

## LOAN AGREEMENT

### AGREEMENT FOR LOAN OF ARTWORK FROM THE POSTAL FINE ARTS COLLECTION BETWEEN THE UNITED STATES POSTAL SERVICE AND SILVER PICTURES MANAGEMENT, INC.

THIS AGREEMENT ("Agreement") is entered into this 2<sup>nd</sup> day of AUGUST, 2012 (the "Effective Date") by and between the United States Postal Service ("USPS") and Ag Media Properties, LLC, a California limited liability company ("Borrower").

#### RECITALS

**WHEREAS:** In 1940, the U.S. Treasury Department's Section of Fine Arts and Sculpture commissioned Edward Biberman to paint an oil on canvas mural entitled "*The Story of Venice*" (Mural), which Mural was installed at the Venice Main Post Office, located at 1601 Main Street, Venice, California, on August 11, 1941 (the "Building") and is part of the Postal Fine Arts Collection owned by the USPS. The size of the Mural is 15'10" by 6'6" and the description of the Mural is "Depicts founder of Venice in center with scenes of Venice Amusement park to his right and oil industry to his left."

**WHEREAS:** The Borrower purchased the former Main Post Office from the USPS on AUGUST 2, 2012, and the Mural will remain at the original location for display.

**NOW THEREFORE** in consideration of the mutual promises and agreements contained in this Agreement, the parties agree as follows:

1. USPS agrees to loan the Mural to the Borrower, and the Borrower agrees to borrow the Mural from the USPS, for the purpose of exhibiting the Mural for a term of fifty (50) years from the date hereof, with subsequent five (5) year extensions of that term which may be exercised in writing by either party and which shall be effective upon acceptance in writing by the non-exercising party not less than ninety (90) days prior to the expiration of the term then in effect. The Mural will at all times remain the property of the USPS and this Agreement will be subject to the terms and conditions set forth below. Borrower agrees to provide the USPS and its duly authorized representatives, upon reasonable advance notice and at mutually convenient times, with access during normal business hours for the purposes of inspection; appraisal; high-resolution, flash or professional grade reproduction; inventory; removal (in accordance with paragraphs 11 or 13 below); and other purposes consistent with the foregoing.
2. Borrower, at Borrower's expense, will furnish and affix to the frame of the Mural a small engraved metal plaque, stating that the Mural is on loan from the USPS and providing the title of the Mural, artist's name, and date of commissioning. Subject to the provisions of paragraph 7 below, Borrower agrees to make no reproductions of the Mural without the written consent of the USPS. Borrower further agrees to allow access by the public to view the Mural.
3. Subject to the provisions of paragraph 7 below and excluding reproductions of 11" x 14" or smaller, should Borrower obtain high-resolution, flash or professional grade reproductions of the Mural (following the receipt of written consent from the USPS), all such reproductions shall immediately become the property of the USPS. Borrower agrees to provide the USPS

with the reproductions and all copies thereof, whereupon, USPS will establish ownership of the reproductions under the federal Copyright Act.

4. Borrower shall insure the Mural at its expense, and the Postal Service shall be named as an additional insured and loss payee. The Mural shall be insured initially for \$100,000.00, under an "all risk", wall-to-wall policy subject to only the following standard exclusions: wear and tear, gradual deterioration, terrorism, and war. At the request of the USPS, from time to time during the term of this Agreement, but not more than once every three (3) years, Borrower shall obtain an appraisal of the Mural from an accredited art appraiser reasonably satisfactory to the USPS; and shall, within thirty (30) days of receipt of any such appraisal report that establishes the value of the Mural at an amount greater than \$100,000.00, secure additional insurance coverage in an amount not less than the then appraised value and provide the USPS with a copy of the appraisal and evidence of insurance at such appraised value. If Borrower fails to secure and maintain the insurance required by this paragraph 4, Borrower will, nevertheless, be required to respond financially in case of loss or damage as if said insurance were in effect. Any inaction by the Postal Service regarding evidence of coverage shall not be deemed a waiver.
5. Borrower will provide normal maintenance and precautions to protect the Mural from fire, theft, mishandling, extremes of light, temperature, and humidity, dirt, insects, and vermin and other environmental hazards, during the term of this Agreement. The Mural must be handled only by experienced personnel and be secured from damage and theft by appropriate brackets, railings, display cases, or other responsible means. The Borrower shall be responsible for restoration of the Mural at its sole cost and expense while the Mural is in the Borrower's care and custody. The Mural will be restored to the standards outlined by the American Institute for Conservation of Historic and Artistic Works, or higher ("Restoration Standards"), by a Fellow of the American Institute for Conservation of Historic and Artistic Works (hereinafter "Qualified Restorer"). Prior to any such restoration, the Borrower shall send notice to the USPS of the proposed restoration for USPS review and approval and after completion of the restoration the Borrower shall forward to the USPS evidence of the completion of the restoration and a certification that such restoration met the Restoration Standards.
6. If the Mural is damaged while in Borrower's care and custody, Borrower shall notify the Postal Service immediately, and shall have any repair or restoration performed at its expense by a Qualified Restorer. Whenever there is a need for maintenance, repair or restoration which is the Borrower's obligation under this Agreement, the Postal Service will require the Borrower to maintain, repair or restore the Mural to the Restoration Standards and will provide written notice to Borrower stating a reasonable time period for completion of all necessary maintenance, repair or restoration. If Borrower fails to complete the maintenance, repair or restoration work within the time specified in the notice, the USPS shall have the right to cause its agents to enter upon the Building and remove the Mural for the purpose of performing, or perform the work on-site, at Borrower's sole expense and seek reimbursement. Borrower will pay USPS the costs of the work performed within thirty days' of receipt of USPS' invoice.
7. The USPS reserves any rights that it may hold to the Mural and images of the Mural ("Mural Image") and grants permission to Borrower to use the Mural Images for non-profit use only, which for purposes of this Agreement shall mean any use that does not generate income or promote the generation of income. Non-profit use shall not include use of the Mural Image as a company logo. On any non-profit use, Borrower must acknowledge the USPS as the owner of all rights to the Mural and Mural Image.
8. Items bearing the Mural Image cannot be resold for any reason without a license agreement between the USPS and Borrower. Borrower must obtain a license agreement from the USPS and pay royalties to the USPS to use a Mural Image on any item for resale. These uses include, but are not limited to, images on or in postcards, posters, fine art prints, books,

periodicals, stationary, clothing or merchandising items such as mugs and magnets. The USPS has a standard license agreement for such purposes. Borrower must notify the following USPS representative by U.S. Mail, certified and postage prepaid, to apply for a license:

Manager Channel Marketing & Licensing

475 L'Enfant Plaza, SW

Room 6912

Washington, DD 20260-50134

This notification requirement is in addition to the notifications requirement in Paragraph 14.

9. Failure to obtain a license agreement from the USPS prior to any resale of items bearing a Mural Image constitutes a breach of this Agreement. Upon such breach, in addition to any other remedies available to the USPS, the Borrower shall be liable for payment to the USPS of a reasonable royalty based on Borrower's resale of such unauthorized items bearing a Mural Image, such payment to be made upon demand therefor by the USPS. USPS and its duly authorized representatives shall have the right at all reasonable business hours to examine the books and records of Borrower pertaining to the sale of items bearing a Mural Image.
10. The Mural must be exhibited throughout the term of this Agreement, except for periods required for protection or maintenance of the Mural.
11. In the event the Borrower enters into a contract for the sale of the Building, the Borrower shall provide written notice to USPS at least sixty (60) days prior to transfer of title and shall include the name and address and of the buyer and prospective date of transfer. This Agreement shall terminate on the date title transfers to the new owner.
12. This Agreement shall be construed in accordance with federal law; and, if there is no relevant federal law, in accordance with the law of the State of California.
13. (a) This Agreement shall expire on the later of (i) 50 years after its Effective Date, or (ii) the end of any five-year extension term exercised in accordance with paragraph 1 unless earlier terminated as provided in paragraphs 11 or 13.  
  
(b) Notwithstanding anything to the contrary provided herein, the USPS may immediately terminate this Agreement, in the USPS sole and absolute discretion, if thirty (30) days have passed after the USPS has provided written notice to the Borrower that the Borrower has failed to meet any of its obligations hereunder and has failed to initiate and complete corrective action as required under the terms of the Agreement. In the event of such termination, USPS reserves the right to seek all rights and remedies available in law and equity.  
  
(c) Upon termination or expiration of this Agreement, the Borrower will be responsible for packing and transporting the Mural by qualified and insured handlers to USPS. The Borrower shall ship the Mural within thirty (30) days of the effective date of termination or expiration. If upon the expiration of the term of this Agreement, the costs of such packing and

(d) In the event that the USPS determines following receipt of the Mural that repair or restoration work on the Mural is required, then Borrower shall reimburse the USPS for the cost of any repair or restoration work required provided that the Borrower will not be responsible for the cost of repair or restoration work unless the USPS notifies the Borrower of the need for such work within thirty (30) days of receipt by the USPS of the Mural.

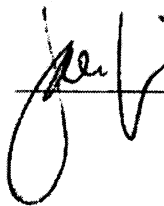
- If to USPS: United States Postal Service  
Federal Preservation Officer  
475 L'Enfant Plaza SW, Room 6670  
Washington, D.C. 20260-1862

15. This Agreement shall constitute the final, complete, and exclusive written expression of the intentions of the parties hereto. This Agreement shall supersede all previous communications, representations, agreements, promises, or statements either oral or written by or between either parties with respect to the subject matter of this Agreement. This Agreement may be amended only in writing signed by each party. In the event of any conflict between this Agreement and any other agreement between Borrower and the USPS with respect to the subject matter hereof, the terms of this Agreement shall be controlling.
16. Each party declares that it has the authority to enter into this Agreement and that the signatory hereto has been given the requisite authority to sign. This Agreement may be signed in counterparts, each of which shall be deemed to be an original. Such counterparts together will constitute one and the same instrument.
17. Borrower may not assign this Agreement without the USPS' prior written consent, which consent may be withheld for any reason. This Agreement will bind and inure to the benefit of the parties and their respective successors and assigns.

This Agreement takes effect upon the date that representatives of all parties have signed, which date shall be inserted in the introductory paragraph of this Agreement as the "Effective Date."

FOR Ag MEDIA PROPERTIES, LLC (BORROWER)

By:

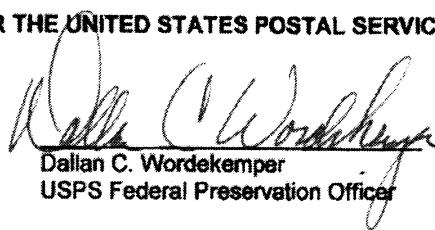
  
\_\_\_\_\_

Date

8-2-2012

FOR THE UNITED STATES POSTAL SERVICE, FACILITIES HEADQUARTERS

By:

  
Dallan C. Wordekemper  
USPS Federal Preservation Officer

Date

8-8-2012

## FIRST AMENDMENT TO LOAN AGREEMENT

**THIS FIRST AMENDMENT** ("Amendment") is entered into as of the 21st day of August, 2012 (the "Effective Date") by and between the United States Postal Service ("USPS") and Ag Media Properties, LLC, a California limited liability company ("Borrower").

### RECITALS

**WHEREAS**, In 1940, the U.S. Treasury Department's Section of Fine Arts and Sculpture commissioned Edward Biberman to paint an oil on canvas mural entitled, "*The Story of Venice*" (Mural), which Mural was installed at the Venice Main Post Office, located at 1601 Main Street, Venice, California (the "Property"), on August 11, 1941 and is part of the Postal Fine Arts Collection owned by the USPS; and

**WHEREAS**: Borrower purchased the Property from the USPS on August 2, 2012 and the USPS and Borrower entered into a Loan Agreement, dated August 2, 2012 (the "Loan Agreement") whereby the Mural remained located at the Property although the USPS continues to own the Mural; and

**WHEREAS**, the Borrower and the USPS wish to further clarify some of the terms and conditions of the Loan Agreement.

**NOW, THEREFORE**, in consideration of the mutual promises and agreements contained in this Agreement and of other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Borrower has determined that restoration of the Mural is currently required and has agreed, at Borrower's expense, to restore the Mural using a Qualified Restorer (as defined in the Agreement) in accordance with the Loan Agreement. Borrower shall begin such restoration promptly following the execution of this Amendment. The parties understand and agree that during the period of restoration, Borrower shall not be able to provide any public access to the Mural. Borrower anticipates that such restoration period will be approximately 15 months from the commencement of restoration.
2. Following completion of the restoration, Borrower agrees to provide public access to the Mural six days per calendar year during the hours of 10 a.m. to 6 p.m. Pacific Time by appointment. In the event a security or safety risk exists at the Property, Borrower may temporarily suspend such public access. The access provided by Borrower pursuant to this Section 2 shall serve to satisfy the obligations for access under Section 10 of the Loan Agreement.
3. Upon the written request of the USPS given following the completion of restoration, Borrower will have a high-resolution, flash or professional grade reproduction of the Mural taken and will provide three such reproductions in digital and hard copy format to the USPS without charge. The restoration of the Mural by Borrower shall not impact in any way the USPS' right, title and interest in and to the Mural and the reproductions referenced herein.
4. Notwithstanding anything to the contrary in the Loan Agreement, Borrower may use images of the Mural for any use other than a use which directly generates income, e.g. Borrower may not sell merchandise with a photograph, print or other reproduction of the Mural on such merchandise. Any other use is permitted, including, without limitation, the use of images containing the Mural on any promotional materials of Borrower.

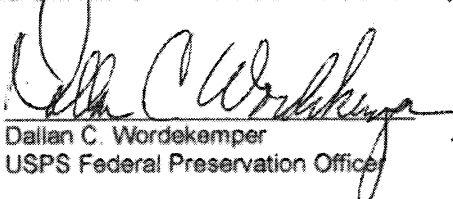
5. Notwithstanding anything to the contrary in Section 5 of the Loan Agreement, Borrower shall not be obligated, prior to any Mural restoration, to obtain the approval by the USPS of the proposed restoration provided, however that any Mural restoration must otherwise satisfy the requirements of Section 5 of the Loan Agreement.
6. Each party declares that it has the authority to enter into this Amendment and that the signatory hereto has been given the requisite authority to sign. This Amendment may be signed in counterparts, each of which shall be deemed to be an original. Such counterparts together will constitute one and the same instrument.
7. This Amendment shall be construed in accordance with federal law; and, if there is no relevant federal law, in accordance with the law of the State of California.
8. Except as modified hereby, the Loan Agreement remains in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment the date written below and this Amendment shall be effective for all purposes as of August 21, 2012.

FOR Ag MEDIA PROPERTIES, LLC (BORROWER)

By:  \_\_\_\_\_ Date 8.28.12

FOR THE UNITED STATES POSTAL SERVICE, FACILITIES HEADQUARTERS

By:  \_\_\_\_\_ Date 8/29/12  
Dallan C. Wordekemper  
USPS Federal Preservation Officer