

DERING DESIGN & FINE ART CONSULTANTS

GENERAL GUIDELINES & PROCEDURES FOR A FINE ART FINANCIAL TRANSACTION – Revised 2012-12-12

PREFACE:

All projects managed by Jeffrey A. Dering and DERING DESIGN & FINE ART CONSULTANTS (DDFAC) adhere to all applicable regional, national & international laws, rules, regulations, policies & procedures.

As a consultancy, DDFAC maintains an International Fine Art Asset Resource Team of independent, internationally recognized, consultants, including appraisers, art historians, forensic scientists, conservators, scholars & related experts.

Based on the needs of a specific Fine Art Asset Project and/or Transaction, Mr. Dering assembles a team of independent experts to assess, corroborate, evaluate and/or verify existing research, documents, opinions and/or marketplace data, and, as required, initiate and/or develop new research, facts, opinions & related support materials.

- All independent experts associated with Mr. Dering, have the highest, verifiable, professional credentials, often providing expertise to major museums, universities, governments, auction houses and international law enforcement agencies, including organizations such as the American Arbitration Association (AAA), Federal Bureau of Investigation (FBI), International Foundation for Art Research (IFAR), and The Art Loss Register, London, UK (ALR).
- All appraisals, appraisers, and their governing associations in the United States, are required to conform with The Uniform Standards of Professional Appraisal Practice (USPAP) set forth by The Appraisal Foundation, Washington, D.C. as authorized by the U.S. Congress, and the Object ID Standards of Object Identification formulated by The Getty Information Institute.

The following **DDFAC General Guidelines & Procedures for a Fine Art Financial Transaction** (also available on www.deringconsultants.com) demonstrate Dering's commitment to confidentiality, security, transparency, legality and internationally accepted fair business practices, and serves as a foundation for all DDFAC projects & transactions.

- (i) This document dated 31 December 2013 supersedes all previous versions.
- (ii) This document is NOT a Contract.
- (iii) This document represents the General Guidelines & Procedures for a Fine Art Financial Transaction, Sale and/or Acquisition as facilitated by DDFAC on behalf of either and/or:
 - (a) Legal Owner of the ART and/or or Owner's Legally Authorized Representative or Seller (collectively referred to as "Seller"); and,
 - (b) Principal ART Buyer or Buyer's Legally Authorized Representative or Funding Principal (collectively referred to as "Buyer").
- (iv) Specific areas within the General Guidelines & Procedures are subject to modification depending upon requirements, scope, terms & conditions of each potential ART Transaction, in accordance with written, mutually agreed upon consent of the Participating Parties.

1.0. **INTERNATIONALLY ACCEPTED BUSINESS PRACTICES:** All DDFAC Transactions and business procedures are managed in a strictly confidential, transparent & professional manner, providing all Parties with reciprocal access & opportunities, which include, but are not limited to, the following:

- 1.1. All Parties shall have equal opportunity to verify & validate all Transaction Principals (Buyer or Seller) and/or each Principal Party's Legally Authorized Representatives, ART Assets, financial capability, information, data, documents & resources as they apply to the specific Transaction.
- 1.2. All Transactions shall be conducted under internationally accepted business, legal, banking & accounting practices, principles, procedures & policies in accordance with all applicable local, national and/or international laws, regulations & requirements.

2.0. **CONFIDENTIALITY & NON-DISCLOSURE:** All business relating to the Transaction Principals (Buyer or Seller); the Principal's ART or Principal's Financial Assets; the Principal's Legally Authorized Representatives (if any); and, DDFAC shall be held in strictest confidence, and therefore:

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- 2.1. All Transaction information is designated proprietary, and shall not be disclosed, reproduced or distributed to other parties, in any manner without written mutual consent of the other Parties.
- 2.2. Each Party will utilize information provided by the disclosing Party solely for the purpose of completing the specific Transaction, and will not use said information for any other purpose, without written authority of the disclosing Party.
- 2.3. Each Party will not, in any manner, solicit, nor accept, any business from sources or their affiliates, that are made available by the other Party, at any time, in any manner, without the express written permission of the Party who made the source available.
- 3.0. **NON-CIRCUMVENTION:** Each Principal Party will not in any way, circumvent or attempt to circumvent each other, or any Parties involved in any potential, pending or ongoing Transaction, and to the best of their abilities shall assure one another that Transaction procedures, terms & conditions established will not be altered.
 - 3.1. In the event of circumvention of a Party, directly or indirectly, the circumvented Party shall be entitled to a monetary award equal to the maximum fees or profits the circumvented party should have realized from said Transaction, plus any & all expenses, including reimbursement and/or advancement of all legal expenditures and/or costs required to recover the circumvented Party's realized and/or potential fees or profits.
 - 3.2. Additional issues pertaining to, but not limited to Anonymity, Confidentiality, Non-Disclosure, and/or Security may be addressed between all Parties, through separate agreement or addendum, as mutually agreed upon in writing by the Parties.
- 4.0. **SECURITY & PROTECTION of ALL PARTIES, the ART & FINANCIAL ASSETS:** Confidentiality & non-disclosure shall be strictly maintained, however, due to the extreme value of each Party's Assets, priority is given to protecting Seller's ART, Buyer's Financial Assets, and the Transaction as a whole, especially where sensitive issues of potential security breaches and/or attempts at illegal activities from outside influences may arise, and therefore:
 - 4.1. DDFAC shall decisively utilize all available international security monitoring resources and/or cooperation of international law enforcement agencies as required, and shall, aggressively initiate all appropriate legal actions required to minimize, prevent, halt and/or remove any potential and/or real breaches of security and/or possible attempts of criminal activities made upon any of the Parties, their ART, their Financial Assets and/or DDFAC during the specific ongoing Transaction(s).
 - 4.2. All potential and/or real threats to the ART, Financial Assets and/or Principals of either Party, or DDFAC, shall be pursued and/or prosecuted to the fullest extent allowed by Law, and all legal and/or financial remedies available by international law shall be pursued by DDFAC to the fullest extent allowed by Law.
- 5.0. **PRINCIPAL INTRODUCTION LETTER:** Each Principal Party of a Transaction shall provide DDFAC with a Principal Introduction Letter, written on Principal's Letterhead, and signed by the Principal, which shall include the following:
 - 5.1. The identity, name, address & complete contact information of each Principal Party, as well as:
 - (A) **Primary Principal Contact:** Each Transaction-side shall identify only one (1) individual Principal to serve as Primary Principal Contact for their respective side of the Transaction.
 - (B) **Professional Biographical Summary:** Each Transaction-side shall provide DDFAC with a Professional Biographical Summary or Curriculum Vitae (CV) of that side's Principal Party.
 - 5.2. **Principal's Legally Authorized Representative:** If a Transaction-side Principal selects to appoint a Legally Authorized Representative (other than said Principal) to facilitate or negotiate their interests in a Transaction, then said Principal shall:
 - (A) Identify in writing, to DDFAC, the name & completed contact information of said Legally

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Authorized Representative.

- (B) Provide written & signed acknowledgement by the Principal of said appointment of the Principal's Legally Authorized Representative.
 - (C) **Professional Biographical Summary:** Provide a Curriculum Vitae (CV) or Professional Biographical Summary of Principal's Legally Authorized Representative to be attached to Principal's Introduction Letter.
 - (D) **Identification of New (or Replacement) Legally Authorized Representative:** Identify any new (or replacement) Legally Authorized Representative not originally identified and/or authorized by Principal, in an amended Letter-of-Introduction, signed by Principal(s), and verifying that said individual is legally authorized to represent Principal in the Transaction.
- 5.3. **Identity of Principal's Attorney:** Each Principal shall identify to DDFAC, in writing, the name & complete contact information of their Legal Counsel (Attorney) for said Transaction.
- 5.4. **Principal's Primary Transaction Communication Principal:** Only one Principal or one Legally Authorized Representative per Transaction-side may serve as Primary Transaction Communication Principal on behalf of each Transaction-side for all communications, telephone calls and/or emails through the duration of the Transaction.
- 6.0. **SELLER'S FINE ART EXECUTIVE SUMMARY MATERIALS:** Principal Seller(s) shall provide DDFAC with the following materials (either "existing" and/or "new" as required) to be included in a Fine Art Executive Summary for the ART Transaction, which shall include, but not be limited to:
- 6.1. Written Description of, and Object Identification (ID) of, the ART.
 - 6.2. Minimum 3-6 Digital Images of the ART (in jpeg format).
 - 6.3. Current, secure location (or other location) of the ART, including complete contact information of ART Vault, and its Principal Officers.
 - 6.4. Identity of current ART Principal Owner(s), including name(s), location(s) & contact information.
 - 6.5. ART Ownership Attestation (AOA) Letter signed ONLY by either ART Legal Owner and/or ART Owner's Attorney, witnessed & notarized, including the points described in Section-7 below.
 - 6.6. Provenance (Chronological Ownership History) of the ART (to greatest extent available).
 - 6.7. Summary of Valuation(s) and/or Appraisal(s) of the ART (include ALL past & present).
 - 6.8. Summary of Publications and/or Exhibitions and/or Seminars (to greatest extent available).
 - 6.9. Summary of Scientific Forensic Analysis, Art Historical Research, Conservation & Condition Reports, Restoration Reports, and Insurance Policies (to greatest extent available).
 - 6.10. Contact Information & Curriculum Vitae on ALL past & present Art Historians, Appraisers, Forensic Scientists, Conservators, Restorers, Insurers & Experts involved with ART.
- 7.0. **ART OWNERSHIP ATTESTATION (AOA):** The ART's Legal Owner(s) shall provide DDFAC with a signed, notarized & witnessed ART Ownership Attestation (AO) Letter, which declares:
- 7.1. The ART is the current, legal property of the declared ART Principal Owner(s).
 - 7.2. The ART was not stolen or acquired with illegal funds.
 - 7.3. The ART is free & clear of historic war reparation demands to the best of Owner's knowledge.
 - 7.4. The ART is free & clear of liens and/or encumbrances unless otherwise fully disclosed.
 - 7.5. The signing Principal ART Owner or ART Owner's Attorney (individual or legal entity) attests that he/she/they/it has/have full legal authority to commit said ART in a Financial Transaction.
 - 7.6. Any special concerns, conditions, logistics, and/or issues concerning the ART Asset, if any.
- 8.0. **PRELIMINARY LETTER-of-INTENT (Pre-LOI):** Buyer shall provide a signed, Preliminary Letter-of-

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Intent (Pre-LOI) to DDFAC, which shall include:

- 8.1. Name of Principal Buyer(s) or Funding Principal(s) including complete contact information.
 - 8.2. Buyer's and/or Funding Principal's desired interest, intent and/or goals in Seller's ART.
 - 8.3. Buyer's desired, estimated Purchase Price and/or estimated Price Range for the ART.
 - 8.4. PDF Copies of the Pre-LOI shall be sent via Email to: (a) DDFAC; (b) DDFAC Legal Counsel; (c) Seller; (d) Seller's Legal Counsel; and, (e) a hardcopy to DDFAC Legal Counsel.
- 9.0. **PRELIMINARY PROOF-of-FUNDS (Pre-POF):** The Buyer shall provide a verifiable, Preliminary Proof-of-Funds (Pre-POF) Letter demonstrating & declaring Buyer's financial capability for the specifically, proposed ART Sale and/or Financial Transaction.
- 9.1. The Pre-POF shall be on business letterhead with full contact information, and signed by either, and/or: (a) Buyer's Attorney; (b) Buyer's Senior Bank Officer of Buyer's Designated Bank; and/or, (c) Buyer's Certified (Chartered) Public Accountant (CPA).
 - 9.2. The Pre-POF shall state that Principal Buyer's available Funds were not stolen, or acquired as a result of any illegal activities.
 - 9.3. PDF Copies of the Pre-POF shall be sent via Email to: (a) DDFAC; (b) DDFAC's Attorney; (c) Seller; (d) Seller's Attorney; and, (e) a hardcopy to DDFAC Attorney.
- 10.0. **CONDITIONAL SOFT OFFER (CSO):** Upon receipt of the ART Ownership Attestation (AOA) Letter, Buyer shall provide a preliminary Conditional Soft Offer (CSO) clearly specifying Buyer's Preliminary Conditional Financial Offer (in U.S. Dollars) to Seller, contingent upon all additional mutually agreed upon terms and/or conditions and/or qualifying factors, and subject to written acceptance by the ART Principal Owner(s).
- 10.1. PDF Copies of the CSO shall be sent via Email to: (a) DDFAC; (b) DDFAC Attorney; (c) Seller; (d) Seller's Attorney; and, (e) a hardcopy to DDFAC Legal Counsel.
- 11.0. **CONDITIONAL ACCEPTANCE LETTER (CAL):** Upon receipt & acceptance of Buyer's Conditional Soft Offer (CSO), the ART Seller shall issue a Conditional Acceptance Letter (CAL) contingent upon Buyer's compliance with all remaining, mutually agreed upon Transactional terms & conditions.
- 11.1. PDF Copies of the CAL shall be sent via Email to: (a) DDFAC; (b) DDFAC Legal Counsel; (c) Buyer; (d) Buyer's Legal Counsel; and, (e) a hardcopy to DDFAC Legal Counsel.
- 12.0. **FINAL PROOF-of-FUNDS (POF):** Upon Buyer's receipt & acceptance of Seller's Conditional Acceptance Letter (CAL), Buyer shall provide Seller with irrefutable Final Proof-of-Funds (POF) via either a signed, letter from a Buyer's Bank Signatory Bank Officer and/or via a Bank-to-Bank SWIFT MT-799 Message directed to Seller's Bank confirming Buyer's Funds Availability, prior to Buyer's requirement to place Buyer's Funds into Escrow, and contingent upon all remaining, mutually agreed upon Transaction terms & conditions.
- 12.1. PDF Copies confirming Seller's Bank's receipt of Buyer's POF shall be sent by Seller's Bank Officer via Email to: (a) DDFAC; (b) DDFAC Legal Counsel; (c) Seller; (d) Seller's Legal Counsel; and, (e) the ART Transaction Escrow Agent.
- 13.0. **TRANSACTION ESCROW AGENT:** DDFAC shall appoint, a mutually agreed upon Escrow Agent (Attorney or Independent Firm) for the duration of the Transaction, and said Escrow Agent shall:
- 13.1. Serve as neutral facilitator for the financial Transaction Closing, and shall hold in escrow:
 - (A) Buyer's and/or Funding Principal's Purchase Funds.
 - (B) ART Principal Owner's Title-of-Ownership.
 - (C) ART Principal Owner's or Legal Seller's Vault Safekeeping Receipt (if applicable).

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- 13.2. Serve as Paymaster & disbursal agent for:
- (A) All Funds, as specified in writing by each Party Principal, prior to Closing.
 - (B) All Fees and/or Commissions due either Party's Legally Authorized Representatives, if specified in writing by each Party, prior to Closing.
 - (C) Any Funds or Fees due other Payees, as specified in writing by either Party to Escrow Agent, prior to Closing.
- 13.3. Simultaneously transfer & disburse Funds to each Payee's designated Bank Coordinates at Closing.
- (A) Each Payee and/or Payee's Designated Bank(s) shall be notified prior to, and immediately after, simultaneous transfer of funds.
 - (B) Each Payee shall be provided (via email & hardcopy) a complete, personal Statement-of-Funds Distribution from Escrow Agent, before disbursal-of-funds, and immediately after, in order to verify disbursal-of-funds.
 - (C) Disbursal-of-funds by designated Escrow Agent shall be conducted under internationally accepted business, banking & accounting practices.
- 14.0. **BUYER & SELLER ESCROW REQUIREMENTS:** Upon each Party's receipt of: (a) Buyer's Preliminary Letter-of-Intent (PLOI); (b) Buyer's Preliminary Proof-of-Funds (PPOF); (c) Seller's Conditional Soft Offer (CSO); and, (d) Seller's Conditional Acceptance Letter (CAL); then all Parties shall agree to the following Transaction Escrow Requirements, including, but not limited to:
- 14.1. **Escrow of ART Title-of-Ownership:** ART Seller shall have Five (5) Business Days (unless mutually agreed upon) to lodge Title-of-Ownership with Escrow Agent.
- 14.2. **Escrow of ART in Hi-Security Fine Art Vault:** Seller shall have Ten (10) Business Days (unless mutually agreed upon) to escrow the ART in a designated, hi-security, Fine Art Vault (location mutually agreed upon by all Parties).
- (A) All costs associated with relocation and/or storage of the ART in Seller's Hi-Security Fine Art Vault for duration of the Transaction shall be at Seller's expense unless mutually agreed upon by all Parties.
- 14.3. **Escrow of Fine Art Vault Safekeeping Receipt:** Upon securing the ART in a designated Hi-Security Fine Art Vault, the ART Seller's Fine Art Vault Safekeeping Receipt shall be lodged with the designated Escrow Agent.
- 14.4. **Escrow of Specified Buyer's Funds:** Buyer shall have Five (5) Business Days (unless mutually agreed upon by all Parties) to transfer, and place specified Funds-in-Escrow, as described below, for the purpose of either and/or:
- (A) Escrow of a mutually agreed upon amount of Buyer's Funds to secure Buyer's Exclusivity Time Period for the purpose of conducting mutually agreed upon tests and/or examinations of the ART.
 - (B) Escrow of a mutually agreed upon amount of Buyer's Funds as assurance to Seller that Buyer has sufficient Funds to cover costs associated with the aforementioned tests and/or examinations of the ART, including, but not limited to, related costs: i.e.: insurance, security, transport & handling, etc.
 - (C) Escrow of One-Hundred (100%) Percent of the agreed upon Sale Price.
- 15.0. **BUYER'S EXCLUSIVITY TIME PERIOD:** Upon placement of the ART in a Hi-Security Fine Art Vault, the ART Asset(s) shall be available to Buyer and/or Buyer's expert's for a designated, mutually agreed upon, limited time period of exclusivity as described below.
- 15.1. Buyer's Exclusivity Time Period shall be no less than Two (2) Business Weeks, but no greater than Ninety (90) Calendar Days, unless otherwise mutually agreed upon by all Parties.

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- 15.2. The duration of Buyer's Exclusivity Time Period shall be determined by mutually agreed upon terms & conditions to include, but not limited to:
- (A) The duration of time required & requested by Buyer for physical examinations and/or tests, to be mutually agreed upon by all Parties.
 - (B) The quantity & type of specific physical examinations and/or tests required & requested by Buyer, to be mutually agreed upon by all Parties.
 - (C) The amount of Buyer's Funds required to be escrowed by Buyer to support the cost of Buyer's physical examination & tests, and/or for the Buyer's total purchase of the ART.
- 16.0. **PHYSICAL REVIEW of ART, IMAGERY, DOCUMENTS & EXPERTS:** During Buyer's Exclusivity Time Period, Buyer shall have access to the ART, as well as, access to ALL Seller's imagery, experts & all related documents pertaining to the ART based upon mutually agreed upon transaction terms & conditions.
- 17.0. **VAULT ACCESS to ART:** Buyer and/or their pre-approved Experts shall have access to the ART for the purposes of inspection, examination, review and/or tests based upon a written, mutually agreed upon scope-of-work & timetable to accommodate expenses, travel, security, vault, registrarial & curatorial logistics for all parties involved.
- 17.1. **Simultaneous, Joint Access:** Access to the ART, by either Seller-side and/or Buyer-side shall always be simultaneous & jointly, whereas, representatives of both Parties shall be present concurrently, including a representative of DDFAC and the Vault.
- 17.2. **Visitor Vault Entry List:** Buyer shall provide a written list of ALL proposed vault visitors including full name, address & complete contact information, including a digital image (jpeg or PDF) of each visitor's: (a) valid driver's license; and, (b) valid international passport, which shall be provided at least Three (3) Business Days prior to agreed upon vault entry.
- 17.3. **Expert ID Requirements for Vault Entry:** ALL proposed & approved vault visitors to the ART (representing either Party), shall provide & surrender their: (a) original Driver License (U.S. License only, if in U.S.); and, (b) their valid international Passport upon entering the vault, and for the duration of their vault visit, and, (c) no person shall be permitted to visit the vault without a valid international Passport.
- 17.4. **Buyer's Expert's Curriculum Vitae:** ALL vault visitors representing Buyer in any expert capacity, including, but not limited to curator, registrar, art historian, appraiser, conservator, forensic scientist, photographer, museum, dealer, auction house representative, insurance company representative, legal counsel and/or photographer, shall provide via email, both: (A) a current, verifiable, computer-generated (MS Word or PDF) Curriculum Vitae and/or Professional Resume; and, a current color, copy of their Passport.
- (A) ALL Buyer's Expert's Curriculum Vitae & Color Passport Copies must be received at least Three (3) Business Days prior to agreed upon Vault entry.
- 17.5. **Disclosure of Expert's Intent:** ALL Experts (from either Party) shall provide a signed Disclosure of Expert Intent on each Expert's Letterhead (whether personal, institutional and/or organizational) detailing their specific area of expertise, their specific responsibilities, their objectives and, the name of their employer (whether organization, institution or self).
- (A) ALL Disclosures of Expert Intent must be received at least Three (3) Business Days prior to Vault entry.
- 17.6. **Denial of Access to ART:** Seller reserves the right to decline access to the ART to any individual(s) and/or organization(s).
- 17.7. **Denial of Vault Access:** The Hi-Security Vault reserves the right to decline vault access to any individual representing any Party who is either without proper photo-document & signature ID, or who attempts to gain vault access without mutually agreed upon pre-arrangements.

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- 18.0. **BUYER'S COSTS for EXPERTS, EXAMINATIONS and/or TESTS:** ALL Costs associated with any & all inspections, examinations and/or tests of the ART proposed by Buyer's Experts, and/or any outside services associated with said inspections, examinations and/or tests of the ART, shall be the total financial responsibility of the potential Buyer including, but not limited to, all agreed upon outside Buyer's Experts and/or research and/or scientific forensic tests, as well as, all applicable expenses, including, but not limited to, those for: vault, conservation, insurance(s), security, transportation, handling, packing, storage, customs, tariffs & taxes.
- 18.1. **Estimated Budget:** Buyer shall provide an estimated budget of all detailed costs of their proposed inspections, examinations and/or tests of the ART by Buyer's Experts, and/or any outside services associated with said inspections, examinations and/or tests of the ART.
- 18.2. **Escrow of Funds:** Buyer shall provide Funds, which are equal to Buyer's proposed budget, plus an additional Ten (10%) Percent in Contingency Funds, which shall all be placed in Escrow, as to sufficiently cover all Projected Costs associated with Buyer's Expert's needs.
- 18.3. **Funds Management:** The aforementioned Escrowed Funds shall be managed by either: (a) the Escrow Agent; and/or, (b) a mutually agreed upon Certified Public Account (CPA) until which time that said Funds are either exhausted and/or Buyer's needs have been fulfilled.
- 18.4. **Time Extensions:** Any extensions of time and/or tests granted to Buyer shall be mutually agreed upon by all Parties, and shall include the additional Funds in Escrow by Buyer necessary to cover said cost and/or time extensions.
- 19.0. **DISCLOSURE & DISTRIBUTION of BUYER'S EXPERT'S REPORTS & CONCLUSIONS:** Upon completion of each Buyer's Expert's Examinations and/or Tests of Seller's ART, the Buyer's Experts shall therefore, immediately & simultaneously, provide their Reports, Results, Conclusions and/or Data with applicable Attachments directly to: (a) Buyer; (b) DDFAC; and, (c) ART Seller; including:
- 19.1. Two (2), signed & notarized original copies of Buyer's Expert's Professional Report(s), Opinion(s), Valuations(s), Conclusion(s), Test Data, Imagery and/or Attachments, prepared on each Expert's Business Letterhead (whether personal, institutional or organizational, as applicable).
- 19.2. An emailed, PDF and/or jpeg format copy of Buyer's Expert's Professional Report(s), Opinion(s), Valuations(s), Conclusion(s), Test Data, Imagery and/or Attachments, prepared on each Expert's Business Letterhead (as described above in Section 19.1).
- 19.3. The aforementioned Original Signed Copies of Buyer's Experts Reports including those designated for the ART Seller must be distributed simultaneously to ALL Parties on "both Side" within Two (2) Business Days of the agreed upon completion date.
- 20.0. **VAULT ACCESS DURING TRANSACTION CLOSING:** During the Transaction Closing Phase, the ART shall remain at the designated Escrow Vault.
- 20.1. Access to the ART during Closing shall only be by simultaneous, joint access by both Parties, as mutually agreed upon by both parties.
- 21.0. **ART REMOVAL from VAULT:** The ART cannot be removed from, or released by, the ART Escrow Vault, until:
- 21.1. The Transaction has been successfully completed, including disbursement of all Escrow Funds to all Parties by the Escrow Agent, as well as, the transfer of ART Title-of-Ownership, and transfer of any Fine Art Vault Safekeeping Receipt.
- 21.2. Or, the Transaction has been halted, and all Parties have come to mutual agreement on the return of the individual funds, documents and/or property.
- 22.0. **POTENTIAL RELOCATION of ART PRIOR to TRANSACTION CLOSING:** Under specific circumstances, DDFAC and/or Buyer may request to have the ART transported to another location

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for purposes of additional or ongoing forensic tests, expert study, conservation and/or security measures, all of which are contingent upon mutually agreed upon terms & conditions.

- 22.1. **Cost Responsibility:** If Buyer's request is granted by Seller to move the ART to an "optional location" prior to Transaction Closing, then Buyer shall be totally responsible for all related costs, expenses & issues including, but not limited to, all agreed upon outside experts and/or research and/or scientific forensic tests, as well as, all applicable insurance(s), security, transportation, handling, packing, storage, customs, tariffs & taxes.
- 22.2. **Estimated Budget:** In such cases as described above, Buyer shall provide a professional estimated budget of all costs associated with transporting & securing the ART to an "optional location" including all estimated costs associated with the tests and/or research mutually agreed upon by all Parties.
- 22.3. **Escrow-of-Funds:** Additionally, Buyer shall provide funds equal to Buyer's proposed budget, plus an additional Ten (10%) Percent Contingency Fund, all of which to be placed with an Escrow Agent (to be mutually agreed upon by all Parties) as to sufficiently cover all of the costs associated with the Buyer's needs.
- 22.4. **Funds Management:** The aforementioned Escrowed Funds shall be managed by the aforementioned Escrow Agent and/or by a mutually agreed upon Certified Public Account until which time that the Escrowed Funds are either exhausted and/or Buyer's additional needs have been fulfilled.
- 22.5. **Extensions of Time:** Any extensions of time and/or tests granted to Buyer shall be mutually agreed upon by all Parties, and shall include the additional escrowed funding by the Buyer necessary to cover the costs of said extensions in keeping with the mutually agreed upon terms & conditions of both Parties.
- 23.0. **BUYER'S FINAL FINANCIAL OFFER (FFO) & CLOSING TIMETABLE:** Upon completion of Buyer's Inspection(s) of the ART & ART Data in accordance with Buyer's Exclusivity Time Period, Buyer shall then have Three (3) Business Days to present Buyer's Final Financial Offer (FFO) to Seller, and Seller shall then have Three (3) Business Days to accept or decline Buyer's FFO.
- 23.1. If Buyer's FFO is accepted by Seller, then both Parties shall set a mutually agreed upon date & time within Five (5) Business Days to finalize & close the Transaction, unless otherwise agreed upon in writing by all Parties.
- 24.0. **GOVERNING LAWS:** The Transaction shall be governed by the laws of the State of Florida or a mutually agreed upon governing geography and/or entity, and all parties shall observe & obey all local, state, federal & international rules, requirements & regulations governing the sale of ART and/or assets and/or property.
- 25.0. **CONTACT INFORMATION**
- Jeffrey A. Dering, Principal, Dering Design & Fine Art Consultants
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- 26.0. **GLOSSARY of TERMS & ABBREVIATIONS**
- (A) **DDFAC** - Dering Design & Fine Art Consultants.
- (B) **ART** - the Art and/or Artifact Asset.
- (C) **Transaction** - The Fine Art Financial Transaction, Sale and/or Acquisition.

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- (D) **Principal** - Principal ART Owner or Principal ART Buyer.
- (E) **Seller** - Principal ART Owner or Owner's Legally Authorized Representative or Seller.
- (F) **Buyer** - Principal Buyer, Buyer's Legally Authorized Representative or Buyer's Funding Principal.
- (G) **Principal's Introduction Letter to DDFAC** - Includes Principal(s) identity, name & contact information.
- (H) **Primary Principal** - Principal's "Primary Contact" for an ART Transaction.
- (I) **Legally Authorized Representative** – Principal's Designated Official Authorized Representative legally authorized to negotiate on behalf of, and in place of the Principal, if so empowered.
- (J) **Primary Transaction Communication Principal** - Either the Primary Principal or Principal's Legally Authorized Representative appointed to speak on behalf of either Seller or Buyer in a Transaction.
- (K) **Fine Art Executive Summary** - Seller's existing, or DDFAC-produced, Fine Art Asset Executive Summary including, but not limited to, ART Identification Description, Ownership Provenance, Selected Imagery, Art Historical Research, Scientific Forensic Analysis, Conservation Reports, Exhibitions List, Publications List, Appraisals, Insurance Valuations, Insurance Policies & List-of-Experts (past & present).
- (L) **ART Ownership Attestation (AOA)** - Signed by ART Owner, notarized & witnessed.
- (M) **Preliminary Letter-of-Intent (Pre-LOI) to Purchase** – ART Buyer's, signed, preliminary, intent to purchase the Seller's ART.
- (N) **Preliminary Proof-of-Funds (Pre-POF)** - Provided by ART Buyer's Attorney or Buyer's Certified Public Accountant (CPA or Chartered) attesting to Buyer's financial capability to purchase the ART.
- (O) **Conditional Soft Offer (CSO)** – ART Buyer's conditional, preliminary Offer to Seller.
- (P) **Conditional Acceptance Letter (CAL)** – ART Seller's preliminary, conditional acceptance of Buyer's Conditional Soft Offer (CSO).
- (Q) **Proof-of-Funds (POF)** – ART Buyer's irrefutable POF from either Buyer's Bank Officer & Bank and/or via a Bank-to-Bank SWIFT MT-799 Message to Seller's designated Bank & Bank Officer.
- (R) **Buyer's Final Financial Offer (FFO)** – Buyer's firm, FFO to Seller.