

Consignment Agreement

WHEREFORE, _____, Consignor of certain model train related items more particularly described hereinafter and Henry James Reeves dba ShowMyHobby.com, Consignee for and in exchange of good and sufficient consideration and the mutual promises and undertakings set forth in this Consignment Agreement (“Agreement”) do agree to the following:

1. **Ownership.** Consignor warrants, covenants and agrees that the items being sold are owned by Consignor and that there are no liens, judgments or other encumbrances against the ownership, including all rights of sale or transfer, of the consigned items. The parties agree that title to the consignment shall remain in Consignor until such consignment is sold in severable parts or in whole by Consignee.

2. **Description of Consignment.** Consignor agrees to deliver and Consignee agrees to accept for the purpose of sale on the terms and conditions hereinafter recited in this Agreement, the items listed in an attached inventory list or electronic spreadsheet (file named: _____) and described therein.

Consignor states and agrees that the description(s) of the consigned items is/are true and correct to the best of Consignor’s knowledge and belief and further, that no undisclosed defects in such consignment are known to Consignor. Known defects or conditions of use may be included in the description of the items.

3. **Exclusivity of Agreement.** Consignee shall have the exclusive right to market and sell the items described hereinabove.

Consignor shall not have the right to sell the items described hereinabove while the items are in the possession of the Consignee.

4. **Price.** The offering price(s) can be determined by Consignor as an asking price. If the Consignor does not specify an offering price, the Consignee may determine this price. The Consignor agrees to allow the Consignee to evaluate the condition and operating functionality of consigned items as to research current market pricing and past historical sells of similar items and if either of these prices differs sufficiently from Consignor’s suggested asking price, Consignee agrees to inform Consignor prior to first date of display of the item for sale if they wish to agree to set the asking price at the price suggested by the Consignee based on Consignee’s research and evaluation of the item or a new price agreed upon between both parties. Upon evaluation, Consignee has the right to exclude any item from display or attempted sale for any

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reason. Consignee has other possible levels of discounts that may be provide to potential buyers. Consignor shall indicate in their inventory list whether an item can be discounted by indicating the maximum discount rate the Consignee is allowed to apply to the item if necessary. Once the item is displayed for purchase, the Consignee will not inform Consignor of offers made on any item prior to sale of the item and Consignee will not accept lower than the asking price minus the highest discount rate agreed upon for an item. Consignor grants the right to Consignee to accept the asking price, the asking price minus any discount amount up to maximum discount percentage allowed, or any amount over the asking price. There may be rare exceptions when a buyer is willing to pay for an item at a rate below the asking price minus the highest discount level. Consignee shall have the discretion to determine if such sale price would be beneficial to both Consignee and Consignor and shall at his/her discretion make 1 attempt via phone to reach Consignor for their acceptance of buyer's final low priced offer for which Consignor shall have the right to accept or reject. In the event that the Consignor is unreachable, Consignee shall not sell the item.

5. Time of Payment(s) to Consignor. Consignor agrees that Consignee shall require and receive full payment on the sale of the consigned items prior to any obligation of Consignee to remit payment to Consignor for the same. Upon receiving full payment for such sale, Consignee shall remit, in United States currency or a money order drawn on a United States financial institution, the amount due to Consignor under this Agreement no later than the day of the month following the date of such full payment by the buyer. It is agreed that full payment shall be construed to mean and include ten (10) days for the clearing of any monetary instrument by Consignee's bank. The display of items agreed upon by this consignment ends 30 days after the day the items are transferred to the Consignee. If the items are displayed at a train show, typical payout to Consignor usually happens between seven (7) and fourteen (14) days after the last day of a scheduled train show event. Any change in this schedule will be communicated to Consignor within reasonable time after Consignee is made aware of any such changes.

6. Amount(s) of Payment(s) to Consignor. Consignor and Consignee agree that an amount of 50% of the net selling price as set and agreed to by Consignor shall be due and payable to Consignor for their items upon the sale of those items subject to this Agreement. The net selling price of items is the price the item sold for, minus any applicable sales taxes, minus any selling expenses which may include a portion of the venue's charges, a portion of all charges necessary for the Consignee to travel to and conduct sales at a venue, a portion of all costs incurred by Consignee to be able to sell items consigned by the Consignee, any applicable advertising costs, as well as any applicable listing

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fees, final value fees and shipping costs, if the item is sold online. The Consignee shall provide a written statement listing all sales made of the items subject to this Agreement including the dates of such sales, the total amount(s) received, the expenses deducted and the commission due to Consignee. The parties agree that Consignee shall not withhold and retain the commission due Consignee from the amount to be remitted to Consignor under Article 5 of this Agreement upon the sale of the consigned items.

7. Automatic renewal or extension of this agreement. The Consignor may elect to allow the Consignee to continue to advertise, present, and display their items both at train shows and online automatically until such time the item(s) are sold or until the Consignor request return of their items. By selecting YES to this term, the consigned items will remain with the Consignor and terms of this agreement will remain in effect until the items are SOLD or the Consignor request return. Article 8 therefore shall not be effective until the Consignor request return of their items and article 8 is amended to allow the Consignee thirty (30) days after the Consignor's received request is acknowledged by Consignee's confirmation of the return request notice in order to prepare the items for return to the Consignor and make them available via scheduled return date. If no election is circled below, this agreement does not automatically renew.

Renew Agreement and Consignment length automatically?

(YES) or (NO)

8. Unsold Items Returned to Consignor. At the end of the sales event, the Consignee shall make available the consigned items for pick-up by the Consignor or by the same delivery method by which the Consignee accepted the items. The items shall be made available within seven (7) days after the last day of a sales event unless Consignor has agreed to allow the consigned items to be sold online, for which Consignee will have an additional 90-Days in which to sale such items. Consignor may take delivery of all unsold items within thirty (30) days of the last day of a sales event or within thirty (30) days after the expiration of 90-Days online selling time following a sales event. Consignor may request that unsold items be shipped to them and shall be charged the cost of returned shipping which can be deducted from any commission due them. Any items not recovered by Consignor within one-hundred twenty days (120) after a sales event or within sixty (60) days of a confirmed return request shall become the property of Consignee to dispense with however Consignee sees fit without compensation or disclosure thereof to Consignor.

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9. **Termination of this Consignment Agreement.** Consignee may terminate this Agreement at any time by returning to Consignor any or all of the unsold items which are the subject of this Agreement. Consignor may terminate this Agreement at any time so long as such termination is made at least one-hundred twenty (120) hours (five [5] days) prior to a sales event or prior to an online listing. The expense of delivery of any unsold items shall be paid by the party terminating this Agreement. Prior notice of termination shall be required of a terminating party. If required, notice shall be in writing by email message or registered mail, etc. at least 120 hours prior to a sales event or prior to an online listing event.

In some rare cases, it may not be possible for a Consignee to honor a termination request by a Consignor if a sales event has been pre-paid and scheduled more than five (5) days in advance and the Consignor request termination between the time the sales event was pre-paid and the date the sales event ends. In such rare occasions, the termination will have to be made effective after the sales event ends because all preparations and anticipations of the Consignor's item(s) most likely have been included in pre-paid registration of such a sales event.

10. **Operation of Consignee's Business.** Consignee shall have the exclusive right to determine the business operation and management of its premises or place of display of items. Consignor shall have no liability or responsibility for the operation and management of Consignee's business, employees or agents.

11. **Advertising.** Consignee may not use Consignor's name or other identifying information in the advertising, promotion and sale of the consigned items unless such name appears on an item or in its description.

12. **Assignment.** This Agreement is not assignable and may not be modified other than by a written modification agreed to and signed by both parties.

13. **Contract Interpretation.** This Agreement shall be construed and governed according to the laws of the State of North Carolina.

14. **Waiver.** Waiver, forbearance, course of dealing or trade usage shall not affect the right of a party to demand performance of any term or condition of this Agreement.

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AGREED AND EXECUTED this the _____ day of _____, 20____.

Consignor: _____

Address: _____

Phone: _____

Email: _____

Consignee: Henry James Reeves dba ShowMyHobby.com

Address: Unit 1105

208 Glenway St

Belmont, NC 28012-1105

Phone: (980) 277-0127

Email: orders@showmyhobby.com

Website: ShowMyHobby.com