

SALE OF GOODS ON CONSIGNMENT AGREEMENT

This Sale of Goods on Consignment Agreement ("Agreement") is made and effective this [Date], by and between [Consignor] ("Consignor") and [Consignee] ("Consignee").

NOW, THEREFORE, it is agreed:

1. Consignment of Goods.

Consignor shall ship to Consignee, on consignment, the following described goods (the "Goods"): [Goods]. Consignor shall be responsible for the cost of shipping to Consignee. Consignee shall, upon delivery F.O.B. [Destination] receive the Goods and shall store them carefully and properly in Consignee's warehouse to protect them from loss, damage, or deterioration. Consignee shall designate the Goods as the property of Consignor by a conspicuous notice at in Consignee's warehouse, and shall perform all acts required by law to protect the rights of Consignee to the Goods. Consignee, from and after the time it receives the Goods, shall pay all expenses incident thereto, including all expenses of carting, handling, storage, selling, and delivering to customers. Consignee shall at all times observe Consignor's sales rules and procedures with respect to the Goods.

2. Title to Goods.

The Goods shall remain Consignor's property until sold to Consignee's customers, and title to the proceeds of the sales of the Goods shall vest in and belong to Consignor and be held in trust for Consignor's benefit until accounted for and remitted to Consignor.

3. Loss or Damage to Goods.

Consignee shall be responsible to and shall reimburse Consignor for all loss and expense to Consignor resulting from damage to or destruction of the Goods, or from levy or attachment of any court process or lien thereon while in Consignee's possession, and until such time as the title passes from Consignor by reason of the sale thereof and the proceeds of sale have been accounted for and remitted to Consignor. Consignee shall maintain an insurance policy or policies on the Goods in Consignee's possession, protecting against loss from fire and other insurable perils, in an amount satisfactory to Consignor and naming Consignor as insured and loss payee.

4. Report of Sales and Payment.

Not later than the [Day of the Month] of each month Consignee shall make a written report to Consignor listing sales of the Goods made by Consignee during the previous calendar month. Consignee shall remit to Consignor for the Goods so sold an amount equal to: [Formula or Dollar Amount Paid to Consignor]. Consignee shall make such payments to Consignor within [Number of Days to Pay] after the date of each report. If payment is made on or before the fifth (5th) day of the month following the calendar month that the Goods were sold, [Prompt Payment Discount] may be deducted from such remittance as a cash discount. After receiving each report of sales, Consignor shall mail an invoice to Consignee covering the sales shown in such timely report, bearing a date not later than the last day of the same month. Amounts otherwise due shall be paid within fifteen (15) days of invoice.

5. Records.

Consignee shall keep a true record of all Goods in its possession under consignment and shall give the representatives of Consignor access to such record on demand and shall permit such representatives, at reasonable times, to make an inventory of the Goods in Consignee's possession. The consigned Goods shall include the Goods in transit as well as the Goods in Consignee's warehouse.

6. Term and Termination.

The term of this Agreement shall begin [Start Date] and shall remain in force and shall continue thereafter until either party gives to the other party at least [Number of Days Notice] prior written

notice of its intention to terminate, during which time Consignee shall continue to sell the Goods in its possession in accordance with the Agreement. Notwithstanding the foregoing, Consignor may terminate this Agreement without prior notice in the event that Consignee defaults in any material term of this Agreement which default is not cured within ten (10) days' notice from Consignor, and in such event Consignor may remove all Goods from Consignee's premises. Upon Consignor's termination of this Agreement, Consignee shall return all consigned Goods to Consignor F.O.B. at Consignor's facility at [Address of Consignor's Facility], and shall promptly pay to Consignor for all Goods not accounted for by Consignee, at Consignor's wholesale list prices and without any commission, discount, or compensation to Consignee. Upon termination of this Agreement by Consignee, Consignor shall send Consignee an invoice for all Goods in Consignee's possession at prices specified in the preceding sentence, and such invoice shall be paid by Consignee on or before the fifteenth (15th) day of the month following the date of termination.

7. No Authority to Act for Consignor.

Consignee shall conduct the entire business of selling the Goods in Consignee's name and at Consignee's cost and expense. Nothing in this Agreement shall authorize or empower Consignee to assume or create any obligation or responsibility whatsoever, expressed or implied, on behalf or in the name of Consignor, or to bind Consignor in any manner, or make any representation, warranty, or commitment on behalf of Consignor, this Agreement being limited solely to the consignment of the merchandise herein specified.

8. Indemnity.

Consignee shall indemnify Consignor against any loss, damage, suit, liability or claim (including reasonable attorney's fees and costs) caused by acts of Consignee not authorized by this Agreement or by any willful or negligent act of Consignee.

9. Financing Statement.

Consignee shall sign and deliver to Consignor such financing statements, continuation statements and other documents reflecting Consignor's ownership of the Goods, in a form satisfactory to Consignor, as Consignor may from time to time reasonably request. Consignor may, at its sole expense, file any such financing statement or continuation statement. The parties intend that title to the Goods remain in Consignor as provided in this Agreement, and that this Agreement be a consignment in all respects.

10. Benefit.

This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and assigns, but it shall not be assigned by Consignee without the prior written consent of Consignor.

11. Taxes.

Consignor shall be responsible for the payment of all income taxes accruing to Consignor for revenue received from the sale of the Goods. Consignee shall be responsible for any sales, use or excise taxes resulting from the sale of the Goods to Consignee's customers. Consignee shall also be responsible for all income taxes accruing to Consignee on the commission revenue from its sale of the Goods and for personal property taxes and other charges or levies imposed on the Goods while in Consignee's possession.

12. Notices.

Any notice required by this Agreement or given in connection with it, shall be in writing and shall be given to the appropriate party by personal delivery or by certified mail, postage prepaid, or recognized overnight delivery services.

If to Consignor:

__Consignor's Name/Address__

If to Consignee:

___Consignee's Name/Address___

13. Final Agreement.

This Agreement terminates and supersedes all prior understandings or agreements on the subject matter hereof. This Agreement may be modified only by a further writing that is duly executed by both parties.

14. Governing Law.

This Agreement shall be construed and enforced in accordance with the laws of the state of [State of Governing Law].

15. Headings.

Headings used in this Agreement are provided for convenience only and shall not be used to construe meaning or intent.

IN WITNESS WHEREOF, the parties have executed this Agreement.

Consignor

Consignee