

**From:** Heather Gray <[REDACTED]>  
**To:** "Melanie Spinella" <[REDACTED]>  
**CC:** "Jeffrey Epstein (jeevacation@gmail.com)" <jeevacation@gmail.com>  
**Subject:** Procedures for Museum Loans  
**Date:** Tue, 07 Oct 2014 18:51:22 +0000

**Attachments:** Summary\_of\_Loan\_Agreement\_-\_Jewish\_Museum\_and\_Narrows.docx;  
Summary\_of\_Loan\_Agreement\_-\_Neue\_and\_Narrows.docx;  
Summary\_of\_Loan\_Agreement\_-\_Neue\_and\_APO1.docx;  
Summary\_of\_Loan\_Agreement\_-\_MoMA\_and\_APO2.docx;  
Summary\_of\_Bailment\_Agreement\_-\_Jewish\_Museum\_and\_Narrows.docx;  
Summary\_of\_Bailment\_Agreement\_-\_Neue\_and\_Narrows.docx; Narrows\_Holdings\_LLC\_-\_Resolution\_by\_Consent.docx

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Dear Leon,

Below is a summary of the procedures we are now undertaking for museum loans. I am copying Jeffrey on this email for his review and comments.

#### Loans of Art to Museums

Historically, when art has been loaned to museums, you have been listed as the owner of the work on all loan agreements for convenience purposes, regardless of whether the art was actually owned by you, Narrows Holdings LLC or one of the trusts. Going forward, we will have the owner of the artwork enter into the loan agreement with the museum.

Here is a list of pending loans and the owners of the works being loaned:

- Narrows is loaning the Picasso *Study for Nude with Drapery* to the Jewish Museum
- Narrows is loaning three Schieles *Self-Portrait*, *Two Nudes* and *Violet Stockings* to Neue Galerie
- APO1 trust is loaning the Schiele *Self-portrait as St. Sebastian* to Neue Galerie
- APO2 trust is loaning the Matisse *Amphitrite* to MoMA

Attached are summaries of the loan agreements between Narrows and the Jewish Museum, and the loan agreement between Narrows and Neue. These loan agreements follow the standard template that we use with all museums, which includes the following provisions:

- The credit line is always "Private Collection."
- The museum agrees to take comparable care with the loaned work that it takes with its own property. Diana Howard provides any limitations on light levels or other restrictions that are necessary to protect the work while on loan.
- We allow the museum to reproduce the work in the exhibition catalogue, for publicity purposes and for commercial merchandise sold during the exhibition for the benefit of the museum, provided the museum has obtained the appropriate copyright clearances.
- Diana advises on transport of the work and frequently acts as courier. We require condition reports to be prepared each time the work is moved from one location to another.
- Diana advises on the insurance value for each work, and Jeffrey Haber reviews the insurance provisions for high value loans and loans covered by non-U.S. government indemnity insurance.

Also attached are summaries of the loan agreements between the APO1 trust and Neue, and between the APO2 trust and MoMA for Barry Cohen, John Hannan and Richard Ressler, the trustees of the trusts. I have included more detail in these summaries because the trustees are much less familiar with art loans. I have not yet sent these summaries to the trustees, as I wanted you and Jeffrey to have a chance to see them first.

Bank of America

To be in compliance with the terms of the Bank of America loan and pledge agreement, we are notifying the bank of any loan of art that is collateral and we are entering into bailment agreements with the bank and the museums. The Picasso and the Schieles owned by Narrows listed above are collateral on the Bank of America loan.

We have a standard bailment agreement that we will be using for all loans of collateral, which provides that:

- The museum will retain physical possession of the work during the exhibition.
- The museum will insure the work in accordance with the terms of the loan agreement and Bank of America will be named on the museum's insurance as additional insured and loss payee.
- If Narrows defaults on the Bank of America loan during the exhibition, the bank may require the museum to release the work to the bank, instead of returning it to you at the end of the exhibition.

Attached are summaries of the bailment agreements with the Jewish Museum (for the Picasso) and Neue Galerie (for the Schieles).

Authorized Signatory for Narrows Holdings LLC

Diana Howard has historically signed loan agreements on your behalf as your "Authorized Signatory," but she is not an authorized signatory of Narrows Holdings LLC. I would suggest you appoint Diana as an authorized signatory for Narrows for art loan agreements and related bailment agreements only.

If you would like to appoint Diana as authorized signatory for these purposes, please sign the attached Resolution. If you would prefer to sign loan agreement and bailment agreements for Narrows yourself, you do not need to sign the Resolution, but you do need to sign the loan agreements and bailment agreements that I have sent to Melanie.

Please let me know if you have any questions or concerns with the procedures outlined above. I would be happy to discuss them with you.

Best,  
Heather

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