

The Founders Circle - Le Cercle des Fondateurs · TB RAK INVEST SAS - Toile Blanche Marrakech

COLLECTOR _____
 ADDRESS _____
 INSTRUMENT NO. _____
 DATE OF ENTRY _____

T H E F O U N D I N G

By the execution of this instrument and the simultaneous acquisition of Panel I, the Collector enters the Founders Circle of the Toile Blanche Marrakech institution, a contemporary art institution and hotel located at Douar Tagadirt, Al Haouz, Morocco, operating under the Toile Blanche brand, hereinafter referred to as

THE INSTITUTION.

The Founders Circle, Le Cercle des Fondateurs, is constituted by ten (10) founding instruments numbered sequentially in order of entry. The instrument number inscribed on this panel is the permanent record of the Collector's position in the founding of the Institution. It is not a ranking. It is a date encoded as a number.

The Collector is a founder of the Institution. This designation is permanent and unconditional. It is not subject to the financial performance of the Obligation described in Panel I, the exercise of the Termination Protocol, or the exercise of the Call Option described in Article 3 of this panel.

A R T I C L E 1 · T H E E Q U I T Y S U B S C R I P T I O N

Simultaneously with the execution of Panel I and the acquisition of the artwork, the Collector subscribes to one percent (1%) of the share capital of TB RAK INVEST SAS, a société par actions simplifiée incorporated under French law, at the nominal par value of the shares on the date of incorporation. The subscription price is determined by the nominal value of the shares on day one of a company with no operational history, no assets, and no liabilities. This transaction is legally isolated from the artwork acquisition described in Panel I and is documented in a separate share subscription instrument.

The Collector's equity subscription is hereinafter referred to as **THE FOUNDING EQUITY**.

Ten Founders collectively hold ten percent (10%) of TB RAK INVEST SAS. Leroy Brothers hold ninety percent (90%).

A R T I C L E 2 · T H E D I V I D E N D

From the first full operational year of the Institution, the Founding Equity carries the right to receive annual dividends proportional to the Collector's one percent (1%) shareholding. Dividends are distributed at the discretion of the board of TB RAK INVEST SAS in accordance with French company law and are not guaranteed. Projected annual dividend income is growing as the Institution stabilises and grows its operated key count as the Institution stabilises and grows its operated key count. Projections are indicative only and constitute no contractual commitment.

A R T I C L E 3 · T H E C A L L O P T I O N

From the end of the fifth (5th) year following the date of incorporation of TB RAK INVEST SAS, Leroy Brothers hold an option to acquire the Collector's Founding Equity at a formula price equal to five (5) times the trailing annual dividend paid to the Collector in respect of the Founding Equity for the most recently completed financial year. This right is hereinafter referred to as **THE CALL OPTION**.

The Collector holds the right of refusal. Exercise of the Call Option requires the Collector's consent. If the Collector refuses, the Founding Equity continues in perpetuity under the terms of this instrument. There is no forced exit mechanism. The Collector may hold the Founding Equity indefinitely.

Exercise of the Call Option does not affect the Collector's designation as a founder of the Institution or the instrument number inscribed on this panel. The founding record is permanent.

A R T I C L E 4 · T R A N S F E R A B I L I T Y

The Founding Equity is not transferable without the prior written consent of Leroy Brothers. The physical diptych may be transferred, sold, or bequeathed by the Collector without restriction, subject to the condition that Panel I and Panel II are transferred together as a single indivisible work. The separation of the two panels constitutes a material alteration of the artwork and is prohibited.

A R T I C L E 5 · T H E I N S T I T U T I O N

The Toile Blanche Marrakech institution is declared a work of art by Leroy Brothers. The territory of Douar Tagadirt, Al Haouz, Morocco, the buildings, the programme, and the permanent collection are spatial and temporal elements of an ongoing artistic practice that began in 1997 and of which this instrument is LOG 08.

The Founders Circle is the human element of the work. The Collector, by entering the Circle, becomes a constitutive part of the Institution, not a financial participant in it. The Founding Equity is the legal form of that constitutive relationship. The annual dividend is its metabolic expression.

A R T I C L E 6 · G O V E R N I N G L A W A N D J U R I S D I C T I O N

This Panel II forms an integral and inseparable part of the Master Protocol constituted by this diptych. It is governed exclusively by French law. Any dispute arising from or in connection with this panel shall be submitted to the exclusive jurisdiction of the competent courts of Paris.

S Y S T E M S T A T U S : A C T I V E / F O U N D I N G

C O L L E C T O R R O L E : F O U N D E R

Signature of the Collector · In acceptance of the Founding Equity and the terms of this Master Protocol

Countersignature of the Artist · Leroy Brothers, acting through LB Art Studio SAS

DATE _____