

DOCUMENT SUMMARY

To: Leon D. Black
From: Heather Gray
Date: October 21, 2014
Re: Sotheby's Consignment Agreement
Contribution Agreement
Resolution by Consent of the Sole Member of Narrows Holdings LLC

Enclosed is the consignment agreement for the six works that Narrows Holdings LLC is consigning to Sotheby's. Also enclosed is a Contribution Agreement, by which you contribute to Narrows the two Cornells that are currently owned by you, and a Resolution by which Narrows accepts the contribution of the Cornells. Jeffrey has reviewed all of these documents.

I did not heavily negotiate the legal terms in the consignment agreement with Sotheby's because the value of the consigned works is relatively low and I am confident that Charlie Moffett will protect your interests.

I. Financial Terms.

Sotheby's originally offered to pay you 6% of the buyer's premium on top of the hammer price for each work when the aggregate auction estimates of the works being consigned was \$6,735,000 - \$9,735,000. Now that the auction estimates of the consignment have dropped to \$1,516,433 - \$2,157,149, Sotheby's is not paying you any of the buyer's premium. Instead, you will receive the full amount of the hammer price for each work and you will not pay any expenses. As you know, the new financial terms are typical for a consignment of six works of art at this value level, but if you would like, I will go back to Charlie to ask him to try to obtain a 1% buyer's premium give back.

Would you like me to ask Charlie if he can do any better on the financial terms?

II. Auctions.

The Bonnard, Gris, and Beckmann will be offered in the Impressionist & Modern Art Day Sale on November 5th, the Cornells will be offered in the Contemporary Day Sale on November 12th and the Severini will be offered in London in the Impressionist & Modern Art Evening Sale in February 2015.

III. Payment.

Narrows will be paid the hammer price for each work thirty-five days after the respective auction.

IV. Reserves.

The reserves will be set in consultation with you closer to the auctions. I will call Charlie next week to see what they are thinking for the Impressionist & Modern works and will report back to you at that time.

V. Representations and Warranties.

The agreement includes the standard representations and warranties that both auction houses require. Basically, you represent and warrant that Narrows has the right to consign the works, there are no liens on the works, good title will pass to the purchaser, you have no reason to believe the works are not authentic, etc. I am happy to discuss these representations in more detail with you if you would like.

VI. Insurance.

Sotheby's is insuring each work at its high estimate prior to the auction. I thought this was necessary because the estimates are generally lower than the appraised values that Sotheby's has previously given you.

VII. Withdrawal.

You cannot withdraw any of the works once you sign this agreement. Sotheby's may withdraw a work if there is doubt as to its authenticity or as to the accuracy of your representations or warranties, you have breached the agreement or a work incurs so much damage that it cannot be sold. A withdrawal fee is standard and is in the agreement, but Sotheby's would never charge it.

VIII. Rescission.

The agreements include the standard rescission language, which provides that Sotheby's may rescind a sale according to the Conditions of Sale and Terms of Guarantee in the catalogue, if they learn that the work is a counterfeit, or if they determine that selling a work subjects you or them to liability. As you know, rescinded sales are rare, and we would have the opportunity to hire our own experts in the event someone challenged the authenticity of one of the works.

IX. Reconsignment.

Sotheby's will internally reconsign the Severini to Sotheby's London (this keeps you from having to sign a separate consignment agreement with Sotheby's London). Any VAT due on the sale and any applicable Artist's Resale Royalty will be charged to the buyer, not to you.

Please let me know if you have any questions. I would be happy to discuss these documents in more detail with you. If they are acceptable, please sign each document in the spaces indicated.