

# CONSIGNMENT CONTRACT

This Agreement made on the \_\_\_\_\_ day of the month of \_\_\_\_\_, 20\_\_\_\_ by and between \_\_\_\_\_ (hereafter referred to as “the artist”), located at: \_\_\_\_\_ and \_\_\_\_\_ (hereafter referred to as “the Gallery”), located at: \_\_\_\_\_.

## Recitals

Gallery exhibits and sells artwork; artist has created and owns the artwork listed in the List of Inventory (the “Artwork”) and desires to exhibit and sell the same. Therefore, the parties agree as follows:

- 1. Scope of Agency.** The artist appoints the gallery to act as artist’s nonexclusive agent for the exhibition and sale of the Artist’s work. This agency shall cover only artwork submitted by the artist while this agreement is in force. The gallery shall document receipt of all artworks consigned.
- 2. Consignment of Inventory.** Gallery accepts on **consignment**, the artworks listed on the List of Inventory attached to this agreement. Additional lists may be incorporated into this agreement if signed by both parties.
- 3. Pricing and Terms of Payment.** The gallery shall sell the artworks only at the retail price specified on the List of Inventory. The gallery and the artist agree that the gallery's commission is to be \_\_\_\_\_ percent of the retail price of the artwork. Both parties must agree to any change to the retail price or the gallery’s commission in advance.
- 4. Discounts.** In the case of discount sales, the discount shall be deducted from the gallery's commission. The artist will be given the full artist’s share of the retail price as agreed.
- 5. Payment.** The gallery shall pay the artist all proceeds due to the artist within 10 days of the last day of the month in which the piece was sold. No “sales on approval” or “on credit” shall be made without the written consent of the artist. All installment proceeds received by the gallery shall first be paid to the artist until the artist has been paid in full.
- 6. Accounting.** The Gallery shall furnish the artist with an accounting every 3 months. The first such accounting to be given on the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_. Accounting shall identify each artwork sold during the accounting period and the location of all artworks consigned to the gallery that have not been sold. A complete and final accounting shall be provided by the gallery to the artist in the event of termination of this agreement.
- 7. Approval Sales.** The gallery shall not permit any artwork to remain in the possession of client for a period exceeding seven days unless such artwork is purchased and fully paid for by client, or unless artist provides prior written approval.
- 8. Fiduciary Responsibilities.** Title to each of the artworks shall remain in the artist’s name until the artist has been paid in full. Upon payment, title then passes to the purchaser. All proceeds from the sale of the artworks shall be held in trust for the artist until the artist is fully paid. The gallery shall pay all amounts due to the artist before any proceeds of sales can be made available to any and all creditors of the gallery.

**9. Loss or Damage.** The gallery shall be strictly liable for loss or damage to any consigned artwork from the date of delivery to the gallery until the artwork is returned to the artist or delivered to a purchaser. In the event of loss or damage that cannot be restored, the artist shall be paid the same amount as if the artwork had been sold at the retail price. If restoration is suggested or pursued by the gallery, the artist shall have veto power over the choice of the restorer. The artist shall be responsible for all repairs to artwork necessitated by artist's faulty workmanship.

**10. Insurance.** The gallery shall insure the artwork for its full wholesale price. In the event an insurance claim is made, the gallery shall pay all deductibles.

**11. Transportation of Artwork.** Packing and shipping charges, insurance costs, other handling expenses, and risk of loss or damage incurred in the delivery of the artworks:

A. From the artist to gallery shall be borne by the artist

B. From the gallery to the artist shall be borne by the gallery

C. From the gallery to any point other than the artist shall be borne by the gallery

The gallery is also responsible for storing and using appropriate boxes and shipping containers.

**12. Commission.** If the artist sells any artwork directly to a purchaser through contacts established initially through the gallery, then the gallery shall be entitled to a commission of \_\_\_\_\_ percent of the selling price.

**13. Promotion.** The gallery shall use its best efforts to promote, display and sell artworks. The gallery shall clearly identify the artist's name with all artworks and shall include the artist's name on the bill of sale for any artwork sold by the gallery.

**14. Reproduction.** The artist reserves all copyrights to the reproduction of the artworks except as noted in writing to the contrary. The gallery may arrange to have the artworks photographed to publicize and promote the artworks through means to be agreed by both parties. In every such use, the artist shall be acknowledged as the creator and copyright owner of the artwork. The gallery shall include on each bill of sale of any artwork the following legend: "All copyrights to reproduction of the artwork(s) identified herein are retained by the artist."

**15. Copyright.** The gallery shall take all steps necessary to insure that the artist's copyright in the consigned artworks is protected in the artist's name.

**16. Security Interest.** Title to and a security interest in any artworks consigned or proceeds of sale under this agreement are reserved to the artist. The artworks shall not be subject to claims by the gallery's creditors. The gallery agrees to execute and deliver to the artist, in the form requested by the artist, a financial statement and such other documents, which the artist may require to perfect its security interest in the artworks. In the event of the purchase of any artwork by a party other than the gallery, title shall pass directly from the artist to the purchasing party. In the event of a purchase of any artwork by the gallery, title shall pass only upon full payment to the artist of all sums due hereunder. The gallery acknowledges that it has no right to and shall not pledge or encumber any artworks in its possession nor incur any charge or obligation for which the artist may be liable.

**17. Duration and Termination of Consignment.** The artist and the gallery agree that the initial term of **consignment** for the artwork shall continue until \_\_\_\_\_, 20 \_\_\_\_ and that the artist will not ask for return of the artwork prior to this date unless the agreement is breached by the gallery. Thereafter, this agreement shall continue until written notification of termination from either party to the other. Within thirty days of the termination notification, all accounts shall be settled and all unsold artwork shall be returned to the artist at the gallery's expense. The agreement shall automatically terminate with the death of the artist or if the gallery becomes bankrupt or insolvent, or breaches the agreement.

**18. Miscellany.** All modifications, deletions or additions to this agreement must be in writing and signed by both parties. This agreement constitutes the entire understanding between the parties hereto.

**19. Governing Law.** This agreement shall be governed by and in accordance with the laws of the State of \_\_\_\_\_.

**IN WITNESS WHEREOF,** the parties hereto have signed this agreement as of the date below.

**Artist:** \_\_\_\_\_ (print)

**Company Name (if any):** \_\_\_\_\_

**Authorized Signature:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Gallery:** \_\_\_\_\_ (print)

**Authorized Signature:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

## APPENDIX A: LIST OF INVENTORY ON CONSIGNMENT

This is to acknowledge receipt of the following artworks on **consignment**.

<b>Item</b>	<b>Product Title</b>	<b>Product Description</b>	<b>Retail Price</b>	<b>Quantity of Items</b>
<b>1</b>				
<b>2</b>				
<b>3</b>				
<b>4</b>				
<b>5</b>				
<b>6</b>				
<b>7</b>				
<b>8</b>				
<b>9</b>				
<b>10</b>				

**The Gallery acknowledges receipt of artwork listed above:**

**Authorized Signature:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Artist:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Telephone:** \_\_\_\_\_

**e-Mail:** \_\_\_\_\_