

**GENERAL TERMS AND CONDITIONS OF
HOOGSTEDER & HOOGSTEDER BV ART DEALER IN THE HAGUE**

I General

- 1.1 These Terms and Conditions replace all previous terms and conditions applied by Hoogsteder & Hoogsteder ("H&H").
- 1.2 These terms and conditions are applicable to all legal acts executed by and the legal relationships between H&H and the Buyer/Client.
- 1.3 Any terms to the contrary or any terms and conditions applied by the Buyer/Client are valid only if and insofar as they have been expressly accepted by H&H in writing and only for the legal relationship in respect of which they are accepted.

II Valuations and advice

- 1.1 H&H carries out valuations and gives advice, all in good faith and to the best of its abilities. H&H does not accept liability for any loss or damage resulting directly or indirectly from the content of its valuations and/or advice, including oral advice.
- 1.2 A valuation report drawn up by H&H is not an expert's report. H&H provides a value appraisal of Objects based on information it has received from the Client. The Client warrants the correctness of this information. In respect of Objects sold by H&H, the attribution as it was at the time of purchase is the applicable attribution. The provisions regarding continuing new insights as mentioned in Article III.1.2 are applicable to attributions.

III The purchase and sale of paintings and works of art ("Objects")

1. Guarantee and Liability

- 1.1 Authenticity
H&H shall inform the Buyer to the best of its knowledge on the authenticity of the Object, i.e. the period of origin. H&H warrants the correctness of this information.
- 1.2 Attribution
H&H gives its opinion as regards the maker of the Object to the best of its knowledge (the "attribution"), with due observance of the rules of expertise and good professional conduct. The attribution is based in part on art-historical research, and is directed by the insight existing at the time of research. H&H shall not be liable if, due to continuing new insights, an attribution subsequently changes.
- 1.3 State
The Buyer accepts the Object in the actual state at the time of purchase, including any restorations that have been carried out on the Object, such as re-panelling and re-lining. Any deterioration in the state of the Object taking place after the date of purchase is for the account and risk of the Buyer.
- 1.4 Consignment
H&H undertakes to keep the Objects it is given on consignment with due care and diligence. All Objects given on consignment or goods sent on approval by H&H may be claimed back immediately, as described in more detail in Article III.2.1.
- 1.5 Insurance
Unless otherwise agreed, goods owned by H&H or given on consignment to H&H are insured by H&H against fire, theft, damage, etc. These goods are also insured during those periods in which they are sent on approval by H&H to the Buyer's residence, until the time of sale to the Buyer. In each instance, H&H's liability is limited to the amount that is covered by the insurance in the relevant situation.
- 1.6 Compensation
- 1.6.1 H&H undertakes to take the Object back, against repayment of the entire purchase sum, if it turns out that the Object is a forgery and does not comply with the authenticity as described in Article III.1.1.
- 1.6.2 This obligation exists only under the condition that, within three (3) years after the date of sale, the Buyer:
- (i) shall notify H&H in writing, stating arguments, of the fact that the Object is a forgery, upon the condition that this notification shall be made within three (3) months after the Buyer has received information that has led him to conclude that the Object is a forgery;
 - (ii) shall be authorised to transfer its claim for damages on a third party to H&H;
 - (iii) and shall be able to return the Object to H&H in the same state it was in at the actual time of purchase; upon the understanding that H&H shall not be under any obligation to repay the full purchase sum if the method by which the forgery could have been detected had not become universally accepted until after the date of purchase, and/or this method was unreasonably expensive, and/or impractical, and/or would have damaged the Object, and/or would in all probability have resulted – such in the reasonable opinion of H&H – to a loss in value of the Object.
- 1.6.3 An Object shall be considered a forgery in the event of a wilful modern forgery, or in any case an imitation that was made after 1870 with the intention to deceive as regards the maker, origin, date, age, period, or culture, and

which, on the date of purchase, represented a monetary value that was considerably less than the value assessed by H&H. An Object shall not be considered a forgery due to damage, and/or restoration, and/or changes that are made to it (including if it is repainted or painted over).

1.6.4 H&H may request the Buyer to submit two reports, drawn up by two independent and recognised experts who are accepted as such both by H&H and the Buyer with regard to the arguments made in support of the claim that the Object is a forgery. H&H reserves at all times the right to ask a specialist for a supplementary report. H&H shall at no time be bound to the conclusions drawn in the reports that are submitted by the Buyer. If H&H acknowledges that the Object is a forgery, it will compensate the costs for producing the reports, under the condition that:

- (i) H&H has approved the costs thereof before the reports are drawn up; and
- (ii) the Buyer had not been able to ask independent advice prior to the purchase.

This guarantee is non-transferable and may only be invoked by the Buyer.

1.7 Non-conformity

If the Buyer is able to prove that H&H knew that the Object sold did not conform to the agreement, or that the description provided by H&H was deceptive to such an extent that, if this deceit had been known to the Buyer or if he had received the correct information at the time of purchase, he would not have bought the Object, the Buyer shall be entitled, by written statement addressed to H&H, to dissolve the purchase agreement, or to have it annulled, due to error or deception.

The above-mentioned right of the Buyer to dissolve or annul the purchase agreement lapses one year after the date of purchase.

The above-mentioned right to dissolution or nullification lapses if the Buyer is unable to return the Object in question in the actual state it had been at the time when it was delivered to him by H&H.

1.8 Limitation of H&H's liability

1.8.1 Without prejudice to the Buyer's right as set forth in Article III.1.7, H&H shall not be liable towards the Buyer for visible or invisible defects in the quality or description, except in case of gross negligence or intention.

1.8.2 H&H shall not be liable towards the Buyer for any loss, damage, or theft – with or without forcible entry – irrespective of the nature or the cause thereof, of an Object already sold but not yet delivered, except if this loss, damage or theft is covered by the insurance H&H has taken out, as referred to in Article III.1.5, or in the case of gross negligence or intention on the part of H&H.

1.8.3 If and insofar as H&H might be liable towards the Buyer and the insurance taken out by H&H does not grant cover, liability shall be limited to an amount equal to the purchase sum. In respect of a Buyer who acts in the exercise of a profession or enterprise, H&H accepts this liability for a period not exceeding six months, as from the date of purchase of the Object.

1.9 Any claim for nullification or for damages, costs and interest shall in any event lapse after three years as from the date of purchase.

2. Retention of title in the event of a sale/purchase

2.1 Objects that are delivered or made available to the Buyer by H&H, shall remain the full and unconditional property of H&H until such time as the Buyer shall have paid the purchase price for those Objects in full.

2.2 The Buyer has no authority whatsoever to dispose of Objects on which rests a retention of title, and shall compensate any and all damage suffered by H&H due to the fact that the Buyer carries out acts of disposition with respect to the Objects which are under retention of title, without prejudice to the right of H&H to take back the Objects in accordance with the provisions of the previous paragraph.

2.3 H&H shall at all times be authorised to take back from the Buyer Objects that have remained the property of H&H. The Buyer undertakes to fully co-operate with the taking back of Objects. The costs for taking back an Object shall be for the account of the Buyer.

2.4 As from the moment when the Object is no longer the property of H&H, H&H no longer has any responsibility for defects to the Object caused through the fault or by the actions of the Buyer or of third parties, or by exterior causes.

2.5 If third parties have repaired, restored or cleaned the delivered Object without the prior knowledge or permission of H&H, any claim under the guarantee shall lapse.

3. Payment

3.1 Unless explicitly agreed to the contrary, payment must be effected before the Object is delivered.

3.2 In the event of any specifically agreed date of payment being exceeded, the Buyer shall be in default immediately without notice of default being required.

3.3 If the purchase price is not paid within thirty days after the date of purchase or within the agreed term of payment, H&H may claim performance or, at its own discretion, dissolve the agreement of sale and purchase; in that case, the Buyer shall forfeit to H&H an immediately payable penalty of 20% of the purchase price, without further warning or notice of default on the part of H&H being required, subject to the immediate return of the Object and without prejudice to the Buyer's obligation to fully compensate the damage suffered by H&H.

3.4 If the Buyer fails to meet his payment obligations, all resulting collection costs and all losses shall be for the Buyer's account, including the costs of legal assistance, both in and out of court. The extra-judicial collection costs shall amount to at least 15% of the principal sum that was originally due.

4. Dissolution

Without prejudice to the provisions of Article III 2.3, the agreement between the parties shall be dissolved by operation of law:

- a. if the Buyer is granted suspension of payments;
- b. if the Buyer is declared bankrupt.

IV Disputes

There will be a dispute when one party has notified the other party by registered letter that this is the case.

All agreements, valuations, advice and transactions of H&H are exclusively governed by Netherlands law.

All disputes, including those that are only considered to be such by one of the parties, arising from or related to the legal relationship that is governed by these terms and conditions, or the relevant provision itself and its interpretation or implementation, both of a factual and of a legal nature, shall be decided by the District Court of The Hague, without prejudice to the right of appeal and cassation and the right to demand preliminary relief.