

DOCUMENT SUMMARY

To: Leon D. Black
From: Ada Clapp
Date: October 22, 2014
Re: Summary of Proposed Amended LLC Agreement of Narrows Holdings, LLC

Following is a summary of the draft Amended and Restated Limited Liability Company Agreement of Narrows Holdings LLC (the "Company").

I. Members.

A. Managing Members.

1. Class A Manager: Leon D. Black (.05%)
2. Class B Manager: Leon D. Black (.05%)

B. Non-Managing Members. Leon D. Black (99%)

II. Formation/Purpose.

- A. Formation. The Company was formed in New York on August 9, 1996.
- B. Purpose: The Company's purpose is to pool the Members' funds (so that they can share in investments, including art), facilitate diversification, broaden investment opportunities, ease administrative burden and reduce transaction costs.

III. Management.

A. Managing Members.

1. Class A Managing Members manage the business of the Company other than decisions reserved to the Class B Managing Members.
2. Class B Managing Members make decisions regarding (i) distributions to Members, (ii) capital calls, (iii) use of Company property, and (iv) dissolution of the Company.
3. Actions of Managers. Managers must act by a majority-in-interest.
4. Resignation. Managing Members may resign, provided that, the interests of the resigning Managing Member shall be converted to non-Managing Member interests.

5. Removal. Members holding 2/3rds of the Membership interests may remove a Manager, provided that if Leon participates in the removal, the successor Manager cannot be related or subordinate to Leon within the meaning of IRC Section 672(c). The interests of a removed Managing Member shall be converted to non-Managing Member interests.
 6. Death of Managing Member. Upon the death of a Managing Member, his or her Class A or Class B Membership Interests may be transferred to an Eligible Person (as defined below).
- B. Officers. Class A Managing Members may appoint officers or other authorized persons to perform acts on behalf of the Class A Managing Members. Officer serve until their retirement, removal, death or disability. Class A Managing Members may remove any officer or authorized person without cause.
- C. Reporting. At the request of a Member, the Class A Managing Member must provide a copy of the Company's financial statements for the current or any prior fiscal year, together with a statement of such Member's capital account.
- IV. Capital Accounts/Contributions.
- A. Capital Accounts. Each Member has a separate capital account, which is updated by the Class B Managing Member to reflect additional contributions.
 - B. Additional Contributions. Members must make such additional capital contributions as are demanded by the Class B Managing Member. Members may make other additional contributions if the Class B Manager agrees.
 - C. Loans. A Member may lend money to the Company. Any such loan does not increase the lending Member's capital account.
- V. Allocations. The Company's profits and losses for any period are allocated to each Member in accordance with the Member's Percentage Interests.
- VI. Distributions. Distributions may be made to the Members at such time and in such amounts as determined by the Class B Managing Members, in their sole discretion, and shall be allocated among the Members in proportion to their Percentage Interests.
- VII. Transfers and Withdrawals.
- A. Right of First Refusal. Except in a Permitted Transfer, no Member may sell, assign or otherwise transfer, his/her or its Membership Interest without first offering it to the other Members (who have 90 days to purchase it at the same price a third party purchaser offered to the selling Member).
 - B. Permitted Transfers. Members may sell, assign and transfer Membership Interests, without having to first offer to sell to the other Members, to any of the following ("Eligible Persons"):

1. Leon or his spouse.
 2. A descendant of Leon or such descendant's spouse.
 3. Any Member or his/her spouse.
 4. Any Member's descendants.
 5. Any Member's estate.
 6. A trust for the primary benefit of any one or more of (a) Leon, his spouse or descendants and the spouses of his descendants, (b) a Member his/her spouse or descendants and spouses of a Member's descendants, and (c) charitable organizations.
 7. The beneficiary of a trust that is a Member.
 8. A UTMA custodian for any of the foregoing individuals.
 9. An entity all of the beneficial owners of which are persons or entities previously described.
- C. No Right to Withdraw. A Member may not withdraw from the Company or reduce such Member's capital account without the unanimous consent of the Class B Managing Members.
- VIII. Dissolution. The Company will dissolve upon any of the following events:
- A. Unanimous written consent of the Class B Managing Members.
 - B. Entry of a decree of judicial dissolution.
 - C. At any time there are no Members.
- IX. Expenses. Operating expenses and other costs of Company activities will be paid by the Company. The Class A Managing Members have sole discretion to determine what are appropriate expenses in connection with the purchase, sale and holding of Company assets