



This Consignment Agreement (this “Agreement”) is made effective as of \_\_\_\_\_ between Discontinued Brand Name Yarn (DBNY), a division of Cherry Tree Hill Yarn, Inc., a Vermont corporation and \_\_\_\_\_, of \_\_\_\_\_ (city, state). In this Agreement, the party who is granting the right to sell the merchandise will be referred to as “Consignee” and the party who is receiving the right to sell the merchandise will be referred to as “DBNY.”

The parties agree as follows:

I. **RIGHT TO SELL.** The Consignee owns merchandise as listed in on one or more inventory document(s) that may be prepared by the parties, from time to time, (all, together, the “Merchandise”). In accordance with this Agreement, the Consignee grants DBNY an exclusive right to sell the Merchandise under the terms of this Agreement. DBNY agrees to devote its best efforts to the sale of the Merchandise. All sale prices and terms of sale shall be determined by DBNY and will be commercially reasonable. DBNY will attempt to promote the sale as accurately as possible, i.e. if it is a liquidation sale it will be advertised as a liquidation sale. To achieve and maintain a “personal” tone with customers, DBNY may identify the Consignee (name of shop) and why the stock is being liquidated. Some Merchandise shall be sold in “Grab Bags” and will not be listed or sold as individual items.

II. **CONSIGNMENT PERIOD.** The Consignee agree to leave the Merchandise with DBNY for \_\_\_\_ months from the receipt of such consigned items. The Merchandise may be sent to DBNY's Vermont Warehouse or Michigan Warehouse at the discretion and direction of DBNY.

III. **PROCEEDS OF SALES.** Proceeds from the sale of the Merchandise will be divided after deducting the cost of palletizing and shipping products to DBNY (the “Upfront Freight Costs”). After payment of the Upfront Freight Costs, 50% of gross, after any applicable discounts, goes to the Consignee and 50% goes to DBNY. DBNY will be solely responsible for all other costs of sale. An updated written report (spreadsheet) of the items sold will be made available to the Consignee after the end of each month. Payments shall be made monthly.

IV. **RECORDS.** DBNY shall keep accurate records regarding the quantities of Merchandise sold. The Consignee shall have the right to inspect such records (spreadsheets) within 48 hours (2 business days) notice to DBNY after the start of the sale of such Merchandise.

V. **TITLE TO MERCHANDISE.** Consigned Merchandise shall remain the property of the Consignee until sold. Consignee is solely responsible for insuring the Merchandise, wherever it is located, until it is delivered to the purchaser. DBNY shall confirm the Merchandise inventory upon arrival..

VI. **UNSOLD ITEMS.** Unsold Merchandise at the end of the consignment period shall be evaluated

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**DBNY**

100 Cherry Tree Hill Lane • Barton, VT 05822  
(802) 525-3311 • [yarngirls@cherryarn.com](mailto:yarngirls@cherryarn.com) • [discontinuedbrandnameyarn.com](http://discontinuedbrandnameyarn.com)



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by DBNY and the Consignee. If a new consignment agreement is not signed, the Consignee is responsible for any costs incurred for returning or disposing of the unsold Merchandise. DBNY will return unsold Merchandise in the same condition in which they were received on consignment. If the Consignee does not direct that disposition of the unsold Merchandise within 30 days after termination of this Agreement, then such Merchandise shall be deemed and shall become the property of DBNY to dispose of at its discretion.

VII. PAYROLL TAXES. DBNY shall be exclusively liable for, and shall indemnify the Consignee against such liability for, all employee payroll taxes and insurance arising out of wages payable to persons employed by DBNY in connection with the performance of this Agreement

VIII. ARBITRATION. All disputes under this Agreement that cannot be resolved by the parties shall be submitted to arbitration under the rules and regulations of the American Arbitration Association and such arbitration shall be held in St. Johnsbury, Vermont. Either party may invoke this paragraph after providing 30 days written notice to the other party and only if there is not a claim otherwise pending. All costs of arbitration shall be divided equally between the parties. Any award may be enforced by a court of law in the State of Vermont.

IX. TRANSFER OF RIGHTS. This Agreement shall be binding on any successor of the parties. Neither party shall have the right to assign its interests in this Agreement unless the prior written consent of the other party is obtained.

X. TERMINATION. This Agreement may be terminated by either party by providing 5 days written notice to the other party.

XI. ENTIRE AGREEMENT. This Agreement contains the entire agreement of the parties with respect to the subject matter of this Agreement and there are no promises or conditions in any other agreement, whether oral or written. This Agreement supersedes any prior written or oral agreements between the parties with respect to the subject matter of this agreement.

XII. AMENDMENT. This Agreement may be modified or amended, if the amendment is made in writing and is signed by both parties.

XIII. SEVERABILITY. If any provisions of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provisions of this Agreement is invalid or unenforceable, but that by limiting such provision, it would become valid or enforceable, then such a provision shall be deemed to be written, construed, and enforced as so limited.

XIV. WAIVER OF CONTRACTUAL RIGHT. The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver of limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

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**DBNY**

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XV. APPLICABLE LAW. The parties hereby acknowledge and agree that this Agreement shall be governed by the laws of the State of Vermont and the state and federal courts of the State of Vermont shall have exclusive jurisdiction over any claims arising herefrom.

Consignee: \_\_\_\_\_ Name: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ Address 1: \_\_\_\_\_  
\_\_\_\_\_ Address 2: \_\_\_\_\_  
\_\_\_\_\_ City, State, ZIP: \_\_\_\_\_  
\_\_\_\_\_ Email: \_\_\_\_\_  
\_\_\_\_\_ Phone: \_\_\_\_\_

Consignee: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
City, State, ZIP: \_\_\_\_\_  
Email: \_\_\_\_\_  
Phone: \_\_\_\_\_

DBNY Vermont: \_\_\_\_\_  
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