

CONSIGNMENT AGREEMENT

THIS CONSIGNMENT AGREEMENT (this "Agreement") is made and entered into as of _____, and is by and between _____, with an address of _____ ("Consignor") and _____, with an address of _____ ("Consignee").

RECITALS

WHEREAS, upon the terms and conditions set forth herein, Consignor desires to sell certain items as identified below (collectively, the "Products") on a consignment basis through Consignee, and Consignee desires to provide such consignment services for and on behalf of Consignor.

WHEREAS, Consignee operates a consignment business at the following location: _____ ("Consignee's Business"), which shall be the location for the consignment services provided under this Agreement.

NOW THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. **Consignment.** Consignor shall and does hereby provide and deliver on consignment to Consignee, the following items: _____

(collectively, the "Products" and individuals, a "Product").

Consignee shall hold and seek to sell such Products for and on behalf of Consignor upon the terms and conditions set forth herein. In connection with the sale of a Product, Consignee shall collect from the purchaser thereof, and appropriately remit to applicable tax authorities, all sales taxes for and on behalf of Consignor. Consignee shall provide the Product purchaser with appropriate invoice or bill of sale with respect to each purchased Product, as the case may be.

Delivery of the Products to Consignee, including without limitation any shipping, freight, transport, and/or postage costs, shall be at the sole cost and expense of:

Consignor Consignee.

2. **Establishment of Pricing; Retirement of Product.** Consignor and Consignee shall mutually agree on the initial pricing of each Product under consignment hereunder (each, an "Initial Designated Price"), which Initial Designated Price for each Product shall be reflected on **Exhibit A** hereto and incorporated herein by this reference.



Select applicable box:

- Consignee shall obtain prior written approval of Consignor before offering a Product for sale, or selling a Product, at a price which is lower than its respective Initial Designated Price.
- Consignee shall have the right, without prior notice to or approval of Consignor, to reduce the Initial Designated Price and any subsequent pricing hereunder from time to time, in Consignee's sole judgment, to endeavor to achieve the dual goals of selling the Products quickly hereunder and selling of Products at optimal pricing.
- Consignee shall have the right, without prior notice to or approval of Consignor, to automatically reduce the Initial Designated Price and any subsequent pricing hereunder, every thirty (30) days throughout the term hereof, by 10 % off the then-existing pricing for such respective Product.
- Consignee shall have the right, without prior notice to or approval of Consignor, to automatically reduce the Initial Designated Price and any subsequent pricing hereunder, upon the following schedule: _____

Any unsold Product hereunder shall be retired and shall no longer be held for sale on consignment hereunder after the lapse of _____ days from the date hereof. Consignee shall provide written notice to Consignor of all Products being so retired from time to time, including the respective effective dates of such retirement. In such event, Consignor shall have the right to retrieve such retired Product within 30 days of the effective date of such respective retirement. If Consignor fails to retrieve such Product within such time period, such Product shall be deemed abandoned by Consignor, and Consignee shall have the right to dispose of same. The cost of any such disposal shall be borne by and allocated to Consignor and may be applied as an offset against any amounts due from Consignee to Consignor.

3. **Title and Ownership; Risk of Loss.** Title and ownership of each Product shall remain with Consignor at all times, until such applicable Product is sold by Consignee in a bona fide sale. Risk of loss with respect to each Product (including due to loss, theft, damage, destruction or otherwise) shall transfer to and remain with Consignee commencing upon delivery of same to Consignee, through and including the date of sale thereof. Both parties hereto will maintain a detailed list of all Products placed with Consignee, including, at each party's option, a photo of such Product for documentation purposes.

4. **Removal/In and Out Privilege.**



Select applicable boxes:

- From time to time and upon not less than ____ days prior notice to Consignee, Consignor shall have the right to remove any Product (or any portion thereof) from Consignee, which removal (if any) shall be at Consignor's sole cost and expense. In such event, this Agreement as it relates to such removed Product only, shall be deemed terminated.
- Following initial delivery, Consignor shall not have the right to remove any Product from Consignee, unless Consignee agrees to such removal in Consignee's sole discretion.
- Consignor shall have in/out privilege with respect to any Product, in Consignor's discretion, upon prior notice to Consignee. If applicable, insert details of in/out privilege here: _____

5. **Sales Commission.** Proceeds from the sale of a Product shall be shared between Consignor and Consignee as follows:

Select applicable box:

- % of the sale proceeds of each Product to Consignee
- % of the sale proceeds of each Product to Consignor

OR:

- Fixed fee to Consignee of \$ _____ and balance of sale proceeds to Consignor
- Fixed fee to Consignor of \$ _____ and balance of sale proceeds to Consignee

Consignee shall remit Consignee's share of the sale proceeds to Consignee on a monthly basis or as otherwise provided as follows: _____

6. **Consignee's Covenants and Obligations.** Consignee covenants and agrees with Consignor as follows, from the date of delivery of the Product to Consignee through sale thereof or earlier termination of this Agreement, as the case may be:



(a) Consignee shall keep all Product free and clear of all liens, encumbrances, and security interests, including without limitation any liens, encumbrances and security interests in favor of Consignee's landlords, lenders or otherwise.

(b) Consignee shall keep and maintain the Products and Consignee's Business safe, secure, dry and in good condition, free of vermin or other infestation.

(c) Consignee shall maintain customary and reasonable insurance with respect to the Products and Consignee's Business, with limits, deductibles and with such insurers as are reasonably satisfactory to Consignor.

7. **Consignee's Return Rights.**

Select applicable box:

- From time to time, Consignee shall have the right, in consignee's sole discretion, to require a return of the Products (or any portion thereof) to Consignor, and the retrieval and removal thereof shall be at Consignor's sole cost and expense. In such event, Consignor shall retrieve and remove such Product within five days of notice thereof from Consignee. If Consignor does remove the Products within a reasonable period of time (not to exceed 30 days from the date of such notice), Consignee shall have the right to deem such Product abandoned by Consignor and Consignee shall dispose of such Products (or applicable portion thereof) in Consignee's discretion, and in such event, Consignor shall not be entitled to the proceeds thereof (if any). The cost of any such disposal shall be borne by and allocated to Consignor and may be applied as an offset against any amounts due from Consignee to Consignor.
- Once Products are delivered to Consignee, Consignee shall not have the right to require a retrieval and removal thereof by Consignor.

8. **Consignee's Efforts to Sell.** The Consignee will endeavor to display the Products in a prominent place within Consignee's Business and will use commercially reasonable efforts to sell the Products (including without limitation through social media marketing or otherwise, as determined by Consignee), at or above the Initial Designated Price and at such other applicable reduced sales prices as are contemplated herein. The parties hereto acknowledge and agree that the dual goals under this Agreement include the selling the Products quickly hereunder, and the selling of Products at optimal pricing. Consignee does not guarantee that it will secure the highest price or fair market value for any Product sold hereunder.

9. **Termination.** This Agreement shall terminate if either party defaults hereunder and fails to cure such default within thirty (30) days after notice thereof from the non-defaulting party. In addition, either party shall have the right to terminate this Agreement for any reason or no reason, upon not less than _____ days advance written notice to the other party. Upon termination, any unsold Product shall be promptly removed by Consignor, at Consignor's sole cost and



expense. Failure to remove its Product within 30 days of termination of this Agreement shall constitute an abandonment of such Product by Consignor.

10. **Reporting.** Consignee shall provide periodic reporting to Consignor as to the Products sold hereunder, the sale price of each such Product sold, and the date of sale. Such report shall also provide information as to Products that have been retired as contemplated herein. Such reporting shall be provided to Consignor on a:

Select applicable box:

- Monthly basis
- Quarterly basis
- Other. Specify: _____

11. **Additional Terms and Provisions.** Neither party may assign this Agreement or any interest herein without the other party's express prior written consent. With respect to sold Products, Consignee may provide Consignor with an IRS Form-1099 following the end of each calendar year. In connection with same, Consignor shall provide Consignee with a Form W-9 with Consignor's EIN or social security number, as applicable. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument. For purposes of this Agreement, e-mail, electronic execution, or other electronic medium shall have the same force and effect as an original signature.

12. **Notices.** All notices, reports and remittances of funds hereunder shall be provided as follows:



If to Consignor:

Attn:

Telephone No.:

Email:

If to Consignee:

Attn:

Telephone No.:

Email:



IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

Consignor:

Signature: _____

Printed Name: _____

Title: _____

Consignee:

Signature: _____

Printed Name: _____

Title: _____



Exhibit A

Initial Designated Price of each Product

