

## Cash Needs and Anticipated Transfers: Estate Administration Following Leon's Death (if Debra Survives)

### 0 to 3 Months

Required Expenditures/Uses	Cash Needs/Estate Obligations	Sources
Funeral expenses and expenses of last illness	\$100,000	<ul style="list-style-type: none"> <li>Use funds in U.S. Trust and JPMorgan accounts (as of June 30, 2016, roughly \$13,000,000) for principal expenses</li> <li>Use projected dividends (\$27,543,000) to satisfy interest payments and distribute balance to Debra</li> </ul>
Appraisal fees	\$150,000	
Salaries of household staff	\$625,000	
Expenses to run family office	\$930,000	
Miscellaneous administration expenses	\$500,000	
Interest payments on loans	\$12,215,000	
Income to Debra (subject to income tax)	\$15,329,000	
<b>Total</b>	<b>\$29,849,000</b>	

### 3 to 12 Months

Required Expenditures/Uses	Cash Needs/Estate Obligations	Sources
Salaries of household staff	\$1,875,000	<ul style="list-style-type: none"> <li>Use portion of funds in U.S. Trust and JPMorgan accounts, leaving a reserve of \$5,000,000 (roughly \$5,695,000)</li> <li>Sell boat (estimated at \$12,000,000)</li> <li>Sell plane (estimated at \$13,250,000; Leon's share is \$6,638,000)</li> <li>Distribute art in kind to fulfill pledges to museums (estimated at \$15,624,000)</li> <li>Collect receivables of \$28,200,000</li> <li>Sell \$42,800,000 worth of art</li> <li>Use projected dividends (\$70,719,000) to satisfy interest payments and distribute balance to Debra</li> </ul>
New York estate tax (pay within 9 months)	\$444,000	
Federal estate tax (pay within 9 months)	\$2,000,000	
Airplane insurance	\$153,000	
Yacht insurance	\$37,000	
Fine art insurance premiums	\$765,000	
Home/property insurance (excludes jewelry)	\$370,000	
Charitable pledges	\$10,000,000	
Art pledged to museums (in kind)	\$15,624,000	
Repay Bank of America boat loan	\$15,925,000	
Repay Bank of America plane loan	\$9,445,000	
Cash bequest	\$3,000,000	
Repay other debt	\$39,000,000	
Sales tax and other payables	\$3,200,000	
Expenses to run family office	\$2,790,000	
Legal fees	\$1,125,000	
Accounting fees	\$150,000	
Other miscellaneous obligations	\$5,000,000	
Interest payments on loans	\$36,643,000	
Income to Debra (subject to income tax)	\$34,076,000	
<b>Total</b>	<b>\$181,622,000</b>	

\*All net income must be distributed to Debra in order for the trust for her benefit to qualify for the marital deduction.

**12 to 24 Months**

Required Expenditures/Uses	Cash Needs/Estate Obligations	Sources
Repay Bank of America art loan (repay within 18 months)	\$695,000,000	<ul style="list-style-type: none"> <li>• Transfer \$1,006,885,000 of art to satisfy, in part, debt of \$1.438 billion owing to family trusts/entities (including interests in AP Narrows, Narrows Holdings LLC, Narrows Holdings II LLC and Pent Holdings Inc.)<sup>2</sup></li> <li>• Sell \$431,277,000 worth of art and distribute proceeds to trusts to satisfy, in part, debt of \$1.438 billion owing to family trusts/entities</li> <li>• Sell 50% interest in jointly owned art and interest in Friends Ventures LLC for \$60,000,000 and apply proceeds to non-loan expenses</li> <li>• Sell additional \$624,300,000 worth of art</li> <li>• Sell \$18,500,000 of Apollo-related investments</li> <li>• Sell \$11,300,000 of other PE and restricted stock</li> <li>• Use projected dividends (\$187,592,000) to satisfy interest payments and distribute balance to Debra</li> </ul>
Repay notes to LDB 2011 LLC	\$528,912,000	
Repay notes to APO1 Trust	\$3,530,000	
Repay notes to APO2 Trust	\$835,508,000	
Repay notes to LDB 2014 LLC	\$23,088,000	
Repay note to BFP	\$47,125,000	
GST bequest to 1997 Exempt Trust	\$1,860,000	
Charitable pledges	\$10,000,000	
Expenses to run family office	\$3,720,000	
Legal fees	\$2,250,000	
Accounting fees	\$300,000	
Fine art insurance premiums	\$750,000	
Interest payments on loans	\$48,858,000	
Income to Debra (subject to income tax)	\$138,735,000	
<b>Total</b>	<b>\$2,339,634,000</b>	

**24-48 Months**

Required Expenditures/Uses	Cash Needs/Estate Obligations	Sources
Fund marital trust	\$1,500,000,000	<ul style="list-style-type: none"> <li>• Sell \$33,490,000 worth of art</li> <li>• Fund marital trust with remaining cash reserve from U.S. Trust and JPMorgan accounts, BFP interests, 750 Meadow Lane, other remaining estate assets</li> <li>• Distribute projected dividends (\$417,616,000) to Debra</li> </ul>
Executor's commissions	\$2,000,000	
Remaining charitable pledges	\$20,000,000	
Expenses to run family office	\$7,440,000	
Legal fees	\$2,250,000	
Accounting fees	\$300,000	
Fine art insurance premiums	\$1,500,000	
Income to Debra (subject to income tax)	\$417,616,000	
<b>Total</b>	<b>\$1,951,108,000</b>	

<sup>2</sup> Due to the step-up in basis at death, this transfer will not give rise to income tax. See the Trust Needs timeline for resulting sales tax payable by the family trusts.