the Collateral (including any sale thereof), and all other payments required to be made by the Lender to any person to realize upon the Collateral, shall be borne and paid by the Debtor. The Lender shall not be liable or responsible in any way for the safekeeping of the Collateral, for any loss or damage thereto (except for reasonable care in its custody while the Lender is in actual possession), for any diminution in the value thereof, or for any act or default of any other person whatsoever, but the same shall be at the Debtor's sole risk.



11.9 Power of Attorney. The Debtor hereby appoints the Lender its attorney-in-fact, with full power and authority in the place and stead of the Debtor and in the name of the Debtor, or otherwise, from time to time to take any action and to execute any instrument or document consistent with the terms of the Sale Documents which the Lender may deem necessary or advisable to accomplish the purposes hereof (but the Lender shall not be obligated to and shall have no liability to the Debtor or any third party for failure to so do or take action). The foregoing grant of authority is a power of attorney coupled with an interest and such appointment shall be irrevocable for the term hereof. The Debtor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof.

11.10. Termination and Release.

Upon the payment in full by the Debtor of the Secured Obligations, the Collateral shall be released from the liens created hereby and this Agreement and all obligations (other than those expressly stated to survive termination) of the Debtor and the Lender hereunder shall terminate, all without delivery of any instrument or further action by any party, and all rights to the Collateral shall revert to the Debtor. At the request and sole expense of the Debtor following any such termination, the Lender shall deliver to the Debtor any Collateral held by it hereunder, and execute and deliver to the Debtor any documents that the Debtor shall reasonably request to evidence such termination.

[Signature page follows]

IN WITNESS WHEREOF, the parties have duly executed this Agreement  
as of the date first above written.

**DEBTOR:**

APOI AGREEMENT

By: \_\_\_\_\_  
Name: Barry J. Cohen  
Title: Trustee

By: \_\_\_\_\_  
Name: John J. Hannan  
Title: Trustee

By: \_\_\_\_\_  
Name: Richard Ressler  
Title: Trustee

**LENDER:**

BEB 2011 TRUST

By: \_\_\_\_\_  
Name: Barry J. Cohen  
Title: Trustee

By: \_\_\_\_\_  
Name: John J. Hannan  
Title: Trustee

By: \_\_\_\_\_  
Name: Debra R. Black  
Title: Trustee

U.S. Trust Company of Delaware,  
Administrative Trustee

By: \_\_\_\_\_  
Name:  
Title:

[FORM OF] ISSUER'S ACKNOWLEDGMENT

The undersigned hereby (a) acknowledges receipt of the Pledge Agreement dated as of [DATE] (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Pledge Agreement"; capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Pledge Agreement), made by and among the APO1 Trustees, as Trustees of APO1 AGREEMENT, dated October 25, 2013 between Leon D. Black, as Grantor, and the APO1 Trustees (the "Debtor") in favor of the BEB Trustees, as Trustees of the BEB 2011 TRUST (the "Lender"), (b) agrees promptly to note on its books the security interests granted to the Lender and confirmed under the Pledge Agreement, (c) agrees that it will comply with instructions of the Lender with respect to the applicable Pledged Interest without further consent by the applicable Debtor and notwithstanding contrary instructions given by the Debtor, (d) agrees to notify the Lender upon obtaining knowledge of any interest in favor of any person or entity in the Pledged Interest that is adverse to the interest of the Lender therein, (e) agrees, following its receipt of a notice from the Lender stating that the Lender is exercising exclusive control of the Pledged Interest, not to comply with any instructions or orders regarding any or all of the Pledged Interest originated by any person or entity other than the Lender (and its successors and assigns) or a court of competent jurisdiction and (f) waives any right or requirement at any time hereafter to receive a copy of the Pledge Agreement in connection with the registration of the Pledged Interest thereunder in the name of the Lender or its nominee or the exercise of voting rights by the Lender or its nominee.

LDB 2011 LLC

By: \_\_\_\_\_

Name: Barry J. Cohen

Title: Manager