

OPEN ITEMS LIST

As of February 28, 2014

<u>ACTION TO BE TAKEN</u>		<u>RESPONSIBLE PARTY</u>	<u>TIMING/STATUS</u>
A.	<u>Structuring and Formation of Elysium Management</u>		
1.	Draft Operating Agreement for Elysium and form entity in DE. - LDB to be managing member with DRB as his successor - Address with LDB whether the 4 children together should succeed DRB	PW	Name reserved by Family Office
B.	DECANTING 1997 TRUST		
1.	Execute APO2 Agreement and Commissions waivers	PW	Complete
2.	Decanting Instrument Under EPTL 10-6.6.	PW	Complete
3.	Notice of Decanting to Trust Beneficiaries.	PW	Sent 2.26.14
4.	Assignment by 1997 Trust of its interests in investment partnerships/LLCs.	Eileen/Rich D.	To begin after March 28th
5.	Transfer cash accounts and marketable securities to APO2 Account.	Eileen/Rich D.	To begin after March 28th
6.	Assignment of Art held in 1997 Trust to APO2 Trust. <i>Discuss pledge of art by 1997 Trust to BFP for Phaidon line of credit.</i>	PW/Ada	- PW preparing Assignment. - Ada to review loan agreements
7.	Assignment by 1997 Trust to APO2 Trust of: - Note payable to BFP (\$8MM as of 2.20.14). - Note payable to LBF (\$88.6 MM as of 2.20.14).	PW	- Eileen to provide copies of the Notes. - PW preparing Assignments

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B.	DECANTING 1997 TRUST		
8.	Assignment by of its interests in Black Family Partners; OFH LLC; SH Meadow Lane LLC; LDB Warren Street LLC; and Phaidon. Good Guy Guaranty from 1997 Trust to landlord of 65 Bleeker Street.	PW to prepare assignments/Ada to review Ada to address good guy guaranty with landlord's counsel	PW preparing Assignments
C.	<u>APO1 GRAT No. 3</u>		
	APO1 GRAT No. 3 to be signed March 4, 2014 - Next dividend will be end of February - Need new engagement Letter from Empire.	PW/Ada	PW preparing new GRAT and assignments for delivery on Monday
D.	GRAT VALUATIONS/ANNUITY PAYMENTS		
1.	Empire to provide valuations for Gift to APO1 GRAT. Gift to APO1 GRAT No. 2 and First Annuity payment	FO-Eileen/Ada	Draft reports to be ready week of 3/3/14
2.	Quarterly Annuity Payments: First Payment APO1 GRAT NO. 2 due 3.3.14	- PW to prepare assignment - Eileen to transfer cash.	PW preparing Assignment for delivery on Monday

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E.	<u>SPLIT DOLLAR</u>		
1.	Memo to APO1 Trustees request funds For the 1999 Insurance Trust #2	Ada	• Complete-Trustees approved • Trustees Resolution sent 2.26.14 waiting only for JH to sign.
2.	Trust #1 • Notice of termination of Agreement • Surrender forms for single life policies. • Letter requesting entire cash value be paid to AIF • Secretary's Certificate from J. Suydam	Ada	• Signed copies received from NB with request to hold until he can speak with Leon • Certificate received from J. Suydam
3.	Trust #2 • Notice of termination to AIF • Forms releasing the collateral assignment. • Open bank account for Trust #2	Ada	All documents drafted cannot be signed until NB resigns and appoints JH, BC and RR.
4.	NB agreed to resign as Trustee but will speak with LDB • Appointment of Additional Trustee and Resignation of Trustee • Appointment of third Trustee • Acceptance of appointments by BC, JH and RR.	Ada	• All documents drafted, waiting for NB to respond.
5.	Follow up with John Suydam regarding dissolving AIF IV.	Ada/Eileen	• Katie Gregory looking into this. 2.13.14

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F.	<u>TRA AMENDMENTS AND BRH AGREEMENTS</u>		
	Follow-up with J. Suydam to see if Josh Black can be Leon's successor under the BRH agreement	Rich J.	
	Update on Review of Agreements • How is TRA payment valued at death? • Amendment of TRA Agreement to add §734 election on death.	Rich J.	
G.	<u>INSURANCE ANALYSIS</u>		
(A)	<u>PERSONAL PROPERTY INSURANCE</u>		
1.	Obtain separate insurance policy for Art held in each trust (including APO2 after decanting).	Rich J.	
2.	Review current insurance coverage and ascertain adequacy.	Rich J.	Meeting with insurance brokers 2.26.14
(B)	<u>LIFE INSURANCE</u>		
1.	Determine whether to retain joint life insurance or exchange or cash in the policies	Ada/Eileen	Projections received from Bryant Group 2.20.14
2.	Confirm that Trustees of insurance trusts are doing periodic policy reviews and obtain copies of all Crummey notices.	Ada	

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H.	<u>FINANCIAL STATEMENTS/CASH FLOW</u>		
1.	Updated Net Worth Statement to reflect Apollo year-end values	Eileen	In progress
2.	Cash flow analysis for 2013 and going forward.	Eileen	In progress
I.	<u>BANKING AND TRADING ACCOUNTS</u>		
	New bank and brokerage accounts at Deutsche and JPM for LDB individually, LDB and DRB jointly, APO1 GRAT and BFP	Eileen/Rich D.	Signature cards sent to Leon 2.28.14
J.	<u>TANGIBLE PERSONAL PROPERTY LISTS</u>		
	Inventory all personal property, including art and jewelry (cane collection, rare books, bronzes, jewelry, etc.) to determine adequate coverage. Follow up with DRB re Jewelry rider and coverage.	Rich J.	In progress
K.	<u>LDB 2011 LLC-Restructuring</u>		
1.	Acknowledgement of rental payment for 2013	Ada	Complete
2.	Form new LLC "Newco" to which 2011 LLC will transfer BFP interests	PW	PW drafting documents
3.	2011 LLC distributes interests in Newco to 4 2011 trusts. Update books and records of Newco.	Rich J./Rich D.	

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K.	<u>LDB 2011 LLC-Restructuring</u>		
4.	Children's 2011 Trusts sell interest in 2011 LLC to APO1 • Sale Agreement • Promissory Note • Assignments • Empire valuation appraisal for each trust.	PW	PW drafting documents
5.	Confirm each member's ownership percentage and adjust capital accounts to reflect member's contributions.	Rich J./Rich D.	
L.	<u>Art Planning</u>		
1.	Art use Agreements for APO1 and APO2	Ada	Drafts to JEE for review 2.21.14. Waiting for comments.
2.	Promised Gift Agreements and Joint Purchase Agreements • Confirm that we have all Agreements-contact donees to be sure. • Confirm we are in compliance (some required additional action). • Outline Agreements so we understand what happens on LDBs death.	Rich J.	Project started by Ada-transitioned to Rich J.
3.	Review not yet executed Gift Agreements for consistency and completeness	Ada	To begin when Rich unsigned agreements are received.

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L.	<u>Art Planning</u>		
4.	Art Purchase by APO1 and APO2 • Work with Trustees to create an investment policy to purchase art. • Put a process in place for trust art purchases. Will Leon be retained as consultant to the trusts through Narrows?	Team	
5.	Art Sales by Narrows • Obtain resale certificate for Narrows to beef up the argument that it is not an entity created solely for tax avoidance purposes. • APO1 and APO2 to pay sales tax (rather than LDB) when purchasing art.	Rich J.	
M.	<u>Phaidon</u>		
	Prepare subscription agreement for 5-year capital contributions by Non-GST Exempt 1997 Trust (and after the decanting, by APO2). • Consider how the GST Exempt Trust will contribute or whether it will not and the Non-GST Exempt Trust will own a greater portion of Phaidon.	Rich J.	
N.	<u>Estate Flow Analysis</u>		
	JPM or FO accounting group to prepare an estate tax illustration.	?	
O.	<u>Charitable Trusts</u>		
	Prepare illustrations of CRTs and CLTs	PW	

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P.	<u>SUBSTITUTION OF NOTE FROM LB TO APO1 TRUST</u>		
1.	Establish a plan for repayment of the Note: As per PW: Interest to be paid timely but no need to pre-pay principal.	Team	
2.	Determine if LB's 2013 gift tax return will report the note substitution.	PW/Rich J.	PW was leaning toward not reporting.
3.	Update books and records to reflect ownership change of BFP	Rich J./Rich D.	
Q.	<u>2013 YEAR-END GIFTING</u>		
	Complete the process for gifts Leon made to the Foundation in December 2013—to be paid out to charity.	Eileen	
R.	<u>Trusts Created by Leon's Children</u>		
	Eileen to discuss with LDB whether the children should be consulted regarding investing the new funds held in their trusts.	Eileen	
S.	<u>New Heritage Trust</u>		
	Discuss with LDB provisions of New Heritage Trust in light of family meeting.	Ada to prepare memo outlining issues	

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T.	<u>Restructuring of Family Business Entities</u>		
(A)	BLACK FAMILY PARTNERS LP/		
1.	Confirm each partner's ownership percentage in BFP and adjust capital accounts to reflect partner contributions and partnership distributions.	Rich J./Rich D.	
2.	Revise operating agreement for BFP LP re estate issues and governance simplicity.	PW	
(B)	NARROWS HOLDINGS LLC		
	Confirm which art is NOT to be held in Narrows (e.g., bronzes) and assign out anything that is so held.	FO/Rich J.	
(C)	LBF HOLDINGS LLC		
	Review/revise LLC agreement re estate issues and governance simplicity	PW/Ada	
U.	<u>Intra-Family Notes</u>		
1.	Devise a plan to repay all intra-family promissory notes.	Team	
2.	For outstanding notes, determine whether they should be refinanced (to reflect business reality or alternatively, use a lower AFR) and secured.	Team	

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V.	<u>WILLS FOR DEBRA AND THE CHILDREN</u>		
1.	DB to reach out to Jib Black re new Will.		
2.	Status of Children's Wills - Ada met with Josh in November and gave him a Memo of items to consider-he was to consider and call Alan - Alex and Victoria were both sent reminder emails in early November.	PW/Ada	Ben signed his Will December 30, 2013
W.	<u>RESIDENCES</u>		
1.	Residences mostly in joint name-address Alan's suggestion that they be held as tenants in common to obtain valuation discounts on death of last to die. Need to confirm title to 760 Park is in joint name on stock certificate.	Team	
2.	Consider holding all residences in LLCs for liability limitation (Narrows Road and SH residences).	Team	
X.	<u>SECURITIES LAW ISSUES</u>		
1.	Review prior SEC filings for accuracy.	PW	
2.	Address securities law issues with respect to action steps.	PW	

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Y.	<u>FOUNDATION PLANNING</u>		
1.	Create new foundations for each of Leon's children.	Team	
2.	Arrange for Leon to fund each child's foundation.	Team to Discuss	
3.	Prepare a memorandum for each child outlining the rules applicable to private foundation investments, administration, and use and distribution of assets.	Ada/PW	
4.	Review governing instrument for Leon's foundation to determine if provisions still reflect Leon's intentions regarding current and future governance.	Ada/Eileen	In progress
Z.	<u>ADMINISTRATION OF TRUSTS AND FAMILY ENTITIES</u>		
1.	Trustee record book with resolutions re investment and distribution decisions.	Ada	Trust books ordered. Documents being compiled.
2.	Prepare books and records for each family entity (with annual meeting minutes).	Rich D/Ada	
3.	Follow up on Delegation of authority--2011 Family Trust.	Ada	
4.	Review all trust agreements and Foundation documents to determine whether (i) successor Trustee appointments are in place and appropriate, (ii) compensation agreements need to be put in place.	Ada	
5.	Provide B. Cohen information re Fiduciary liability insurance	Ada	Gathering information.

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AA.	<u>FAMILY MEETINGS</u>		
	Discuss with LB timing and agenda for next family meeting	Team	