

# CIRCULATION CONTRACT - ART PURCHASE AGREEMENT

This is an agreement (“Agreement”) between the artist (“Artist”) and the purchaser (“Purchaser”) for the purchase of one or more works of art created by the Artist (“Work” or “Works”). Reference to the Work will refer to all Works covered under this Agreement unless specified otherwise.

**1. Payment.** Purchaser agrees to purchase the Work for a total price of \$\_\_\_\_\_ (USD) plus any applicable sales, use, or transfer taxes (“Price”). Full payment is due and payable on the execution of this Agreement. The Work to be purchased is described below:

Title: \_\_\_\_\_  
Date: \_\_\_\_\_  
Media: \_\_\_\_\_  
Dimensions: \_\_\_\_\_  
Domain: \_\_\_\_\_  
Price: \_\_\_\_\_

[The Work \_\_\_\_\_, together with \_\_\_\_\_ make up an integrated collection “Collection”.]

Payment of the Price must be made in full to the Artist [and the following persons in the amount specified:]

Name: \_\_\_\_\_ Address: \_\_\_\_\_ Percentage of purchase price: \_\_\_\_\_  
Name: \_\_\_\_\_ Address: \_\_\_\_\_ Percentage of purchase price: \_\_\_\_\_  
Name: \_\_\_\_\_ Address: \_\_\_\_\_ Percentage of purchase price: \_\_\_\_\_  
Name: \_\_\_\_\_ Address: \_\_\_\_\_ Percentage of purchase price: \_\_\_\_\_  
Name: \_\_\_\_\_ Address: \_\_\_\_\_ Percentage of purchase price: \_\_\_\_\_

**2. Title, Insurance and Delivery.** Title to the Work will pass to the Purchaser when the Artist [and Artist’s designees] receives full payment under this Agreement. Once title has passed, the Purchaser bears the risk of loss or damage to the Work [and is responsible for providing insurance to cover loss or damage to Work(s)]. The Artist will deliver the Work to the Purchaser within 14 calendar days after receiving full payment.

**3. Integrity.** The Purchaser must not distort, mutilate, alter, or destroy the Work, either intentionally or by negligence, and will make best efforts to prevent its distortion, mutilation, alteration, or destruction by another person. If the Work is sold as a Collection, then this prohibition applies equally to an individual Work and to the collection as a whole.

**4. Restoration.** The Purchaser must consult with the Artist before restoring or repairing a Work. The Artist has the first option to either restore or repair the Work, or to retain a restoration expert to restore or repair the Work under the Artist’s supervision, and charge to the Purchaser the reasonable cost of the Artist’s services, and that of any expert the Artist retains.

**- &Restrictions on Sale or Transfer** (strike through any provision that doesn't apply)

- a. **Limitation on time.** The Purchaser must not sell or transfer the Work for \_\_\_ years from the execution date of this Agreement.
- b. **Right of first refusal.** The Purchaser must offer the Artist a right of first refusal in writing, in an amount of the Price plus \_\_\_ percent (\_\_\_%), before the Purchaser may sell or transfer the Work to another person. The Artist has thirty (30) calendar days after notice of the offer with which to exercise the right of first refusal.
- c. **Artist royalty on resale.** In the event the Purchaser sells or transfers the Work, and receives a price or value in that sale or transfer more than the price the Purchaser paid under this Agreement, the Purchaser must pay \_\_\_ percent (\_\_\_%) of the Appreciated Value within thirty (30) calendar days of the new sale or transfer date, to the Artist [and to the following persons:]

Name: \_\_\_\_\_ Address: \_\_\_\_\_ % of excess amount: \_\_\_\_\_  
 Name: \_\_\_\_\_ Address: \_\_\_\_\_ % of excess amount: \_\_\_\_\_  
 Name: \_\_\_\_\_ Address: \_\_\_\_\_ % of excess amount: \_\_\_\_\_  
 Name: \_\_\_\_\_ Address: \_\_\_\_\_ % of excess amount: \_\_\_\_\_  
 Name: \_\_\_\_\_ Address: \_\_\_\_\_ % of excess amount: \_\_\_\_\_

- d. **Integrity of collection.** The Purchaser is prohibited from selling or transferring a Work that is part of a Collection separately from the rest of the Collection.
- e. **Mandatory use of title transfer agreement.** The Purchaser must pass title to the Work by using a written agreement which incorporates verbatim the terms as set out in Exhibit A and incorporated by reference into this Agreement ("Title Transfer Agreement"). The Purchaser must provide the Artist with a properly executed copy of the Title Transfer Agreement within thirty (30) days of execution.

**&Rental of the Work.** The Purchaser must pay \_\_\_ percent of any amount received by the Purchaser for rental or lease of the Work to the Artist and/or other persons whom the Artist designates. Payment must be made within thirty (30) days of receipt of each rental or lease payment.

**/&Copyright and License.** The Artist is selling to the Purchaser only the physical Work and reserves and retains all copyright in the Work. The Artist also reserves and retains all other rights not expressly granted to the Purchaser in this Agreement. The Artist will place a copyright notice on the Work if practicable. Artist hereby grants Purchaser a nonexclusive, royalty-free, worldwide license in all media to reproduce, distribute, publish, sublicense, make derivative works from, and publicly display the Work provided that all such uses are limited to the promotion of the Work's public display, and not for any other purpose. Use of the Work to promote, market, advertise, or sell any other object or service is expressly prohibited under this license.

Each reproduction of the Work(s) must bear a copyright notice with the copyright symbol, Artist's full name, and the year. In any use made pursuant to this license, including any descriptive text, the Purchaser and any sublicensee must attribute the Work to the Artist as the Work's creator in the following manner:

\_\_\_\_\_.

**8. Display and Access.** The Purchaser must display the Work in a publicly accessible location or manner at the Purchaser's own expense and provide the Artist with continual access to the Work.

The Artist may, at no charge to the Artist, borrow the Work from the Purchaser for up to \_\_\_\_ days every calendar year for the purpose of public exhibition. The Artist may also, at no charge to the Artist, borrow the Work for reproduction purposes for up to \_\_\_\_ days every calendar year.

**9. Entire Agreement.** This Agreement constitutes our entire agreement and supersedes all prior writings, oral agreements, or understandings. This Agreement may be amended only by a writing clearly setting forth the amendments and signed by both of us. Neither of us may be deemed to have waived any provisions of this Agreement absent such a writing.

**10. Blockchain.** The terms of this Agreement may be entered into a blockchain ledger, which will be incorporated into and made part of this Agreement.

**11. Successors and Assigns.** This Agreement will be binding on both the Artist and the Purchaser, their heirs, executors, administrators, and assigns in perpetuity.

**12. Severability.** Should any provision or portion of this Agreement be determined invalid or unenforceable for any reason, the remaining provisions or portions of this Agreement will be unaffected and remain in full force and effect to the full extent permitted by law.

**13. Notices.** All notices, submittals, requests, and reports required under this Agreement will be in writing and send by certified mail as follows:

For Purchaser: \_\_\_\_\_

For Artist: \_\_\_\_\_

**14. Choice of Law and Forum.** The laws of the State of California govern the interpretation, validity and effect of this Agreement without regard to any choice of law rules.

**15. Disputes.** All disputes arising out of this agreement shall be submitted to mediation in accordance with the procedures of Arts Arbitration and Mediation Services, a program of California Lawyers for the Arts.

**16. Effective Date.** This Agreement is effective as of \_\_\_\_\_.

***Having read and understood this Agreement, and intending it to be legally binding, each of us have signed below on the date indicated.***

**ARTIST:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**PURCHASER:** \_\_\_\_\_

**DATE:** \_\_\_\_\_