

Assignment Conditions

Status 2008/2009

(The German version of these Conditions is legally binding)

1. NAGEL AUKTIONEN GmbH & Co. KG (hereinafter referred to as the "Auctioneer") offers the property in a public auction in its own name as consignee and for the account of the Consignors (depositors) whose names are not disclosed. The Consignor is committed to the auction order at least up to the settlement date referred to in Section 13.
2. The Consignor confirms that he is the owner of the consigned property with appropriate powers of disposition or is authorized to act on behalf of the owner. This also relates to the partner of the owner in the case of domestic property consigned to the Auctioneer. The Consignor confirms that he fulfils the requirements for the application of differential taxation in accordance with § 25a of the German Turnover Tax Law (Umsatzsteuergesetz). If the Consignor fails to inform the auctioneer that he fulfils none of these requirements, he shall bear the expenses for any necessary corrections to invoices and accounts.
3. The property items are second-hand. The Consignor is liable to the Auctioneer for all quality and legal defects of the consigned property with a corresponding application of the law of sale. The Auction Conditions in effect at the time govern the procedure of the respective auction.
4. If defects or doubts on the lack of defects arise before the auction, the Auctioneer is entitled to withdraw the property in question from the auction or to postpone the auction to another auction date. If the Auctioneer considers it advisable to conduct researches, the resulting costs shall be borne by the Consignor. Should a third party claim ownership of the property, then the knockdown shall take place subject to reservation (UV-Zuschlag) without the Consignor being consulted. The Auctioneer shall reserve the right to take over the conduct of negotiations with the third party, the Consignor and the conditional purchaser(s) in order to clarify ownership issues. The costs of this shall be borne by the Consignor.
5. The property will be auctioned at the best possible price (unlimited) or at the agreed minimum price (limit). No limitation shall basically apply on prices estimated up to € 750.00. In the case of properties below € 750.00, an entry in the "Limit/Taxe" column applies only as an approximate value for details of the estimated price. Unlimited properties may be sold at 50 % of the estimated price referred to in the auction. Precious metal properties may be sold below their material value. If an agreed limit cannot be reached, the Auctioneer is entitled to knockdown subject to reservation. The Consignor is obliged to notify the Auctioneer immediately and in writing of his decision in this regard. The Auctioneer shall be granted compensation for the limits fixed for several properties. The Auctioneer is entitled to auction at his own discretion up to the limit for the Consignor and to issue the knockdown to the aforesaid if necessary. A reversal is made in this case.
6. The property items are to be delivered to the Auctioneer at the cost and risk of the Consignor. It is not possible to keep packaging. In accordance with § 25a (7) 3 of the German Turnover Tax Law (UStG), tax exemption is excluded for deliveries within the European Union. In the case of consignments from non-EU countries, the Consignor is obliged to ensure that due and proper customs clearance is effected unless he has commissioned the Auctioneer to execute the importation formalities. Customs duty and clearance costs shall be borne by the Consignor. Turnover tax on imports may be refunded subject to the current Turnover Tax Law. This shall not apply if property items remain unsold.
7. The Auctioneer is commissioned to insure the property items against any risks (especially fire, theft and damage) at the cost of the Consignor in the amount of the limit or, in the event of unlimited property items, based on the estimated price, in both cases less the agreed discount. More extensive liability of the insurer is excluded. Damages caused by terror and hazards from using chemical, biological, biochemical substances or electromagnetic waves as weapons dangerous to the public, regardless of other causes involved, remain excluded from the insurance cover. The insurance charge is equivalent to 1 % of the estimated price (plus value added tax). The period from the consignment until 2 weeks after settlement is insured. If the Consignor does not wish insurance cover to be taken out by the Auctioneer, all statutory or contractual liability of the Auctioneer is thereby excluded unless the Auctioneer is guilty of wilful intent or gross negligence. The aforesaid liability exclusion shall also apply to the personal liability of the legal representatives, senior employees, assistants and vicarious agents of the Auctioneer.
8. If property items remain unsold because the agreed limits are not reached, the Auctioneer shall be entitled to demand 3 % of the limit (plus value-added tax) as a lump-sum cost reimbursement (commission replacement - "PE") if this was specifically agreed when the contract was signed. The Consignor shall at all events be obliged to reimburse any and all expenses incurred.

9. The Consignor must pick up unsold objects without being asked at the latest 14 days after billing in accordance with Section 13. After this period, the auctioneer can either place the objects into third party storage at the Consignor's expense and risk and/or include the object in a further auction, although in this case the limit is automatically reduced by 50%. At the third auctioning attempt the limit is set to 0. In the event of storage, the Consignor shall also bear any necessary insurance costs. If the property is put into storage, a cost of up to € 6.00 (plus VAT) per day per object or the rate charged by the storage company will be charged. An issue date for stored objects must be agreed with the auctioneer. Each time items are transported, this will be undertaken at the Consignor's cost and risk, as well as the packaging, insurance and return shipment of unsold objects; the auctioneer merely serves as the agent for these services. Return shipments will only be sent if the auctioneer or the company assigned to undertake this task has received a signed shipping order from the Consignor and when all ascertained shipping costs and other claims made by the Auctioneer have been paid.
10. Proceeds attributable to the Consignor for auctioned property items shall be settled by deducting the agreed commission and all disbursements from the hammer price. In the case of consignments from Germany and the European Union, the statutory value-added tax is included in the commission and is not stated separately. Catalogue costs are charged on a flat-rate basis. Description costs: € 2.50 per catalogue line, no description costs in collect catalogues. Illustration costs: full page € 180.00; half page € 100.00; 1/4 page € 70.00; smaller illustrations pro rata. Multi-page top presentation of prestigious articles: 380.00. Illustrations in Collect catalogues: € 15.00. An appropriate cost reimbursement must also be made for items not sold at auction. Descriptions and catalogue illustrations are made at the Auctioneer's discretion. Additional disbursements, e.g., for individual advertising campaigns, transportation, restoration work, travelling expenses and expert valuations, are charged on the basis of documented expenses. Value-added tax is payable on all disbursements. The statutory value-added tax is not reimbursable for foreign Consignors. In order to settle the statutory right of stoppage in transit (Article 26 of the German Copyright Act – UrhG), the Auctioneer pays a levy on the sales proceeds to the "Ausgleichsvereinigung KUNST" association for all original works of fine art and photographs created since 1900. The Consignor bears half of the applicable levy in force on the settlement date (levy rate in January 2010: 2.0 % of the hammer price).
11. If the Consignor withdraws the assignment, he shall reimburse the Auctioneer not only for the expenses already incurred (plus turnover tax), but also the agreed commission and the premium lost by the Auctioneer from the limit. This shall also apply if the execution of the order is cancelled on account of a culpable breach of duty by the Consignor, especially on account of any defects in the quality of the property. The Auctioneer shall reserve the right to claim compensation for additional damages. The Consignor has the right to document or prove that no damage was incurred or that or that it is much lower than the flat rate.
12. Statutory value added tax is currently 19% (as of September 2008).
13. The Consignor will be invoiced in accordance with Section 10 six weeks after the end of the auction. Payment shall be made in accordance with the stated payment mode and insofar as the Auctioneer has received the proceeds from the auction. Should the Auctioneer not receive the proceeds, then he shall be entitled without legal disadvantages to reveal the successful bidder's name to the Consignor at a later time, i.e., after notification of the execution of the order. In the event that the Auctioneer has already handed over the property to the successful bidder, he shall be responsible to the Consignor for the proceeds. Insofar as cash-free payment has been agreed, the down payment is put back for payment on demand. For cash payments exceeding € 25,000, the payment recipient must identify himself by means of personal ID. The auctioneer is entitled to offset auction proceeds with the Consignor's liabilities. In case the Consignor requests the payment of the bill as a check for deposit only, the auctioneer shall not be liable for unauthorized use of the check. The costs of non-cash payment shall be borne by the payment recipient.
14. In accordance with § 25a of the German Turnover Tax Law (UStG), consignments in Germany and consignments from countries within the European Union are subject to a differential tax. Repayment of the value-added tax on the net proceeds is therefore excluded.
15. If objects are not auctioned off at the intended auction, they shall remain for subsequent sale at least until the settlement date; the assignment conditions apply analogously.
16. The Auctioneer is entitled to forward information on defaulting customers to the Association of German Art Auctioneers or its members.
17. The Auctioneer shall bear unlimited liability for acts of wilful intent and gross negligence. In the event of negligent violation of essential contractual obligations, the Auctioneer shall be liable to the amount of the limit. The Auctioneer shall not be held liable for ordinary negligence involving violation of simple, that is, non-essential, obligations. This exclusion of liability shall also apply to the personal liability of the Auctioneer's legal representatives, senior employees, assistants and vicarious agents.
18. The Consignor has been furnished with the currently effective Auction Conditions at the time of the auction assignment. He declares his agreement with their contents, in particular, that the Auctioneer shall be entitled to reserve the right to the knockdown if there is a special reason.

19. All legal relationships between the Consignor and the Auctioneer are covered in this Order. The Consignor's general terms of business shall not be applicable. There are no ancillary verbal agreements. Changes to this Order must be made in writing to be effective. This shall not apply to the approval of a knockdown subject to reservation. The original German version of the Conditions shall be authoritative.

20. The place of fulfilment and legal venue, if such can be agreed, is Stuttgart. German laws shall apply exclusively. The United Nations Convention on Contracts for the International Sale of Goods (CISG) shall not apply. The costs of any litigation abroad shall be borne by the Consignor, insofar as they are not reimbursable in accordance with the respective national laws.

21. If one or more provisions of these Assignment Conditions are wholly or partially invalid, the validity of the other provisions will remain in full force and effect.

22. The Consignor was aware of the above Conditions and accepted them at the time of placing the Order.

Abbreviations:

SK = Departments shortkey, PE = Substitutional commision, SB = Expert in charge, F = Copyright levy

Uwe Jourdan

Publicly appointed and Sworn Auctioneer

Andreas Heilig

Publicly Appointed and Sworn Auctioneer

NAGEL AUKTIONEN GmbH & Co. KG, Stuttgart, Germany

(Amtsgericht Stuttgart HRA 720033)

Ust.-IdNr.: DE 245724016

Personally liable partners:

NAGEL AUKTIONEN Beteiligungs-GmbH, Stuttgart

(Amtsgericht Stuttgart HRB 23440)

CEO: Uwe Jourdan

Information for foreign customers

Please settle all your commitments towards us only through our bankers:

BW-Bank AG, 70049 Stuttgart, Germany

BIC: SOLADEST

IBAN: DE 80600501017871514278