

DOCUMENT SUMMARY

To: Leon D. Black
From: Ada Clapp
Date: January 27, 2015
Re: Summary of Proposed Limited Partner Agreement of AP Narrows LP

Following is a summary of the draft Limited Partnership Agreement of AP Narrows LP (the "Partnership"):

I. Partners.

- A. General Partners ("GPs"). Narrows Holdings LLC ("Narrows") is the Class A GP (1%). You are the initial Class B GP (1%). It is anticipated that you will sell this interest to the APO-B Trust.
- B. Limited Partners ("LPs"). You and Narrows will be the initial LPs (98%). Thereafter, the APO1 and APO2 Trusts will contribute art and other assets to the Partnership in exchange for LP interests.

II. Formation/Purpose.

- A. The Partnership was formed in Delaware on December 24, 2014 and will have perpetual existence.
- B. The purpose of the Partnership is to pool the Partner's funds so that they can share in investments (including investments in art), facilitate diversification and broaden investment opportunities.

III. Management. The Partnership is managed by the GPs.

- A. Class A GPs. Except for decisions reserved to the Class B GPs, the Class A GPs make all decisions for the Partnership including: (i) lending art for exhibition, (ii) pledging property as collateral for a loan to the Partnership and (iii) renting Partnership property at fair market rental.
- B. Class B GPs. Class B GPs make decisions regarding (i) distributions, (ii) capital calls, (iii) use of Partnership property by Partners for less than fair market rental, (iv) use of Partnership interests as collateral for a loan to a Partner and (v) dissolution of the Partnership.
- C. Reporting. Upon a Partner's request, the Class A GP must provide copies of the Partnership's financial statements and a statement of such Partner's capital account.

- D. Resignation/Removal. GPs may resign. Partners holding 2/3rds of Partnership interests may remove a GP. If you participates in the removal, the successor GP cannot be related or subordinate to you within the meaning of IRC Section 672(c) (that is, closely related to you or employed by you).

IV. Capital Accounts/Allocations.

- A. Each Partner has a separate capital account. Partners must contribute such additional capital as is requested by the Class B GP.
- B. Profits and losses for any period are allocated to each Partner in accordance with the Partner's ownership percentage.

- V. Distributions. Distributions are in the discretion of the Class B GP and are allocated among the Partners in proportion to their ownership percentages.

VI. Transfers/Pledges.

A. Transfers.

1. Except in a "Permitted Transfer", a Partner may not transfer a Partnership Interest without first offering it to the other Partners. A Permitted Transfer is a transfer to an Eligible Person.¹
2. If a GP interest is transferred, a majority-in-interest of the Partners must consent to the admission of the transferee as a substitute GP otherwise the transferred interest is converted to a LP interest.

- B. Pledges. A Partner may pledge a Partnership interest as collateral for a loan only with the consent of the Class B GPs.

¹ An "Eligible Person" is any of the following:

1. You, Debra and your descendants;
2. Spouses of your descendants;
3. A Partner and his/her spouse and descendants;
4. A Partner's beneficiaries if the Partner is a Trust;
5. A Partner's estate;
6. Trusts for one or more of you, Debra, your descendants, spouses of your descendants, a Partner and his/her spouse and descendants, the spouses of a Partner's descendants and charitable organizations;
7. A custodial account for any of the foregoing persons; and
8. An entity all of the owners of which are persons/entities described above.

- VII. Withdrawals. A Partner may not withdraw from the Partnership or reduce such Partner's capital account without the unanimous consent of the Class B GPs.
- VIII. Dissolution. The Partnership will dissolve upon the first to occur of unanimous written consent of the Class B GPs, entry of a decree of judicial dissolution and at any time there are no GPs acting.