

From: "jeffrey E." <jeevacation@gmail.com>

To: Heather Gray <[REDACTED]>

Cc: Brad Wechsler <[REDACTED]>

Subject: Re: Picasso agreement - question

Date: Fri, 01 May 2015 16:44:11 +0000

agree

On Fri, May 1, 2015 at 12:27 PM, Heather Gray <[REDACTED]> wrote:

Brad and Jeffrey,

Gagosian has one final change to the Picasso agreement. As you know, we have structured this agreement with the Buyer as either Narrows Holdings LLC or AP Narrows LP, and given both of those entities the right to assign the agreement to any one among Leon, Debra, the kids, or family trusts including APO1 and APO2.

Gagosian wants us to agree that, if Narrows/AP Narrows assigns the agreement to someone else, Narrows/AP Narrows "shall not be discharged from its liabilities under this Agreement and shall remain primarily liable to Seller." Larry is concerned that we might assign to the Black kids or to a trust that has no assets, and then when he has to sue us because we don't make the final payment of the purchase price but have possession of the art, the entity/person to which we have assigned the agreement has no money.

I think this is a valid concern and that we should agree to it.

However, Ada just reminded me that it is possible that Narrows/AP Narrows (really, Leon's) agreeing to effectively guarantee payment by the assignee might be considered a gift to the assignee. In the discussions with Alan about rearranging the bank loan once AP Narrows is operational, Alan agreed that there could be deemed to be a potential gift from Leon to APO1/APO2 if Leon provides a guarantee to the bank that is for the benefit of the trusts as partners in AP Narrows. Alan suggested mitigating this risk by having the trusts sign side agreements with Leon which say that if AP Narrows defaults on the loan and the bank goes after Leon on his guarantee, the trusts will make him whole.

This issue only arises if we assign the agreement. The risk is also limited in time because it would run from the moment we assigned the agreement until the final payment is made, which even if we assigned immediately after signing, would only be 11 1/2 months.

Shall I agree to Gagosian's request that Narrows/AP Narrows remain liable even if they assign the agreement?

I'm in the office if you would like to discuss this, but I would love to get back to Gagosian ASAP so we can have this agreement signed today.

EFTA00857888

Thanks,

Heather

Heather Gray

Elysium Management LLC

[REDACTED]
New York, New York 10022

Direct Dial: [REDACTED]

Fax: [REDACTED]

Email: [REDACTED]

--

please note

The information contained in this communication is confidential, may be attorney-client privileged, may constitute inside information, and is intended only for the use of the addressee. It is the property of JEE

Unauthorized use, disclosure or copying of this communication or any part thereof is strictly prohibited and may be unlawful. If you have received this communication in error, please notify us immediately by return e-mail or by e-mail to jeevacation@gmail.com, and destroy this communication and all copies thereof, including all attachments. copyright -all rights reserved