

BLACK FAMILY ESTATE PLANNING

APRIL 3, 2013 MEETING AGENDA

1. Revised Testamentary Plan
 - a. Provisions for Debra
 - i. Portion outright and portion in trust.
 - ii. Power of appointment.
 - b. Charitable provisions (at Leon's death and at death of survivor)
 - i. Foundation
 - ii. Other institutions
 - c. Provisions for Children at Death of Survivor
 - i. Artwork
 - ii. Trust terms
 1. Single trust for initial term.
 2. Mandatory distributions to sub-trusts for each child.
 3. Restrictions on otherwise mandatory distributions.
 4. Power of appointment.
 5. Child-directed investments.
 - a. Profit participation of directing child's separate trust.
 - b. Role of investment committee.
 6. Charitable provisions
 - d. Remote takers
 - e. Liquidity for estate taxes and debts
 - f. Leon Black Family Foundation
 - i. Charitable purposes
 - ii. Succession plan
 - iii. Separate fund for each child

- g. Fiduciaries of Estate, Trusts for Children/Debra, and Foundation
 - i. Initial appointments
 - ii. Removal powers
 - iii. Compensation
 - h. Health Care Proxies, Living Wills, and Powers of Attorney
2. Summary of Existing Estate Planning Documents
- a. Black 1997 Family Trust and Black 2006 Family Trust (*following settlement)
 - i. Initial Trust
 - 1. The Initial Trust terminates upon the death of the survivor of Leon and Debra.
 - 2. Discretionary income and principal to Debra and Leon's descendants.
 - 3. Upon the termination of the Initial Trust, the remaining trust property will be divided in equal shares for Leon's children (or if none, for Leon's issue) and held in separate continuing trusts.
 - ii. Separate Trusts for Children
 - 1. Discretionary income and principal for the child for whom the trust was created.
 - 2. The Trustees are encouraged, but not directed, to pay the child 10% of the trust property upon his or her attaining age 35.
 - 3. The child, after attaining age 25, annually may withdraw 3% of the trust property (less amounts distributed during the calendar year).
 - 4. Upon the child's death, he or she has a limited power of appointment. In default of exercising this power, such property will be divided, per stirpes, for his or her descendants, or if none, for Leon's descendants, and held subject to these terms.
 - b. 1997 Will and Revocable Trust
 - i. Provisions for Debra
 - 1. Tangible personal property to Debra, with all works of art owned individually by Leon (outside of Narrows), first edition books, and the cane collection to be held in marital trust.
 - 2. All residences are to be distributed to Debra outright.

3. \$25 million outright (taking into account life insurance proceeds).
 4. Balance in marital trust.
- ii. Provisions at death of survivor
1. Works of art owned individually by Leon (outside of Narrows), first edition books, and the cane collection property may be sold, with any unsold property divided for descendants and held in continuing separate trusts.
 2. Separate trusts for children similar to those under the 2006 and 1997 Trusts.
 3. No charitable provisions (other than as remote takers).
- iii. Remote Takers
1. Specified individuals
 2. Balance to The Leon Black Family Foundation, which should expend 25% of such property in support of each of medical research, Judaica, art and culture, and education.
- iv. Fiduciaries
1. Leon is the Trustee. Upon his death or earlier incapacity, Debra, John Hannan, Richard Ressler, and Barry Cohen are designated as successors.
 2. Leon may appoint additional or successor Trustees, and may remove Trustees.
 3. A child, upon attaining age 40, may appoint additional or successor Trustees, and may remove a Trustee of his or her respective trust.
 4. A child, upon attaining age 30, may act as an additional Trustee of his or her respective trust.
 5. Commissions for each Trustee (other than Debra) is \$250,000 per year.