

CONSIGNMENT AGREEMENT

This Consignment Agreement (this "Agreement") is entered into and made effective as of (the "Effective Date"), by and between [CONSIGNOR S FULL LEGAL NAME], a Individual, with an address of [CONSIGNOR S ADDRESS] (the "Consignor"), and [CONSIGNEE S FULL LEGAL NAME GALLERY], a Llc, with an address of [CONSIGNEE S ADDRESS] (the "Consignee"). Consignor and Consignee are each a "Party" and together the "Parties."

1. Consignment; Title Retained

Consignor hereby delivers to Consignee, and Consignee hereby accepts on consignment, the goods described below and on any schedule attached hereto as **Exhibit A** (collectively, the "Goods"):

| *[DESCRIPTION OF THE GOODS]*

The Goods shall be held and displayed at [LOCATION WHERE GOODS WILL BE HELD] (the "Premises"). **Title to the Goods shall remain with Consignor at all times until sale to a bona fide purchaser in the ordinary course of business.** No sale, transfer, pledge, or encumbrance of the Goods by Consignee shall vest any title, lien, or interest in any third party adverse to Consignor, except a purchaser in the ordinary course of business who takes free of Consignor's interest to the extent required by applicable law.

Declared aggregate value of the Goods for insurance purposes: **\$0.00**.

2. Term; Termination

The initial term of this Agreement is **90 (ninety) days** from the Effective Date (the "Term").

Either Party may terminate this Agreement, with or without cause, on **30 (thirty) days'** prior written notice to the other. Either Party may terminate immediately upon the other's material breach that remains uncured for ten (10) days after written notice thereof, or upon the other's insolvency, assignment for benefit of creditors, or filing of a bankruptcy petition.

3. Pricing; Commission

The Goods shall be offered for sale at the list prices set forth on Exhibit A.

Commission. Consignee shall receive a commission equal to **40%** of the gross sale price of each item sold (the "Commission"). Consignor's share shall be **60%** of the gross sale price (the "Net Proceeds").

Discounting authority. Consignee may grant discretionary discounts of up to ten percent (10%) off list price without Consignor's further approval. Any discount beyond the foregoing authority requires Consignor's prior written consent (email sufficient).

4. Settlement; Proceeds

Consignee shall remit Net Proceeds to Consignor on a **Monthly** basis, by **ACH**. Each remittance shall be accompanied by an itemized statement identifying each item sold, sale date, gross price, any discounts, Commission, and Net Proceeds.

Segregated trust account. All proceeds from the sale of the Goods shall be held by Consignee **in trust** for Consignor in a segregated fiduciary account, separate from Consignee's operating funds, until remitted. Consignee acknowledges that the Goods and the proceeds of their sale are **trust property and trust funds** for the benefit of Consignor, and that commingling with Consignee's personal or business funds is a breach of fiduciary duty.

Sales tax. Consignee shall collect, report, and remit all applicable sales, use, and excise taxes on sales of the Goods.

5. Risk of Loss; Insurance

From the moment the Goods are delivered to Consignee or its agents until returned to Consignor or sold to a bona fide purchaser, **risk of loss, theft, damage, and destruction is borne by Consignee.**

Insurance. Consignee shall maintain, at its expense, commercial property insurance covering the Goods against the perils of fire, theft, water, vandalism, and other casualty risks on an all-risk basis, in an amount not less than **\$0.00**, naming Consignor as loss payee as its interest may appear. Consignee shall provide a certificate of insurance to Consignor upon request.

6. UCC Consignment — Perfection of Consignor's Interest

The Parties intend this Agreement to be a "consignment" within the meaning of UCC §9-102(a)(20). Under UCC Article 9, a consignment creates a purchase-money security interest in favor of Consignor in the Goods while in Consignee's possession. Consignor is entitled to file a UCC-1 financing statement against Consignee in the appropriate filing office(s) describing the Goods, and to give written notice to any secured party of record holding a conflicting security interest in the Consignee's inventory, in order to perfect Consignor's interest under UCC §§9-103 and 9-324(b).

Consignee's covenants. Consignee (a) authorizes Consignor to file UCC-1 financing statements and any continuation statements; (b) shall promptly provide Consignor with a list of the Consignee's secured creditors of record upon request; (c) shall not grant, and shall prevent the attachment of, any lien, security interest, or encumbrance in or against the Goods in favor of any third party; and (d) shall maintain books and records identifying the Goods as property of Consignor and segregated from Consignee's own inventory for accounting purposes. The Goods are not the property of Consignee and shall not be subject to the claims of Consignee's creditors, assignees, or a trustee in bankruptcy, except as provided by law

with respect to a bona fide purchaser in the ordinary course of business. *See In re Valley Media, Inc.*, 279 B.R. 105 (Bankr. D. Del. 2002).

7. Reporting and Records

Consignee shall deliver to Consignor, no less often than **Monthly**, a written sales report listing each item sold, sale date, gross price, discount (if any), Commission, and Net Proceeds, together with a reconciliation of Goods on hand.

Audit rights. Upon ten (10) business days' prior written notice, Consignor (or its accountant) may, during normal business hours and not more than twice per calendar year, inspect Consignee's books, records, and Premises relating to the Goods. If an audit reveals an underpayment of five percent (5%) or more, Consignee shall bear the reasonable cost of the audit and pay the deficiency with interest at the lesser of 1.5% per month or the maximum lawful rate.

8. Unsold Goods at End of Term

At expiration or termination, unsold Goods shall be returned to Consignor, at Consignor's expense, within ten (10) business days.

9. Consignor Representations and Warranties

Consignor represents and warrants that: (a) Consignor has good and marketable title to the Goods, free and clear of all liens and encumbrances; (b) Consignor has full authority to consign the Goods; (c) sale of the Goods will not infringe any third-party intellectual-property right or violate any contractual restriction; and (d) the Goods conform to their description and are not counterfeit.

10. Indemnification

Each Party shall indemnify, defend, and hold harmless the other from and against any third-party claims, damages, liabilities, costs, and expenses (including reasonable attorneys' fees) arising out of (i) its breach of this Agreement, (ii) its negligence or willful misconduct, or (iii) in the case of Consignor, any defect in title to or authenticity of the Goods; and (iv) in the case of Consignee, negligent handling, display, storage, or misrepresentation of the Goods.

11. Relationship of Parties

Consignee acts as Consignor's **agent** for the limited purpose of selling the Goods and owes Consignor the fiduciary duties of an agent, including the duties of loyalty, care, and accounting. Nothing in this Agreement creates a partnership, joint venture, employment, or franchise relationship.

Exhibit A — Schedule of Consigned Goods

Item No.	Description	List Price	Minimum Price	Commission %						
	[DESCRIPTION OF THE GOODS]	—	\$0.00	40%						1

Additional items may be appended on successive pages, each initialed by both Parties.