



# Consignment Agreement

930 Calle Negocio Suite C, San Clemente, Ca 92673 - Phone 949-240-8500 Fax 949-240-8503

1) This agreement made on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between 4 Star Electronics, Inc. under the laws of the state of California, having its principal office at San Clemente, CA. ("4 Star") and:

Supplier Name: \_\_\_\_\_, ("Supplier") Phone \_\_\_\_\_ Fax \_\_\_\_\_

a company registered or corporation incorporated under the laws of the state of \_\_\_\_\_

Address \_\_\_\_\_

**2.) APPOINTMENT AND ACCEPTANCE** - Supplier appoints 4 Star to hold the attached excess/obsolete inventory list for sale/disposition by 4 Star. 4 Star agrees to market Supplier's excess/obsolete inventory on consignment basis. All such inventory accepted by 4 Star shall remain the property of Supplier until sold by 4 Star.

**3.) SERVICES** - 4 Star will hold the consigned inventory at its warehouse(s), market, invoice, extend credit, and collect from customers all funds due for the listed inventory items on the attached listing. The proceeds of such sale(s) shall be split with Supplier on a 50/50% basis.

**4.) COMPUTATION AND PAYMENT FOR ITEMS SOLD**

1. Payments for goods sold are due and payable on or before the 15 of the month immediately following the month in which the goods are sold.
2. 4 Star will send Supplier a detailed statement showing the individual invoice activity for the previous period when the product is sold.
3. "Net Sales Value" shall mean the total price at which an order is invoiced to the customer, including any increase or decrease in the total amount of the order, but excluding shipping and insurance costs, sales, use and excise taxes, testing and upgrading specifications, and handling charges, and any tariffs, duties and export fees involved in international shipments.
4. There shall be a deduction from any sums due supplier, an amount equal to the amount previously paid should the product be defective and returned to 4 Star by the customer.

**5.) ACCEPTANCE OF ORDERS** - All orders are subject to acceptance or rejection by an authorized officer of 4 Star and to approval by 4 Star Credit Department. 4 Star shall be responsible for all credit risks and collections.

**6.) TERMS OF SALES** - All sales shall be at prices and upon terms established by 4 Star and it reserves the right to set the price of its service based on the acquisition cost. 4 Star shall also have the right to, at its discretion, establish, change, alter or amend the terms and conditions of an individual sale.

**7.) RELATIONSHIP AND CONDUCT OF BUSINESS**

1. All supplier's inventory shall be segregated and accounted for separately from other supplier's inventories. A full accounting of such inventories will be provided upon request.
2. 4 Star shall maintain a regional sales office in the territory and devote such time as may be reasonably necessary to sell and promote Supplier's inventory.
3. 4 Star will:
  - a. Conduct all of its business in its own name and in such manner as it may seem fit.
  - b. Pay all expenses whatever of its office and activities.
  - c. Be responsible for the acts and expense of its employees.
4. Nothing in this agreement shall be constructed to constitute Supplier as the partner, employee or agent of 4 Star, nor shall either have any authority to bind the other in any respect, it being intended that each shall remain an independent contractor responsible for its own actions.

**8.) TERM OF AGREEMENT AND TERMINATION** - This agreement shall be effective on the first day of \_\_\_\_\_, 20\_\_\_\_, and shall continue in force for a 12 month period, and shall be automatically renewed for additional 12 month periods thereafter unless terminated by written notice from either party to the other not less than thirty (30) days prior to the end of the initial or subsequent term. This agreement may also be terminated:



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1. By 4 Star immediately upon written notice to Supplier if there is a change of fifty percent (50%) or more in the ownership or control of the Supplier's business without 4 Star written consent.
2. By either party in the event of the other party's unreasonable and repeated failure to perform the terms and conditions of the agreement.
3. By either party upon immediate written notice to the other party that it has filed or had filed against it a petition of bankruptcy (which is not dismissed within thirty (30) days after it is filed) and makes an assignment for the benefit of creditors.
4. By either party when by mutual written agreement.

**9.) RIGHT UPON TERMINATION** - Upon termination of this agreement for any reason, Supplier shall be entitled to:

1. Payment of its share on all Supplier's inventory sales shipped prior to the date of termination.
2. Return of all consignment inventories remaining with 4 Star, at Supplier's expense.
3. Payments referred to in this provision 9 shall be paid on or before the 15 of the month after 4 Star receives payment for the sale(s).

**10.) GENERAL** - This agreement contains the entire understanding, and shall supersede any oral or written agreements, and shall be binding upon and inure to the benefit of the parties' successors and assigns. It may not be modified in any way without the written consent of both parties. Supplier shall not have the right to assign this agreement in whole or in part without 4 Star written permission.

**11.) CONSTRUCTION OF AGREEMENT** - This agreement shall be constructed according to the laws of the state of California.

**12.) DISPUTES AND ARBITRATION** - The parties agree that any disputes or question arising hereunder including the construction or application of the agreement shall be settled by arbitration with the rules of the American Arbitration Association then in force, and that arbitration shall be held in Dana Point, California. The expense of the arbitrator shall be shared equally by the parties, unless the arbitrator determines that the expense shall be otherwise assessed.

**13.) NOTICES** - All notices, demands or other communications by either party to the other shall be in writing and shall be effective upon personal delivery or if sent by post, seventy two (72) hours after being posted via common carrier. All such notices shall be addressed as follows until such time as another address is given by notice pursuant to this provision.

**IN WITNESS WHEREOF**, the parties hereto have executed the Agreement on the day and year first above-written in multiple counterparts, each of which will be considered an original.

By: \_\_\_\_\_ Title \_\_\_\_\_ Print Name \_\_\_\_\_  
 4 Star Electronics

By: \_\_\_\_\_ Title \_\_\_\_\_ Print Name \_\_\_\_\_  
 Supplier

\* Please read the contract carefully, fill out all the requested information, and fax back to us at 949-240-8503. Once we receive the signed contract we will send a purchase order along with shipping/packing instructions and a copy of the final consignment contract.

Any questions please call:

Duane Wilson (Excess Inventory Manager)  
 ph. 949-276-5201 - fx. 949-240-8503 - email: [duane@4starelectronics.com](mailto:duane@4starelectronics.com)



930 CALLE NEGOCIO #C  
SAN CLEMENTE, CA 92673  
PH. 949-240-8500 FX. 949-240-8503

## Consignment Information

Please complete the form below and fax complete to 949-240-8503.

Company Name: \_\_\_\_\_

Main Contact Name: \_\_\_\_\_

Main Contact Phone: \_\_\_\_\_

Main Contact Fax: \_\_\_\_\_

Main Contact Email: \_\_\_\_\_

Make check payable to: \_\_\_\_\_

Address to mail checks: \_\_\_\_\_  
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Special Instructions: \_\_\_\_\_  
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