

ART ENTITY: ACTION STEPS

- I. Dealing with Existing Loan – Three Options:
 - A. Renegotiate agreement such that Narrows Holdings LLC assumes debt
 - B. Refinance debt, with the LLC being the borrower from inception
 - C. If restructuring is not possible, contribute assets not subject to pledge to Narrows Holdings II LLC

- II. Amendment and Restatement of Narrows Holdings LLC Agreement
 - A. 0.5% Managing Membership Interest: Leon
 - B. 99.5% Non-Managing Membership Interest: Leon
 - C. To the extent the art partnership is to hold additional artwork, Leon is to transfer such artwork prior to III

- III. Transfer of Managing Membership Interest
 - A. Leon sells 0.5% Managing Membership Interest to APO1 or APO2
 - B. Two-step process (described in II and III) designed to address 2704(a) risk

- IV. Second Amendment and Restatement of Narrows Holdings LLC Agreement and Admission of Members
 - A. Incorporate terms outlined in term sheet
 - B. Admit additional Members
 - C. APO1 to contribute its interest in the LDB 2011 LLC (which, in turn, owns art and an interest in PLB LLC)
 - D. APO2 to contribute its interest in PLB LLC
 - E. GST Exempt Trust under the Black Family 1997 Trust to contribute its interest in PLB LLC

- V. Other Agreements
 - A. Enter into Art Use Agreements
 - B. If Narrows Holdings LLC assumes debt and lender requires guaranty from Leon, Members agree to contribute proportionately if Leon is called upon to satisfy the guaranty