

ART ENTITY: TERM SHEET

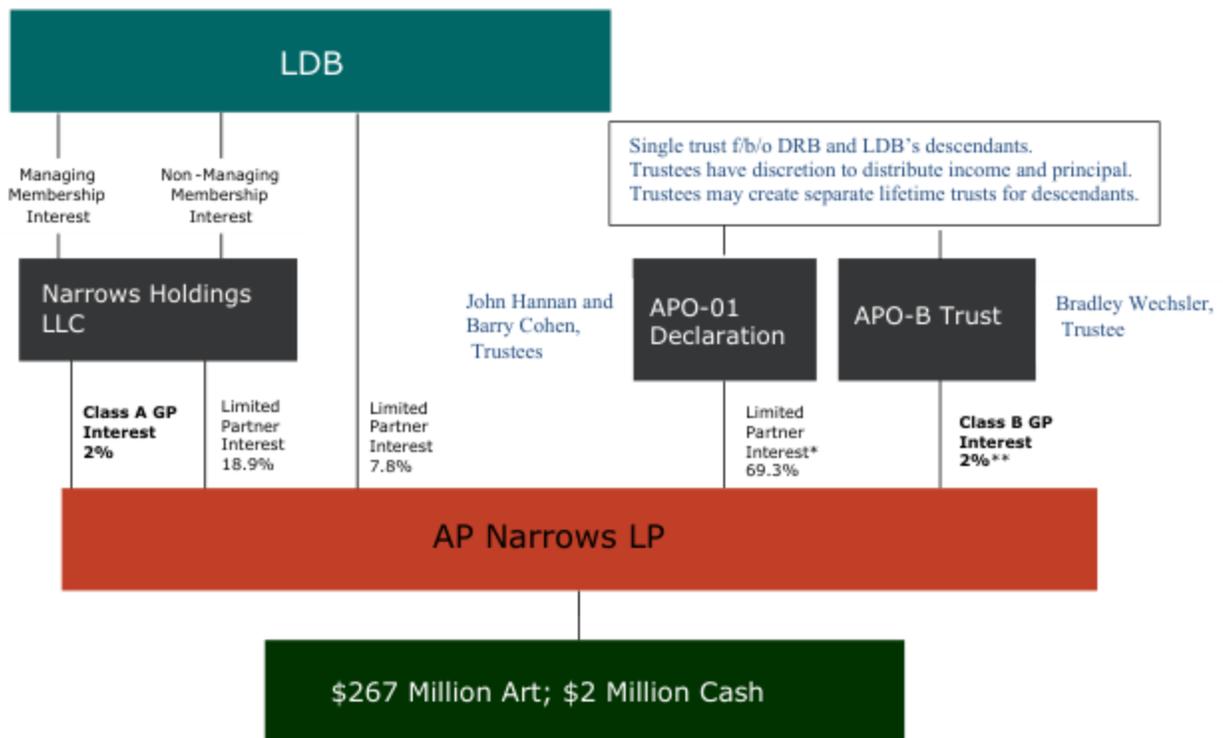
as of February 17, 2016

- I. **Entity.** AP Narrows LP (the "Partnership") will be the new investment entity.
- II. **Governance.**
- A. **Class A General Partner:** Narrows Holdings LLC, with LDB as its Managing Member:
1. Makes all Partnership decisions other than those reserved to the Class B General Partner, including decisions to:
 - (a) Make investments, including financial investments and investments in art, other tangible property and real estate;
 - (b) Lend Partnership art for exhibitions; and
 - (c) Rent Partnership property at fair market rental value.
 2. Provides to partners:
 - (a) Copy of the Partnership's financial statements and a statement of such partner's capital account, upon request; and
 - (b) Such other reports as deemed advisable (*e.g.*, annual reports describing investments and sales, investment policy statements and overview of the market; quarterly reports, including schedules of investments and sales).
- B. **Class B General Partner:** APO-B Trust, with Bradley J. Wechsler as Trustee:
- Makes all Partnership decisions relating to (a) distributions, (b) use of partnership property by partners for less than fair market rental value, (c) permission for a partner to pledge Partnership interests to lenders to support loans to such partner, and (d) dissolution of the Partnership.
- C. **Removals.** LDB, as Grantor of the APO-B Trust, has power to remove and replace the Trustee. Limited Partners holding at least 80% of Partnership interests may remove a General Partner.
- III. **Withdrawal and Transfer Rights.**
- A. **Withdrawals.** No withdrawals without consent of the Class B General Partner.
- B. **Limitations on transfers:** Transfers to family members (or trusts or other entities for their benefit) permitted. Transfers to others subject to rights of first refusal granted to the Partnership.

IV. Use of Art.

- 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. By others, for fair market rent as determined by the Class A General Partner.
- C. For exhibition (to enhance value) as determined by the Class A General Partner.

V. Eventual Structure.



* Contributed \$2 million cash in addition to art. All others contributed only art.

** Purchased Class B GP Interest from LDB for approximately \$5.3 million.