

ART ENTITY: TERM SHEET

As of November 26, 2014

I. Entity. Narrows Holdings III L.P. (“Narrows III”) will be the new investment entity

II. Governance.

A. Class A General Partner: Narrows Holdings LLC (“Narrows I”), with LDB as Managing Member

1. Makes all decisions other than those relating to (a) distributions, (b) use of property, (c) permission for withdrawals, (d) permission to pledge partnership interests to lenders to support loan, (e) capital calls and (f) liquidation of Narrows III
2. Makes investment decisions, including financial investments and investments in art, other tangible property and real estate
3. Makes recommendations to the Class B General Partner regarding capital calls for such purposes as:
 - (a) Making additional investments or acquisitions
 - (b) Insuring, storing and maintaining the entity’s property
 - (c) Servicing bank or other debt
 - (d) Paying employee compensation/benefits
4. Provides to Partners:
 - (a) Annual reports describing investments and sales, investment policy statements and overview of market
 - (b) Quarterly reports, including schedules of investments and sales

B. Class B General Partner: Newly created trust (“Trust B”), with LDB as the Grantor and a Trustee to be determined

1. Makes all decisions relating to (a) distributions, (b) use of property, (c) permission for withdrawals, (d) permission to pledge partnership interests to lenders to support loans, (e) capital calls and (f) liquidation of the entity
2. LDB, as Grantor, will have power to remove and replace the Trustee

III. Withdrawal and Transfer Rights.

A. No withdrawals without consent of the Class B GP

B. Limitations on transfers:

1. Transfers to family members (or trusts or other entities for their benefit) permitted
2. Transfers to persons other than to family members (or trusts or other entities for their benefit) subject to rights of first refusal granted to the partnership
3. Pledges to lenders as collateral to support a loan are permitted only with the consent of the Class B GP

IV. Use of Art, Other Tangible Property and Real Estate.

- A. By Partners and beneficiaries of Partners (e.g., DRB) subject to use agreement; if LDB/DRB use property while both are living and married, no rent; otherwise rent will be required
- B. For exhibition loans to enhance value as determined by the Class B GP
- C. As collateral for loans upon the determination of the Class A GP

V. Eventual Structure.

