**CONSIGNMENT AGREEMENT**

This **Consignment Agreement** (hereinafter “Agreement”) is dated September 23, 2022 and entered into by and between the following parties:

**YOUR BUSINESS NAME**, with principal place of business at Insert Business Address (hereinafter “**Consignor**”); and

**NAME OF STOREFRONT**, with principal place of business at Insert Business Address (hereinafter “**Consignee**”).

The undersigned parties are duly authorized agents to enter into this contract on behalf of their respective business organizations and agree for good and valuable consideration as follows:

1. **GOODS.** This Agreement governs the transactions of certain commercial goods (hereinafter “Goods”), which are described in Schedule A, attached hereto and incorporated by reference.
2. **CONSIGNMENT.** Consignor shall consign the Goods to Consignee, who shall keep, store, and offer for sale the Goods on consignment at its premises located at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (hereinafter “Premises”). It shall be the responsibility of Consignee and its agents, employees, representatives, or associates to ensure and preserve the Goods in “brand new” saleable condition.
3. **CONSIGNOR PERCENTAGE.** Consignee shall receive 33% (Thirty Three Percent) of Net Sales. Net Sales shall be defined as the actual sale price of the Goods at the register, before tax and credit card or transaction charges.
4. **DEEP DISCOUNTS**. The parties agree that no deep discounts shall be offered. Consignee will not discount the Goods for more than 10% (Ten Percent). Contract Note: As written here, the clause allows the store owner to discount your deck to at least 10% off your retail or list price. Are you okay with that? If not, adjust the clause here so it reflects what you’re okay with. Note: In standard industry terminology, a “deep discount” is any discount of 55% or more.
5. **PROMOTION AND MARKETING; STOREFRONT DISPLAYS.** Contract Note: Here is where you write out the mutually agreed contract terms for how much promotion, marketing, or what kind of display space your decks will get at the storefront. This will vary from case to case and what a storefront will agree to with you depends on your negotiating power.
6. **MINIMUM SALES REQUIREMENT.** *This clause omitted.* Contract Note: In the specific case of an independent deck creator consigning tarot or oracle decks to a storefront, a Minimum Sales Requirement clause probably does not make a lot of business sense. I’m leaving the title and paragraph in this boilerplate so you know that in typical Consignment Agreements, a Minimum Sales Requirement would be set. If you feel your specific business arrangement would benefit from setting one, then write out the terms of that arrangement here. Also, typically as part of the Minimum Sales Requirement clause, either party can terminate the contract and the Goods returned if the Minimum Sales Requirement isn’t met.
7. **MUST REMAIN CURRENT ON TERMS.** Payment terms shall be “net 30 days” every month. Consignee must remain current on the terms, otherwise breach of this covenant shall be a material breach for which Consignor may terminate the Agreement immediately and Consignee must return all consigned Goods at Consignee’s expense. Furthermore, Consignor reserves the right to claim damages, consequential and incidental, including creditor’s or attorney’s fees if applicable, against Consignee. Delays in payment terms for consigned Goods sold on the Net 30 term shall incur a late charge of 10% interest.
8. **PURCHASE.** When sold or otherwise removed from the Premises (hereinafter “Purchase(s)”), the Goods on consignment shall be deemed to be purchased by Consignee at the prices for the Goods (hereinafter “Prices”) set forth in Schedule A, under the heading “Price of Goods,” attached hereto and incorporated by reference.
9. **ACCOUNTING AND PAYMENT.** On a monthly basis, or at Consignor’s discretion, Consignor shall send by facsimile, electronic mail, or post an accounting form (hereinafter “Accounting Form”) that Consignee agrees to complete and mail back to Consignor along with a check for payment of any Purchase(s) made during that period of accounting, A sample template of the Accounting Form for reference only is attached hereto as Schedule B. If Consignee expresses a particular preference for method or time of sending the Accounting Form, then Consignor shall exercise reasonable efforts to honor Consignee’s preferences. Consignee is eligible for 2% net 10 day term discounts only if all other like product has been depleted.
10. **RETURN OF UNSOLD GOODS.** Any and all unsold Goods may be returned to Consignor, so long as the Goods remain in “brand new” saleable condition and in original packaging. Damaged, stolen, missing, or otherwise unaccounted for Goods, whether caused by acts of negligence or acts of God, regardless of fault, shall be deemed purchased by Consignee. Unsold Goods are to be returned to Consignor’s warehouse at the close of every six (6) months at Consignee’s expense.
11. **TERM AND TERMINATION.** This Agreement shall be in full force and effect on the date of execution of this Agreement, with date of execution determined by the date appearing by the signatory line of Consignee. This Agreement shall automatically terminate by default one (1) year from that date of execution, or any time earlier at the discretion of the parties, by terms set forth below. Contract Note: This contract is for one year. If that’s not agreeable with you, then revise the clause so it reflects the termination clause that you’re okay with. For example, you can write, “This Agreement may be terminated by Consignor at any time, with or without cause, at which time Consignee agrees to send, at Consignee’s cost, all Goods back to Consignor in “brand new” condition.”
12. **OPTION TO EXTEND TERM.** The parties may extend the term of this Agreement by a separately executed Extension Amendment. A sample template of the Extension Amendment for reference only is attached hereto as Schedule C.
13. **MODIFICATION OF INVENTORY OF GOODS ON CONSIGNMENT.** The parties may from time to time mutually agree to modifications of the inventory of Goods on consignment. Modifications shall be documented and recorded on the Log of Returns and Additions, attached hereto and incorporated by reference as Schedule D.
14. **CONSIGNMENT TERMINATION.** This Agreement shall terminate by default one (1) year from the date of execution, with the default date of execution determined by the date appearing by the signatory line of Consignee. Any and all unsold Goods on that date shall be returned to Consignor. It shall be the responsibility of Consignee to contact Consignor and coordinate a mutually agreeable time for return of unsold Goods. Even after termination, the Goods shall be treated as though it were still under consignment until the actual date of pick-up of the Goods by Consignor. Consignee shall exercise reasonable efforts to safekeep and guard the Goods until the return. Both parties reserve the right to terminate the Agreement at any time before the default termination date, so long as reasonable notice is provided to the other party.
15. **TITLE.** Title to the Goods on consignment shall remain with Consignor until such time as the Goods on consignment are deemed sold to Consignee. Consignee bears the risk of loss for damaged, lost, or stolen Goods.
16. **INSURANCE.** Upon request by Consignor, Consignee agrees to furnish certificates of insurance demonstrating its liability coverage. Coverage must include consignments and consigned Goods. Such certificates shall state that the policies will not be cancelled or allowed to expire without thirty (30) days prior written notice to Consignor. Consignee represents and warrants that Consignor shall be a beneficiary of any insurance claim payout involving the consigned Goods. Consignee represents and warrants that its liability insurance will cover theft or damage by forces majeure of Goods and in the event of theft or a force majeure, an insurance claim will be filed and recovery of damages will be sent to Consignor in a reasonably timely and commercially practicable manner.
17. **ASSIGNMENT OF RIGHTS.** In the event of loss or destruction of Goods at the time that Goods are on consignment with Consignee, Consignee hereby authorizes Consignor to contact its insurance carrier to claim damages. Consignee assigns any rights it may have to recover damages from the insurance carrier to Consignor so that Consignor may deal directly with the insurance carrier and recoup its losses. Consignor agrees that if and when such a situation occurs, it shall carbon copy Consignee on all written communications with the insurance carrier.
18. **CONFIDENTIALITY.** Consignee and Consignor hereby mutually agree and acknowledge that any information concerning the business and affairs of the parties’ agents, employees, representatives, associates, customers, clients, or any parties reasonably and commercially foreseeable to be within the scope of this clause shall remain and be treated as confidential. Each party agrees to take such measures to protect such information, as it would reasonably be expected to take to protect its own confidential information. This confidentiality agreement does not apply to information already disclosed in the public domain.
19. **RESOLUTION OF DISPUTES.** Consignee and Consignor hereby mutually agree to exercise best efforts to privately settle and resolve any disputes between the parties. The parties must provide written communication to the other party setting forth any complaints, problems, disagreements, or conflicts. The parties agree to exercise best efforts to meet and confer in person to preserve amicable relations between the parties. Arbitration or courts of law must only be turned to as a last resort. The parties hereby represent and warrant to the other party that it shall act in good faith to settle and resolve any disputes, and that it shall communicate in writing all problems to the other party at the earliest time possible, that no party shall delay during efforts toward peace.
20. **NO WAIVER**. Failure to exercise a right provided herein shall not be deemed a waiver of that right.
21. **GOVERNING LAW.** This Agreement shall be governed by and interpreted in accordance with the laws of the State of California. The undersigned agree and consent to the jurisdiction, forum, and venue of the Northern District of California or the County of Alameda, whichever may be applicable. Contract Note: Insert your state, the federal district that would have jurisdiction over your geographic location of residence, and your county of residence.
22. **FINAL INTEGRATION.** This Agreement and all schedules and amendments attached hereto represent the full understanding and binding agreement of the undersigned parties. No extraneous representations, oral or written, may be used to modify the terms of this Agreement.

The undersigned signatories and authorized agents of their respective business organizations hereby cause this Agreement to be executed:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Dated: | September 23, 2022 |  | Dated: |  |
| X | |  | X | |
| *On Behalf Of* **CONSIGNOR** | |  | *On Behalf Of* **CONSIGNEE** | |
| EIN or SSN: |  |  | EIN or SSN: |  |
| Name: |  |  | Name: |  |
| Title: |  |  | Title: |  |
| Street Address: |  |  | Street Address: |  |
| City: |  |  | City: |  |
| State and Zip: |  |  | State and Zip: |  |
| Telephone: |  |  | Telephone: |  |
| Facsimile: |  |  | Facsimile: |  |
| E-Mail: |  |  | E-Mail: |  |

Contract Note: It’s useful to have both signing parties include all of the above-listed business information and details. The EIN (Employer Identification Number) or SSN in the case of a sole proprietor or individual (Social Security Number) is relevant in the United States because you will need this information to issue a 1099.

SCHEDULE A

**DESCRIPTION OF GOODS**

Original Inventory\*

|  |  |  |
| --- | --- | --- |
| *Description of Goods* | *Quantity* | *Sale Price* |
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\* Subject to Schedule D

Contract Note: If you’re sending multiple decks or multiple items for consignment, then the above table will make sense. However, if this is a consignment for one product only, then you can delete the table and just write out a complete description of the product for consignment, the quantity or number of units you’re sending for consignment, and the sale price that the product should be sold for at the store.

SCHEDULE B

**SAMPLE ACCOUNTING FORM**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| [*CONSIGNOR LETTERHEAD*]  **ACCOUNTING REQUEST AND PAYMENT**  Date Sent: **September 23, 2022**  Please Return to Sender By: **14 Days from Date Sent**   |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | Attention: | **Consignee**  Attn: Insert Name  Address Line 1  Address Line 2  Tel: (123) 456-7890  Email: Insert email address | OFFICE USE:   |  |  |  | | --- | --- | --- | | Date Received: | |  | | By: |  | | | Date Returned: | |  | | | Return To: | **Consignor International**  Attn: Insert Name  Address Line 1  Address Line 2  Tel: (123) 456-7890  Email: Insert email address | OFFICE USE:   |  |  |  | | --- | --- | --- | | Date Received: | |  | | By: |  | | | Payment Amt.: | |  | | | Accounting  Period: | \_\_\_\_/\_\_\_\_/\_\_\_\_ to \_\_\_\_/\_\_\_\_/\_\_\_\_ |  |   **GOODS SOLD:**   |  |  |  |  | | --- | --- | --- | --- | | Date Sold: | Name of Goods: | Commission Retained: | Balance Remitted: | |  |  |  |  | |  |  |  |  | |  |  |  |  | |  |  |  |  | |  |  |  |  |   ❑ No Check Enclosed. Reason: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  ❑ Check Enclosed. Total Amount: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

SCHEDULE C

**SAMPLE EXTENSION AMENDMENT**

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| [*CONSIGNOR LETTERHEAD*]  **EXTENSION AMENDMENT**  On this date of September 23, 2022, the undersigned agree to extend the Term of the Consignment Agreement entered into by and between the parties.  The Term shall now automatically terminate on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.  The parties still reserve the right to terminate the Agreement at their discretion, provided that reasonable prior notice is given to the other party.  All other terms of the Agreement continue to endure and apply.   |  |  |  |  |  | | --- | --- | --- | --- | --- | | Dated: |  |  | Dated: |  | | X | |  | X | | | **CONSIGNOR** | |  | **CONSIGNEE** | | |

SCHEDULE D

**LOG OF RETURNS AND ADDITIONS**

Original Inventory Listed in Schedule A

|  |  |  |
| --- | --- | --- |
| Name of Good: | Specify –  Return or Addition: | Date of Return or Addition: |
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