CONSIGNMENT AGREEMENT

This Consignment Agreement (this "Agreement") is made effective as of _____ between _____and _____.

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 _____ under the terms of this Agreement. This exclusive 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 _____.

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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 _____ when due, _____ shall have the option to cancel this Agreement by providing _____ days' 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 unless the prior written consent of the other party is obtained.

X. TERMINATION. This Agreement may be terminated by either party by providing 30 days' written notice to the other party.

XI. ENTIRE AGREEMENT. This Agreement contains the entire agreement of the parties with respect to the subject matter of this Agreement 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 with respect to the subject matter of this agreement.

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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: _____

_____

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