

Sample Consignment Agreement

GALLERY CONSIGNMENT AGREEMENT

This agreement (“Agreement”) is entered into between _____ Gallery (“GALLERY”) and _____ (the “OWNER”), effective as of _____, 20__ (the “Effective Date”).

Whereas, OWNER desires to grant the GALLERY the right to represent, sell, market and distribute certain original artwork, limited edition artwork and/or open edition (non-limited) artwork, including wall art and sculpture (together, the “Artwork”) owned by OWNER;

Therefore, this Agreement is entered into by the parties on the following terms:

1. General Terms Regarding Sale of Artwork

- a. GALLERY shall have the right to sell any or all of the Artwork of OWNER during the term of this Agreement.
- b. GALLERY shall have exclusive access to OWNER’s entire portfolio of Artwork during the term of this Agreement, and GALLERY shall have the right to sell the Artwork in any manner, including retail, wholesale or otherwise, as solely determined by GALLERY.
- c. OWNER shall consign possession of all Artwork to GALLERY for the sole purpose of GALLERY selling the Artwork. OWNER shall deliver possession of such Artwork to GALLERY at the current storage location, and at GALLERY’s expense, GALLERY shall inventory and move such Artwork to a location controlled by GALLERY. Following such inventory, OWNER shall review and approve such inventory list, which inventory list shall then constitute the total Artwork to which rights are granted under this Agreement.
- d. Unless agreed in writing, GALLERY shall determine the selling price of all Artwork placed on consignment with GALLERY.
- e. GALLERY, in its sole discretion, shall determine whether any Artwork requires authentication or other expert analysis.
- f. All sales shall require payment in full of all amounts due, including taxes and shipping, prior to releasing possession of any Artwork to a purchaser.
- g. For purposes of calculating Commissions (as defined below), the “gross purchase price” shall mean the purchase price, excluding taxes and shipping.
- h. Upon the sale of any Artwork, GALLERY shall calculate the “net purchase price” of that Artwork by deducting from the gross purchase price the following amounts:
 - i. ten percent (10%) of the gross purchase price, as payment for GALLERY sales services (the “Commissions”),
 - ii. any other expenses incurred by GALLERY to that date relating to any Artwork, including but not limited to marketing costs and expenses, fees, authentication expenses, and broker or other commissions.
- i. OWNER shall receive one hundred percent (100%) of the net purchase price.

- j. At the termination of this Agreement, the GALLERY shall return any remaining Artwork to the OWNER at OWNER's expense.
 - k. The Artwork provided to GALLERY on consignment shall be exclusively available for sale by GALLERY for at least twelve (12) months, after which OWNER can request that GALLERY return the unsold Artwork upon sixty (60) days notice.
 - l. GALLERY may choose to return any Artwork to OWNER at any time without cost or penalty.
 - m. GALLERY is under no obligation to produce a sale of the Artwork.
2. Termination
- a. GALLERY may terminate this Agreement at any time and for any reason without notice.
 - b. After twelve (12) months, OWNER may terminate this Agreement upon sixty (60) days notice for any reason.
 - c. Regardless of termination by either party, GALLERY's right to receive the Commissions and expense reimbursements stated above shall survive the termination of this Agreement.
3. Payments to OWNER
- a. If any Artwork is sold by the GALLERY during the term of this Agreement, GALLERY shall pay OWNER all amounts due to OWNER within 30 days after the date GALLERY has been paid in full.
 - b. As used in this Agreement, a "sale" occurs when the purchaser pays the purchase price or its equivalent. In conjunction with such sale, the OWNER agrees to execute any documents reasonably requested by GALLERY in order to transfer ownership of the Artwork to the purchaser.
4. Indemnity
- a. OWNER represents and warrants the following: (i) that OWNER has the right to grant all rights granted in this Agreement, including all rights of ownership rights underlying the Artwork; (ii) that OWNER has the full right, authority and power to enter into this Agreement and to perform all its obligations hereunder, and (iii) that OWNER's execution, delivery, and performance of this Agreement will not infringe upon the rights of any third party or violate the provisions of any agreement to which OWNER is a party.
 - b. During and after the term of this Agreement, OWNER shall indemnify, hold harmless and defend GALLERY, and his agents and employees, against any claims, liabilities, demands, causes of action, judgments, settlements and expenses (including, but not limited to, reasonable attorneys' fees and court costs) arising solely out of GALLERY's use or sale of the Artwork as authorized by OWNER hereunder and/or arising out of a breach of OWNER's representations.
5. Miscellaneous
- a. At all times during this Agreement, OWNER shall be responsible for insuring the Artwork against all damage and risk of loss, even when such Artwork is in the possession of GALLERY. Any loss or damages based on OWNER's failure to do so shall be borne solely by OWNER.

- b. OWNER will be directly responsible to pay, and shall pay, any artist royalties due, including California Civil Code §986 royalties.
- c. Nothing herein contained shall be construed to place the parties in the relationship of partners or joint ventures, and neither party shall have the power to obligate or bind the other party in any manner whatsoever.
- d. All terms of this Agreement, information relating to the performance thereof, and the business of the parties, are to be kept strictly confidential by both parties.
- e. This Agreement shall be governed by the laws of State of California.
- f. This Agreement contains the entire understanding of the parties. There are no representations, warranties, promises, covenants, or understandings other than those contained herein.
- g. Waiver of any term or provision of this Agreement or forbearance to enforce any term or provision shall not constitute a waiver as to any subsequent breach or failure of the same term or provision or a waiver of any other term or provision of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

OWNER

GALLERY

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

This sample agreement is for illustration purposes only and must be modified to account for specific facts and circumstances relating to any specific transaction. It should not be construed as legal advice on any particular facts and circumstances, nor should this information be construed as an advertisement for legal services.