

CONSIGNMENT AGREEMENT

This Agreement, entered into this 6th day of May, 20 05, by and between

R. H. LOVE GALLERIES
645 NORTH MICHIGAN AVE., SUITE 200
CHICAGO, IL 60611
(an Illinois corporation,
hereinafter called "Gallery")

and

Mr. Peter Dunston
38 Church Lane
Wickford, RI 02852
(hereinafter called "Consignor")

In consideration of the mutual promises and undertakings as hereinafter set out, the parties hereto agree as follows:

1 - Consignor hereby consigns for sale to Gallery on the terms hereinafter set out, the work or works of art set out and listed on Exhibit "A" below hereof, (said work or works of art are hereinafter called "works"), and Gallery acknowledges receipt of the works as of the date of this Agreement.

2 - Consignor hereby warrants and represents that he is the sole owner of all the works listed on Exhibit "A". Consignor further warrants and represents that all of the works are unencumbered and free from liens, or claims against them from any person.

3 - Gallery agrees to use reasonable and bona fide efforts to sell the works. It is understood and agreed between the parties that Gallery, at its sole discretion, will determine the manner, method, and time of sale which will have the most beneficial affect upon the ultimate sale of the works.

4 - Each work of art set out and listed on Exhibit "A" may be sold by Gallery at an amount equal to or greater than the amount respecting that work set forth as the "Consignment Price" on Exhibit "A". It is understood that the Consignment Prices does not represent an appraisal or valuation of any work by Gallery. In the event of a sale, Consignor shall receive as payment in full the Consignment Price for the work, less the any direct costs incurred by Gallery to enhance the salability of the work, including but not limited to costs for framing, transportation and restoration, insurance and advertising, plus a percentage (specified below) of the difference between Consignment Price and the selling price (exclusive of taxes) at which the work is sold to the purchaser. Sales tax, if any, shall be collected from purchaser and paid by Gallery to the appropriate tax authority. Gallery shall receive as its compensation all other sums and consideration collected from the purchaser. Consignor shall be paid as soon as practicable after the sale has been consummated and all sums and consideration for the sale have been received by Gallery from the purchaser.

Consignor shall receive approximately a net price between \$20,000 to \$25,000 for the painting listed in Exhibit "A".

consignor shall receive 75% of the final sale price, gallery to retain a 25% commission.

EXHIBIT "A"

Consignment price net \$20,000-\$25,000 Inventory number C-90/1323

Title Path through the Olive Trees

Artist William Chadwick Medium oil on canvas

Signature location lower right Size 24 x 20 inches



This Agreement is subject to the conditions, agreements, and stipulations contained on the reverse side of this page.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day, month, and year first above written.

CONSIGNOR

r. Peter Dunston

R.H. LOVE GALLERIES, INC.
by Richard H. Love, President

5 - Gallery may advertise, promote, exhibit and/or publish any information or photograph it deems necessary either by itself or through others, regarding the work, the artist, or any other matter Gallery deems relevant.

6 - The term of this Agreement shall be ONE YEAR from the date hereof, and shall be automatically renewed for a like period of time thereafter on the same terms and conditions until terminated in the manner set forth hereafter. Until terminated in accordance with this Agreement, Gallery's authority to sell works shall be irrevocable. The agency created by this Agreement is coupled with an interest in the works. It is understood that Gallery will expend much money, time, efforts and talents in the promotion, inventory, cataloguing, and/or evaluation of the works and the parties agree that a lien is thereby created against the works and an interest created therein. Consignor, his heirs, or legal representatives, may only terminate the authority created in this Agreement by the sending of prior written notice to Gallery of the intention to terminate at least 30 (thirty) days prior to the expiration of the initial term or any extended term thereafter; Gallery may cancel this Agreement at any time following the initial period by returning the works to Consignor or his legal representatives.

7 - Gallery shall in its good faith and discretion, determine the prospective purchasers, the sale price, and the method of payment of each transaction of a work listed on Exhibit "A". Gallery may extend credit or sell and set terms as it sees fit. Each sale shall be promptly reported to Consignor.

8 - Gallery is authorized to restore, repair, and frame the works as it sees fit, and may hire others to perform such work. If Gallery elects to frame any or all of the works, said frame or frames shall belong to Gallery and may be removed by Gallery prior to a return of the work or works to Consignor. Gallery shall determine where and when each work is to be exhibited.

9 - Consignor shall be responsible for cost of delivery to and from the Gallery. The Gallery shall undertake the expense of insuring each work of art subject to the terms, conditions and exclusions of the Gallery's policy. At the request of the Consignor, the Gallery will have its insurer issue a Certificate of Insurance. The insured amount will be the consignment price of the work of art. It is understood that consignment price is the agreed upon value to be paid to the Consignor less commission when the work of art is sold. The Gallery will be reimbursed for the cost of its insurance by billing each Consignor. When a work of art is sold mid-policy year, the Gallery will issue a prorated credit for the remaining months of the policy year. The Consignor may choose to pay the billing directly or the Gallery will deduct the cost of such insurance from the proceeds when the work of art is sold. At the time any work is shipped to be restored, repaired or exhibited, Gallery shall arrange for insurance coverage for the work, but not to exceed agreed upon consignment price. If accidental loss or damage occurs to any work of art, Gallery shall notify Consignor and Gallery will file a claim with its insurance carrier. Gallery shall promptly forward to Consignor any applicable proceeds from its insurance company.

10 - Gallery shall have the right at any time hereafter to purchase any or all works for its own account at the "Consignment Price".

11 - The parties hereto agree that Gallery shall be the sole owner of any literary material including actual or printed photographs, or slides, descriptions of the works, or compilations thereof taken or prepared in accordance with paragraph 4 above, and that Consignor shall have no ownership interest of rights therein or in the copyrights thereof. The copyrights shall vest in Gallery, its successors and assigns forever, including the copyrights for any and all translations, abridgements, and subsequent additions thereof and including the copyrights for any renewed or extended terms now or hereafter authorized by law. Consignor hereby grants to Gallery the right and power to copy and publish any document, photograph, picture, painting, sculpture, or drawing, pastel or graphic work of art, which Gallery may determine necessary for its literary works.

12 - All of the terms, covenants, and conditions of this Agreement shall be binding upon and inure to the benefit of each of the parties, heirs, administrators, executors, successors, conservators, guardians, assigns, and legal representatives.

13 - Any dispute or controversy arising under, out of, or in connection with, or in relation to this Agreement shall be resolved and determined by arbitration in the City of Chicago, pursuant to the rule then obtaining of the American Arbitration Association.

14 - This Agreement is made in Chicago, Illinois. It shall be governed by and construed according to the laws of the State of Illinois. If any term or provision of this Agreement is held invalid, said term or provision shall not effect the other terms or provisions of this Agreement, which can be given effect without the invalid term or provision.

15 - All notices required or permitted hereunder shall be in writing and shall be deemed to be given within five (5) days after the same has been deposited in the United States mail and sent by certified or registered mail, return receipt requested, postage prepaid to the party entitled thereto, directed to him at the address listed below his name on the front page of this Agreement. Address for notice may be changed by service.

16 - This Agreement including Exhibit "A", constitutes the entire Agreement by the parties pertaining to the subject matter hereof. No alleged covenant, representation, or condition, not expressed in this Agreement shall affect or be effective to change or restrict the expressed provisions of this Agreement. No change, termination, or attempt waiver of any of the provisions of this Agreement shall be binding unless in writing and signed by both parties.