

**DOCUMENT DISCLAIMER COVER PAGE**

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**CONSIGNMENT AGREEMENT**

This Consignment Agreement (this "Agreement") is made effective as of \_\_\_\_\_ between \_\_\_\_\_, of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_, of \_\_\_\_\_, \_\_\_\_\_.

In the Agreement, the party who is granting the right to sell its merchandise will be referred to as " \_\_\_\_\_ ", and the other party who is receiving the right to sell the merchandise will be referred to as " \_\_\_\_\_ ".

The parties agree as follows:

**I. RIGHT TO SELL.** \_\_\_\_\_ owns \_\_\_\_\_ (" \_\_\_\_\_ "). In accordance with this Agreement, \_\_\_\_\_ grants \_\_\_\_\_ an exclusive right to sell the \_\_\_\_\_ during the term of this Agreement. This right to sell only applies to the following described territory: \_\_\_\_\_ . \_\_\_\_\_ agrees to deliver to \_\_\_\_\_, on consignment, the \_\_\_\_\_ . \_\_\_\_\_ agrees to devote its best efforts to the sale of the \_\_\_\_\_ . All sales prices and terms of sale shall be determined by \_\_\_\_\_ .

**II. PROCEEDS OF SALES.** \_\_\_\_\_ will pay to \_\_\_\_\_ a portion of the sales proceeds which shall be calculated as follows: \_\_\_\_\_ percent of the proceeds from the sale of the \_\_\_\_\_ . The

amount determined in the previous sentence shall be paid to \_\_\_\_\_ in \_\_\_\_\_ installment(s) on or before the \_\_\_\_\_ day following the installment period in which the proceeds were obtained. With each net proceeds payment, \_\_\_\_\_ will submit to \_\_\_\_\_ a written report that sets forth the calculation of the amount of the net proceeds payment and the extent of current inventory.

**III. RECORDS.** \_\_\_\_\_ shall keep accurate records regarding the quantities of the \_\_\_\_\_ that are sold. \_\_\_\_\_ shall have the right to inspect such records from time to time after providing reasonable notice of such intent to \_\_\_\_\_.

**IV. TITLE TO MERCHANDISE.** Consigned merchandise shall remain the property of \_\_\_\_\_ until sold, except that \_\_\_\_\_ shall be responsible for all shortages, loss, or damage, while the merchandise is under the control of \_\_\_\_\_.

**V. PAYROLL TAXES.** \_\_\_\_\_ shall be exclusively liable for, and shall indemnify \_\_\_\_\_ against such liability for, all employee payroll taxes and insurance arising out of wages payable to persons employed by \_\_\_\_\_ in connection with the performance of this Agreement.

**VI. DEFAULTS.** If \_\_\_\_\_ fails to abide by the obligations of this Agreement, including the obligation to remit the consignment payment to the Consignor when due, \_\_\_\_\_ shall have the option to cancel this Agreement by providing \_\_\_\_\_ day(s) written notice to \_\_\_\_\_. \_\_\_\_\_ shall have the option of preventing the termination of this Agreement by taking corrective action that cures the default, if such corrective action is taken prior to the end of the time period stated in the previous sentence, and if there are no other defaults during such time period.

**VII. ARBITRATION.** All disputes under this Agreement that cannot be resolved by the parties shall be submitted to arbitration under the rules and regulations of the American Arbitration Association. Either party may invoke this paragraph after providing 30 days' written notice to the other party. All costs of arbitration shall be divided equally between the parties. Any award may be enforced by a court of law.

**VIII. WARRANTIES.** Neither party makes any warranties with respect to the use, sale or other transfer of the \_\_\_\_\_ by the other party or by any third party. In no event will \_\_\_\_\_ be liable for direct, indirect, special, incidental, or consequential damages, that are in any way related to the \_\_\_\_\_.

**IX. TRANSFER OF RIGHTS.** This Agreement shall be binding on any successors of the parties. Neither party shall have the right to assign its interests in this Agreement to any other party, unless the prior written consent of the other party is obtained.

**X. TERMINATION.** This Agreement may be terminated by either party by providing \_\_\_\_\_ days' written notice to the other party.

**XI. ENTIRE AGREEMENT.** This Agreement contains the entire agreement of the parties and there are no other promises or conditions in any other agreement, whether oral or written. This Agreement supersedes any prior written or oral agreements between the parties.

**XII. AMENDMENT.** This Agreement may be modified or amended, if the amendment is made in writing and is signed by both parties.

**XIII. SEVERABILITY.** If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it

would become valid or enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

**XIV. WAIVER OF CONTRACTUAL RIGHT.** The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

**XV. APPLICABLE LAW.** This Agreement shall be governed by the laws of the State of \_\_\_\_\_.

Consignor:

\_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_

Consignee:

\_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_