

**OPEN ITEMS LIST**

As of February 7, 2014

<u>ACTION TO BE TAKEN</u>		<u>RESPONSIBLE PARTY</u>	<u>TIMING/STATUS</u>
<b><u>SUBSTITUTION OF NOTE FROM LB TO APO1 TRUST</u></b>			
1.	Establish a plan for repayment of the Note: <ul style="list-style-type: none"> <li>As per PW: Interest to be paid timely but no need to pre-pay principal.</li> <li>Status of new banking relationships (Deutsche, JPM, Goldman) for possible future art secured financing.</li> </ul>	FO-Eileen/Ada	Eileen has met with teams from JPM and Deutsche Bank
2.	Determine if LB's 2013 gift tax return will report the note substitution.	PW/FO-Rich J	PW was leaning toward not reporting.
3.	Update books and records to reflect ownership change of BFP	FO-Accounting	
<b><u>2009 GRAT</u></b>			
	Assign GRAT remainder to 1997 Trust.	PW/FO	Assignment document out for signature.
<b><u>DECANTING 2006 TRUST</u></b>			
1.	Assignment by 2006 Trust to APO1 Trust of: <ul style="list-style-type: none"> <li>Note dated August 15, 2013 issued by Leon, as Maker.</li> <li>Its interests in LBF Holdings, LLC.</li> <li>Art held in 2006 Trust</li> <li>Insurance coverage updated to reflect new owner of art.</li> </ul>		Complete
2.	Transfer balance of cash account to APO1 Account.	FO-Eileen	Complete

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<b><u>DECANTING 2006 TRUST</u></b>			
3.	Prepare and execute art use agreement with DB and APO1 Trust	PW/FO-Ada	Ada prepared draft of use agreement and sent to PW for review 2.6.14
4.	Obtain separate insurance policy for Art held in APO1 Trust	FO-Rich J.	To be addressed when policies come up for renewal.
<b><u>DECANTING 1997 TRUST</u></b>			
1.	Execute APO2 Agreement <ul style="list-style-type: none"> <li>• Trustees to waive commissions if they wish-Commission waver prepared</li> </ul>	PW to send execution copies	Revised documents received by FO 2.7.14
2.	Decanting Instruments to be revised to include changes to the decanting statute.	PW to revise the document	Revised documents received by FO 2.7.14
3.	Assignment by 1997 Trust to APO1 Trust of its interests in various investment partnerships/LLCs.	FO-Eileen/Accounting	
4.	Transfer cash accounts and marketable securities to APO2 Account.	FO-Eileen/Accounting	
5.	Assignment of Art held in 1997 Trust to APO2 Trust. <ul style="list-style-type: none"> <li>• Obtain separate insurance policy for Art held in trust</li> <li>• <i>Discuss pledge of art by 1997 Trust to BFP for Phaidon line of credit.</i></li> </ul>	PW to prepare assignment FO—Rich J. re insurance PW/Ada re Pledge	Insurance to be addressed when policies come up for renewal.
6.	Assignment by 1997 Trust to APO2 Trust of: <ul style="list-style-type: none"> <li>• Note payable to BFP (\$21 MM per 10.31.13 balance sheet).</li> <li>• Note payable to LBF (\$88.6 MM per 10.31.13 balance sheet).</li> </ul>	PW to prepare assignments/ Ada to review	

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<b><u>DECANTING 1997 TRUST</u></b>			
7.	Assignment by 1997 Trust to APO2 Trust of its interests in: <ul style="list-style-type: none"> <li>• Black Family Partners; OFH LLC; SH Meadow Lane LLC; LDB Warren Street LLC; and</li> <li>• Phaidon                             <ul style="list-style-type: none"> <li>○ <i>Address Good Guy Guaranty provided by 1997 Trust to landlord of 65 Bleeker Street.</i></li> </ul> </li> </ul>	PW to prepare assignments/Ada to review  Ada to address good guy guaranty with landlord's counsel	
<b><u>GRAT VALUATIONS/ANNUITY PAYMENTS</u></b>			
1.	Work with Empire to obtain valuations for Gift to APO1 GRAT	FO-Eileen/Ada	Eileen collecting account information to send to Empire.
2.	Work with Empire to obtain valuations for Gift to APO1 GRAT NO. 2	FO-Eileen/Ada	<ul style="list-style-type: none"> <li>• Engagement Letter sent to LDB for signature 2.5.14</li> <li>• Eileen collecting account information to send to Empire.</li> </ul>
3.	Quarterly Annuity Payments: <ul style="list-style-type: none"> <li>• First payment APO1 GRAT—assignment sent to LDB for signature 1.24.14</li> <li>• First Payment APO1 GRAT NO. 2 due 3.3.14-PW to prepare assignment-Eileen to transfer cash.</li> </ul>	PW/FO-Ada	

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<b><u>GRAT VALUATIONS/ANNUITY PAYMENTS</u></b>			
4.	Payment of Appraisal fees: <ul style="list-style-type: none"> <li>• LDB to pay for valuation of gift to the GRAT</li> <li>• GRAT to pay for in-kind quarterly payments of annuity (just update fee)</li> <li>• If Leon re-GRATs the in-kind distribution, he needs a new full report and he pays for it.</li> </ul>	FO/Accounting	
<b><u>APO1 GRAT No. 3</u></b>			
	Discuss timing of creation of APO1 GRAT No. 3 <ul style="list-style-type: none"> <li>• Next dividend will be end of February-create in March?</li> <li>• Need new engagement Letter from Empire.</li> </ul>	PW/FO-Ada	Execution copy of a February 2014 GRAT with Ada ready to send to LDB.
<b><u>2013 YEAR-END GIFTING</u></b>			
	Complete the process for gifts Leon made to the Foundation in December 2013—to be paid out to charity.	FO/Ada-Eileen	
<b><u>SPLIT DOLLAR</u></b>			
1.	Prepare Memo to Trustees of APO1 Trust to request funds to repay AIF IV for premium advances to Trust #2.	FO-Ada	Complete-One Trustee approved to date.

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<b><u>SPLIT DOLLAR</u></b>			
2.	Trust #1 <ul style="list-style-type: none"> <li>• Ada To prepare Notice of termination to AIF</li> <li>• Roger Cammon to prepare and Surrender forms for single life policies.</li> <li>• Roger to send a form of letter from AIF requesting that entire cash value be paid to it based on the collateral assignment.</li> </ul>	Bryant Group/Family Office/McDermott to review	In Progress
3.	Trust #2 <ul style="list-style-type: none"> <li>• Ada To prepare Notice of termination to AIF</li> <li>• Roger Cammon will send a form to be completed by AIF releasing the collateral assignment.</li> </ul>	Bryant Group	In Progress
4.	Follow up with John Suydam regarding dissolving AIF IV.	Family Office-Ada/Eileen	Memo sent 11.25.13. Email reminder 12.4.12.
<b><u>LDB 2011 LLC-RESTRUCTURING</u></b>			
1.	Send acknowledgement of rental payment for 2013 to Members of LDB 2011 LLC for signature.	Family Office-Ada	Sent to UST 2.6.14-not yet sent to Trustees
2.	LDB 2011 LLC creates new LLC ("Newco") to hold BFP interests <ul style="list-style-type: none"> <li>• Draft new LLC agreement and form Newco.</li> </ul>	PW	

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<b><u>LDB 2011 LLC-RESTRUCTURING</u></b>			
3.	LDB 2011 LLC distributes interests in Newco to 4 children's 2011 trusts. <ul style="list-style-type: none"> <li>Update books and records of Newco.</li> </ul>	FO/Accounting	
4.	Four Children's 2011 Trusts each sell its interest in LDB 2011 LLC to APO1 Trust for a Note. <ul style="list-style-type: none"> <li>Draft Installment Sale Agreement</li> <li>Draft Promissory Note</li> </ul>	PW	
<b><u>TRUSTS CREATED BY LEON'S CHILDREN</u></b>			
	Eileen to discuss with Leon whether the children should be consulted regarding investing the new funds held in their trusts.	FO-Eileen	
<b><u>NEW HERITAGE TRUST</u></b>			
	Discuss with Leon provisions of New Heritage Trust in light of family meeting. <ul style="list-style-type: none"> <li>Decant APO1 and APO2 trusts to New Heritage Trust</li> </ul>	FO-Ada to prepare memo outlining issues	

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<u>ACTION TO BE TAKEN</u>		<u>RESPONSIBLE PARTY</u>	<u>TIMING/STATUS</u>
<b><u>RESTRUCTURING OF FAMILY BUSINESS ENTITIES</u></b>			
<b>(A) BLACK FAMILY PARTNERS LP/ELYSIUM MANAGEMENT LLC</b>			
1.	Elysium: <ul style="list-style-type: none"> <li>• File paperwork to change name of Black Family GP LLC to Elysium Management LLC.</li> <li>• Revise LLC Operating Agreement to relate to Elysium.</li> <li>• Created new GP of Black Family Partners LP</li> </ul>	PW/Team	
2.	Confirm each partner's ownership percentage in BFP and adjust capital accounts to reflect partner contributions and partnership distributions.	FO/Accounting	
3.	Review/revise operating agreements for Elysium and BFP LP re estate issues and governance simplicity.	PW/FO-Ada	
<b>(B) NARROWS HOLDINGS LLC</b>			
1.	Restructure so it is an art investment entity-how will it be paid? Service Agreement?	FO-Rich J.	
2.	Discuss how sales tax will be paid when sales are made to family trusts to avoid additional gift issues.	Team	
3.	Confirm which art is NOT to be held in Narrows (e.g., bronzes) and assign out anything that is so held.	FO/Rich J.	

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<b><u>RESTRUCTURING OF FAMILY BUSINESS ENTITIES</u></b>			
<b>(C) LDB 2011 LLC</b>			
1.	Confirm each member's ownership percentage and adjust capital accounts to reflect member's contributions.	FO/Rich J.	
2.	Review/revise LLC agreement re estate issues and governance simplicity	PW/FO-Ada	
<b>(D) LBF HOLDINGS LLC</b>			
	Review/revise LLC agreement re estate issues and governance simplicity	PW/FO-Ada	
<b><u>INTRA-FAMILY NOTES</u></b>			
1.	Devise a plan to repay all intra-family promissory notes. <ul style="list-style-type: none"> <li>• Continue pro rata distributions from BFP to all limited partners.</li> </ul>	Team	
2.	For outstanding notes, determine whether they should be refinanced (to reflect business reality or alternatively, use a lower AFR) and secured.	Team	
<b><u>ART PURCHASES BY APO1/APO2</u></b>			
1.	Discuss whether we will work with Trustees to create an investment policy statement to purchase art. Consider putting a process in place for trust art purchases.	Team to discuss	

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<b><u>WILLS FOR DEBRA AND THE CHILDREN</u></b>			
1.	DB to reach out to Jib Black re new Will.		
2.	Status of Children's Wills <ul style="list-style-type: none"> <li>• Ada met with Josh in November and gave him a Memo of items to consider-he was to consider and call Alan</li> <li>• Alex and Victoria were both sent reminder emails in early November.</li> </ul>	PW/FO	Ben signed his Will December 30, 2013
<b><u>RESIDENCES</u></b>			
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. <ul style="list-style-type: none"> <li>• Need to confirm title to 760 Park is in joint name on stock certificate.</li> </ul>	Team	
2.	Consider holding all residences in LLCs for liability limitation (Narrows Road and SH residences).	Team	
<b><u>SECURITIES LAW ISSUES</u></b>			
1.	Review prior SEC filings for accuracy.	PW	
2.	Address securities law issues with respect to action steps.	PW	

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<b><u>FOUNDATION PLANNING</u></b>			
1.	Create new foundations for each of Leon's children.	Team	
2.	Arrange for Leon to fund each child's foundation.	FO	
3.	Prepare a memorandum for each child outlining the rules applicable to private foundation investments, administration, and use and distribution of assets.	FO/PW	
4.	Review governing instrument for Leon's foundation to determine if provisions still reflect Leon's intentions regarding current and future governance.	FO-Ada/Eileen	In Progress
<b><u>INSURANCE</u></b>			
<b>(A)</b>	<b><u>LIFE INSURANCE</u></b>		
1.	Determine whether to retain second to die life insurance and/or exchange or cash in the policies	FO-Ada/Eileen working with Bryant Group	Updated policy illustrations expected Mid-February
2.	Confirm that Trustees of insurance trusts are doing periodic policy reviews and obtain copies of all Crummey notices.	FO-Ada	
<b>(B)</b>	<b><u>PERSONAL PROPERTY INSURANCE</u></b>		
1.	Prepare full inventory of Leon's personal property, including art and household property (cane collection, rare book collection, bronzes, etc.).	FO-Rich J.	List prepared by E. Damaskos are 90% complete. Rich adding basis information.
2.	Prepare inventory of Debra's personal property, including jewelry.	FO-Rich J.	

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<b><u>ADMINISTRATION OF TRUSTS AND FAMILY ENTITIES</u></b>			
1.	Prepare Trustee record book with resolutions re investment and distribution decisions.	FO-Ada	
2.	Prepare books and records for each family entity (with annual meeting minutes) with governing documents.	FO-Ada	
3.	Was Direction to take instructions from the Delegee Trustee ever signed in connection with the 2011 Family Trust? If not-address.	FO-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.	FO-Ada	
<b><u>FAMILY MEETINGS</u></b>			
	Discuss with LB timing and agenda for next family meeting	Family Office	
<b><u>PROMISED WORKS OF ART</u></b>			
	<p>Attention to Promised Gift Agreements and Joint Purchase Agreements</p> <ul style="list-style-type: none"> <li>• Confirm with institutions that we have all Agreements (we have all agreements prepared by Withers and all information that Diana had).</li> <li>• Confirm that we are in compliance with the terms (some required additional action).</li> <li>• Outline agreement terms so we understand what happens upon Leon's death.</li> </ul>	FO-Rich J.	Project started by Ada-transitioned to Rich J.