

HdM GALLERY

SALES AGREEMENT

The Buyer shall purchase Artwork(s) from the Gallery. Upon mutual agreement, the Parties have agreed on the following conditions.

1. Content of agreement:

The Buyer agrees to purchase and the Gallery agrees to sell Artwork(s) (hereafter referred to as the "Artwork(s)").

Both Parties acknowledge that after the Buyer make the payment in full to the Gallery, the ownership of the Artwork(s) shall belong to the Buyer.

2. Obligations of the Buyer:

- (a) The Buyer represents and warrants that it has full legal authority to enter into and exercise its obligations under this Sales Agreement.
- (b) The Buyer represents and warrants that it has the funds readily available to pay the full purchase price and any expenses incurred by the Buyer in relation to this Agreement and the Buyer does not have any commitment, obligation, restriction, or liability of any sort, contingent or absolute, present or future, which would adversely affect its ability to adequately perform its obligations under this Agreement.
- (c) The Buyer represents that it has not committed any act or any omission that should give rise to any valid claim relating to a finder's fee, brokerage commission, or other similar payment.
- (d) After the Buyer purchase the Artwork(s) from The Gallery, The Buyer shall exhibit and showcase the Artwork(s) without any other payments to the Gallery or the Artist or other obligee (if any). But the Buyer shall not copy the Artwork(s) for commercial purposes.
- (e) If the Artwork(s) handed over by the Gallery does not comply with the description of Artwork(s) in this Agreement, The Buyer shall have the right to refuse the delivery and require the Gallery to return the payments to the Buyer.

3. Obligations of the Gallery:

- (a) The Gallery represents and warrants the Artwork(s) are works of art or products created by the Artist.
- (b) The Gallery represents and warrants the Artwork(s) are exempt from any pledge, charge or other security interest, license, right or restriction of any kind granted in favor of a third party or benefitting a third party.
- (c) To the Gallery's best knowledge, there is no pending claim or anticipated claim against the Artwork(s) or against the Gallery's ownership in title in the Artwork(s) or against the Gallery's right to dispose of the Artwork(s).
- (d) There is no third agreement outstanding that could potentially result in a claim against or in any way

affect the Artwork(s) in part or in whole either now or in the future.

- (e) The Gallery shall provide the certificates and other related files to the Buyer.
- (f) The Buyer is responsible for transport cost. The Buyer also assumes responsibility for insurance and taxes where applicable.

4. Payments.

- (a) Upon mutual agreement, the Buyer shall make the payment in full to the Gallery's designated bank account. Title does not pass until payment is received in full by the Gallery. The Gallery reserves the right to cancel the sale if full payment is not received within 1 month. Official invoice available on request from the Gallery within [30] days of payment. Where applicable, the Gallery may charge the Buyer an amount equal to the applicable taxes.
- (b) All transaction related fees shall be borne the Buyer.

5. Any information relating to the Agreement or to one Party which is communicated to the other Party in connection with the performance of the Agreement shall be kept strictly confidential and shall only be used for the purpose of performance of the Agreement. Each Party shall not disclose any of the information to a third party, unless the other Party has expressly agreed on such disclosure.

6. This Agreement shall inure to and be binding upon the undersigned and their respective heirs, representatives, successors and permitted assigns. This Agreement may not be assigned by either party without the prior written consent of the other party.

7. This Agreement is subject to outstanding issues. The parties may jointly make Supplementary Agreement and it has the same effect with this Agreement.

8. This Agreement shall be governed and interpreted in all respects including without limitation execution, validity, performance and dispute resolution by and according to the laws of the People's Republic of China. Any dispute, controversy, difference or claim arising out of or relating to this Agreement, including the existence, validity, interpretation, performance, breach or termination thereof or any dispute regarding non-contractual obligations arising out of or relating to it shall be submitted to the China International Economic and Trade Arbitration Committee ("CIETAC") to be arbitrated in Beijing in accordance with its arbitration procedures and rules.

The arbitration tribunal shall consist of three arbitrators, one to be appointed by The Buyer and one to be appointed by The Gallery. The third arbitrator shall be appointed as the Presiding Arbitrator by the Chairman of CIETAC.

The arbitration award shall be final and binding on the Parties. Unless otherwise specified in the arbitral award, the arbitration fees shall borne by the losing Party.

Exhibit 1

NON-RESALE AGREEMENT

This **Non-Resale Agreement** (the “**Agreement**”) is entered into and becomes effective upon the date of sales by and between the Gallery and the Buyer. This Agreement confirms and supplements the Sales Agreement.

1. NON-RESALE; RIGHT OF CONSIGNMENT.

- (a) The Buyer agrees that the Artwork(s) is sold on condition that, during the Non-Resale Period (defined below), the Buyer shall not sell (including in the form of offering the Artwork(s) for a private sale or through a public auction), transfer, lease, or create a security interest in the Artwork(s) (each, a “sale”) during a three (3) - year period starting from the date of the sales invoice issued by The Gallery (the “**Non-Resale Period**”).
 - (b) For the duration of the Non-Resale Period, the Buyer hereby grants to the Gallery the first right to purchase or consign the Artwork(s), if it is offered for sale. The Buyer shall notify the Gallery of which of the Artwork(s) they intend to sell, and details of the proposed sale, including e.g. buyer, intermediary, price, date, etc., to the extent known at such time. Upon receipt of the Buyer’s notice, Gallery shall have 30 days to notify the Buyer of its intent to purchase or consign the Artwork(s). In such event:
 - (i) If the Gallery elects to purchase the Artwork(s), the Buyer shall, within 90 days of receiving the Gallery’s notice, sell the Artwork(s) to the Gallery for the original price listed on the Invoice;
 - (ii) If the Gallery elects to consign the relevant Artwork(s) for resale, the Buyer shall consign the relevant Artwork(s) to the Gallery for a period of six (6) months, and the Gallery shall use its best endeavors within such period to achieve the best price given the then prevailing market; in such event, the Buyer agrees to pay the Gallery commission of 20% (plus any applicable tax) of the resale price of the relevant Artwork(s) for handling the sale. Any consignment sale would be subject to the Gallery’s standard conditions of sale at such time. The Gallery will also be authorized to offer a 10% discount on the consignment price for the benefit of a third-party buyer, such discount being equally shared between the parties.
- For the avoidance of doubt, the Buyer acknowledges that the Gallery is under no obligation to purchase or consign the Artwork(s) and has made no commitment or undertaking, express or implied, to successfully resell the Artwork(s).
- (c) If the Buyer does not receive a response from the Gallery within 30 days of Buyer’s initial notice of proposed sale, the Buyer shall issue a second notice to the Gallery. If the Gallery does not respond to such second notice within 30 days, the Gallery shall be deemed to have waived its right to repurchase/consign, but the Buyer shall still be prohibited from offering the Artwork(s) for sale for the duration of the Non-Resale Period. For the avoidance of any doubt, without express written permission from the Gallery, the Buyer must respect the remaining Non-Resale Period.
 - (d) Any material change to the proposed sale terms, or delay of 3 months or more of the proposed sale date, shall be considered a new proposed sale with all of the Gallery’s rights intact, and shall require fresh notice to the Gallery of the proposed sale.
 - (e) The Buyer acknowledges that its obligations herein do not unduly burden its ownership and enjoyment of the Artwork(s) in question, and that such obligations are a condition to its purchase of the Artwork(s). In addition to any other remedies available hereunder or under law, if the Buyer is found to be in violation of any of the above provisions, the Buyer shall indemnify the Gallery in an amount equivalent to the gain (direct, indirect, in-kind or otherwise) realized by the Buyer or any affiliate on the unauthorized resale of the Artwork(s) or, if the Gallery cannot obtain information about the gain realized on the resale, an amount equivalent to three (3) times the Artwork(s)’s initial purchase price as listed on the Invoice.

2. INTELLECTUAL PROPERTY.

The Buyer further acknowledge that the artist of the Artworks(s) reserves all copyrights and moral rights related to the Artwork(s). Without the express written permission of the artist, provided through the Gallery, the Buyer shall not (a) alter, modify, develop, copy, or reproduce the Artwork(s), or (b) exploit, develop or adapt the Artwork(s) into any new work(s), by any means, method or process now known or later developed, including, without limitation, so called "fair use" reproductions, for any purpose.

3. MISCELLANEOUS

- (a) The parties agree that the provisions in the preceding paragraphs and Terms and Conditions of Sale have been negotiated between them, constitute additional consideration in respect of the purchase of the Artwork(s) and are deemed by both parties to be reasonable. This agreement will be binding on and insure to the benefit the parties' respective heirs, successors and assigns.
- (b) The Buyer certifies that it is the final buyer of the Artwork(s) or that it is properly authorized by the final buyer to enter into this agreement, and that it has disclosed the identity of the final buyer to the Gallery. In case of breach of this agreement, the Buyer will be directly responsible to the Gallery on its own behalf and on behalf of any final buyer.

4. NOTICES.

All notices hereunder shall be given in writing by mail (postage prepaid), email or instant messenger to the contact information as set forth in the Invoice. Date of notice shall be deemed to be the earlier of (a) actual receipt; (b) three (3) days after the date of mailing; or (c) in case of email or instant messenger, the notice will be deemed received at the time when the message enters the recipient's mail or instant messenger server.

5. GOVERNING LAW & DISPUTES.

The validity, interpretation, performance and dispute resolution of this Agreement shall be governed by laws of the People's Republic of China. Any disputes or claims arising hereunder shall be submitted to Beijing Arbitration Commission ("BAC") for arbitration in accordance with the BAC's arbitration rules in effect at the time of applying for arbitration. The arbitration tribunal shall consist of three arbitrators, one to be appointed by the Buyer and one to be appointed by the Gallery. The third arbitrator shall be appointed as the Presiding Arbitrator by the Chairman of BAC and shall not be of PRC citizenship or held in the past PRC citizenship. The arbitral award shall be final and binding upon all parties. Unless otherwise specified in the arbitral award, the arbitration fees shall be borne by the losing party.

By paying the purchase price, the Gallery and the Buyer accept and agree to all of the terms and conditions hereof and in the Invoice.

Exhibit 2

DISCLAIMER NOTICE

NOT FINANCIAL ADVICE: HdM Gallery would like to draw the Buyers' attention to the fact that artwork(s) is not a financial investment. HdM Gallery does not make any representation or legally binding undertakings in any manner that the Buyers may make a profit from it. HdM Gallery is not a financial advisor and regardless of anything to the contrary, no artwork(s) introduced or made available by HdM Gallery should be understood as a recommendation to make a future profit. The Buyers may purchase artwork(s) at their own risk. Neither HdM Gallery nor any of its employees or managers shall be held liable for any financial damage the Buyers may suffer as a result of their purchase of artwork(s).