

BagBanco Consignment Agreement

Rev. May 15, 2009

This agreement is made between _____ (the "Consignor") and Verago (DBA. From Bags To Riches, BagBanco).

I CONSIGN MY MERCHANDISE FOR SALE
SUBJECT TO THE FOLLOWING:

1. Right To Sell - The Consignor and BagBanco acknowledge and agree that the Consignor has provided the goods described in the attached inventory list (Addendum A) to BagBanco for sale on a consignment basis, under the terms and conditions of this agreement. Prices are to be determined by BagBanco and agreed upon by Consignor.

2. Eligibility – Consignment services is available to only those individuals who can form legally binding contracts under applicable law. Without limiting the foregoing, consignment services are not available to minors. Further, consignment services are not available to temporarily or indefinitely suspended BagBanco/From Bags To Riches consignment services members. BagBanco shall not sell items without first obtaining the written permission of the Consignor (in the form of this signed contract.) By signing this contract the Consignor hereby certifies that he/she has an unencumbered title to all the items listed herein and is entitled to sell same.

BagBanco may refuse to accept or represent any item deemed unsuitable for consignment at the sole discretion of BagBanco. BagBanco may limit the number of items exhibited at one time for optimum website balance and presentation. Heavily soiled, broken or ripped items will not be accepted. BagBanco reserves the right to temporarily discontinue accepting consignments at any time.

Consignor guarantees that all consigned items are in operable/wearable condition and can be used for the purpose intended at time of their manufacture. If for any reason an item is deemed unacceptable after the date it was consigned, it will be removed from the website. BagBanco will notify Consignors of pulled items with the date and reason the items were removed. Any items removed from the website must be picked up within 10 business days after the end of the Term. If the item(s) cannot be picked up the item(s) must be shipped back to the consignor at the consignor's expense.

3. Personal Property Warranty - Consignor warrants that he is the lawful owner in every respect of all described property (Addendum A) and that it is free and clear of all liens, security agreements, encumbrances, claims demands and charges of every kind whatsoever. The service user (Consignor) binds seller (BagBanco) his successors and assigns, forever against every person lawfully claiming the described property or any part of it. Governed by the laws of the State of Minnesota, County of Ramsey. The Consignor retains ownership and responsibility of each consignment item until it is sold, at which time ownership will transfer directly to the customer who purchases the consigned item.

4. Agency – The undersigned Consignor hereby agrees to assign BagBanco the Rights as the agent for the purpose of sale of the consigned items, which may include but not be limited to displaying items and images, descriptions, and Consignor's information on BagBanco online store, in BagBanco walk-in store and in marketing and promotional materials, related to BagBanco and all associated marketing endeavors. This agreement does not make the

BagBanco exclusive agent for any other items in any other venue. If the Consignor enters a private agreement to sell the item during the contract Term, Consignor will provide proof of the sale price of the item and pay BagBanco an amount equivalent to the commission for the sale price before the item is released to the Consignor. Consignors are encouraged to direct potential customers to BagBanco to view and purchase consigned items.

5. Pricing – All pricing is decided by BagBanco and agreed upon by Consignor with consideration of the competitive market place and perceived value. The retail purchase price will reflect the net to be received by the Consignor less the commission to be paid to BagBanco.

6. Discounts – Consigned merchandise will not be eligible for discount on sales. In the event of a store-wide sales event, the Consignor will have the option to reduce prices on their specific items before the sales event. An updated consignment form with the reduced prices noted for each item must be received at least five business days before the sales event for the new prices to be applied.

7. Term – Consignment Agreement is for a minimum 90-day term after which time the Agreement is on a month-to-month term and can only be cancelled by giving a 30-day written notice. BagBanco agrees to use its best efforts to sell the goods for the benefit of the Consignor. BagBanco must be informed of any changes to the Consignor's contact information immediately. Every effort will be made to contact Consignor at the end of the Term to coordinate the return of any unsold items. If the items are not picked up within 10 business days after the end of the Term, items will be moved to storage and held for a period of 60 days from the end of the Term. Consignor will be required to pay any storage fees that may have accrued during this period in order to reclaim items. After 60 days all unclaimed items are considered abandoned by the Consignor and will become the property of BagBanco. The Consignors waives and relinquishes all claim to abandoned items and/or the proceeds thereafter should such an event occur.

8. Commission – BagBanco agrees to accept a non-refundable commission, in full payment for its performance under this agreement, an amount equal to 25 % of the retail sales price of each sold item, exclusive of any sales tax. In exchange for the commission, BagBanco will handle all transactions, including payment of credit card fees; photography, item written copy, display for retail, which may include payment of vending fees if applicable; and shipping and handling to customers.

Consignor DOES / DOES NOT authorize BagBanco to display consigned items for retail at special events off the Premises. (Please initial here: _____)

9. Subscription Service - The consignor agrees to pay a subscription fee of \$32.89 for the initial 90-day subscription term and only \$9.95 per month thereafter and is renewed automatically unless the account is cancelled by giving a 30-day written notice. You may list any number of items with this service.

10. Listing Fee – An initial monthly \$1.95 per item listing fee is payable for the first 30 days. The listing fee is only \$.95 per item thereafter and is renewed automatically unless the account is cancelled by giving a 30-day written notice. You may list any number of items.

11. Payment of Funds - No later than 30 calendar days after the completion of the consigned item sale, BagBanco shall pay the Consignor the net proceeds received and collected after the deduction of any fees or commissions due. The Consignor agrees to cash all BagBanco/From Bags To Riches checks within 90 days of the date of issue and authorizes BagBanco to stop payment or otherwise render non-negotiable any checks issued and not cashed within 90 days of issue. If payment is stopped on any check or any check is otherwise rendered non-negotiable 90 days after issue, the Consignor waives and relinquishes any claim to such proceeds thereafter.

12. Ownership - The Consignor retains ownership and responsibility of each consignment item until it is sold, at which time ownership will transfer directly to the customer who purchases the consigned item. BagBanco will take all reasonable precautions, but will not be responsible for loss of or damage to consigned items. The Consignor hereby agrees not to hold BagBanco or its officers, employees or agents responsible for consigned articles that are lost, stolen, or damaged by any cause whatsoever. The Consignor should insure items before entering this agreement for their full value.

13. Authentic Products Exclusively – Consignors may not submit counterfeit, replicas or look-alike items/products to BagBanco. A users website access and Consignment Agreement with BagBanco will be terminated due to any illegal activity or unlawful statements or misreporting warrants concerning the authenticity of any consigned items. As a user (Consignor) you acknowledge and agree that you have valid title and ownership rights to any item(s) that you make available on BagBanco or any of its subsidiaries.

14. General Terms – This Agreement constitutes the entire agreement between you (Consignor) and BagBanco with respect to the subject matter addressed herein, and governs your use of any or all of the Services, superseding any prior agreements between you and BagBanco relating to such subject matter. The Agreement may be supplemented by any other agreement entered into with BagBanco pursuant to a registration to access certain features of this Site. The failure of BagBanco to exercise or enforce any right or provision of this Agreement shall not constitute a waiver of such right or provision. If any provision of this Agreement is found by a court of competent jurisdiction to be invalid, the parties nevertheless agree that the court should endeavor to give to the parties' intentions as reflected in the provision, and that the other provisions of this Agreement remain in full force and effect. The section headings used in this Agreement are for convenience only and have no legal or contractual effect. The risk of loss and title to items purchased or consigned at BagBanco pass to the purchaser upon our delivery to the carrier. At BagBanco full discretion we may from time to time exercise the right to charge a \$25 risk fee to first time users who do not comply with the terms and conditions of the agreement. The risk fee will be charged to the users credit card. No refunds of any type will be given on gift certificates.

15. Legal Disclaimer - We make every effort to ensure the accuracy of our prices and information. However, mistakes and typographical errors may nevertheless occur. We reserve the right to correct those errors and we apologize in advance for any inconvenience. In the event a transaction that was predicated on misinformation is completed, BagBanco reserves the right to cancel the transaction with no further liability on its part.

16. Indemnity of BagBanco - You agree to indemnify and hold BagBanco (including without limitation our agents, employees, officers, directors, subsidiaries, parent and affiliated companies)

harmless, and, at BagBanco request, to defend BagBanco from and against any claim, demand, cause of action, debt, loss or liability, including reasonable attorneys' fees, to the extent that such action is based upon, arises out of, or relates to: (I) your use of (or inability to use) any and all of the Services; (ii) your violation of the terms and conditions of this Agreement; (iii) the documents it incorporates (iv) any other of your activities relating to your use of the Consignment Services. This indemnity shall be in addition to and not limited by any other indemnity.

17. Order of Precedence - This Agreement governs the Consignment of goods and access to the Services. This Agreement does not modify, alter or amend any other agreement you have entered or will enter into with BagBanco or any of its related or affiliated entities. To the extent that any provision of this Agreement, or any supplemental agreement offered as any part of any registration for additional Services, conflicts with any provision of your other agreements with BagBanco or any of its related or affiliated entities, the terms of such other agreement, shall, as to the subject matter of that other agreement, take precedence over the conflicting term(s) of this Agreement.

18. Dispute Resolution - If a dispute arises out of or relates to the Services or this Agreement or its breach (with the exception of rights to injunctive relief with respect to Intellectual Property Rights and obligations with respect to confidentiality), and the parties have not been successful in resolving the dispute through direct negotiation, then the dispute will be resolved in binding arbitration as follows: (I) the arbitration will be administered by the American Arbitration Association under its Commercial Arbitration Rules; (ii) any judgment on the award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction; (iii) the location of the arbitration will be St Paul, Minnesota or such other location as the parties may mutually agree; and (iv) the parties will have the right to take discovery of the other party by any method allowed by the Federal Rules of Civil Procedure. The arbitrator(s) will each be a natural person who has never been employed (either as an employee or as an independent consultant) by either of the parties, or any parent, subsidiary or affiliate thereof, and will be familiar with the business of the parties. The arbitrator(s) may upon request exclude from use in the arbitration preceding any evidence not made available to the other party pursuant to a proper discovery request. The arbitrator(s) will issue a reasoned award. The cost of the arbitration will be borne equally by the parties pending the award. Upon the decision of the arbitrator(s), the prevailing party will be entitled to receive from the other party its reasonable attorneys' fees and costs. You agree that BagBanco may seek interim or preliminary relief from a court of competent jurisdiction necessary to protect the rights or property of Verago pending the completion of arbitration. The parties, their representatives, other participants, the arbitrator(s) and the administrator(s) of the arbitration will hold in confidence the existence, content and outcome of the arbitration.

19. Choice of Law and Forum - The Services are controlled by BagBanco from St Paul, Minnesota, although it may be accessed throughout the world. Subject to Section 17 herein, by accessing or using any or all of the Services, you (Consignor) and BagBanco each agree that the substantive laws of the State of Minnesota will govern with respect to all matters relating to or arising from this Agreement, or the use (or inability to use) any or all of the Services, and that such laws will apply without regard to principles of conflict of laws. Subject to the dispute resolution procedures set forth above, you (Consignor) and BagBanco agree and hereby submit to the exclusive jurisdiction and venue of the appropriate State and Federal courts located in Minnesota with respect to such matters. Regardless of any statute or law to the contrary, any claim or cause of action arising out of or related to the Services must be filed or otherwise commenced within one (1) year after such claim or cause of action arose or be forever barred.

PLEASE NOTE: NO SUBMISSIONS WILL BE ACCEPTED WITHOUT THE ORIGINAL SIGNED COPY OF THIS AGREEMENT AND COMPLETED SUBMISSION INFORMATION. PLEASE RETAIN COPIES OF THE SAME FOR YOUR RECORDS.

KNOW ALL PERSONS BY THESE PRESENTS:

That I, the undersigned below, the Consignor, and my her/his successors warrant the personal property listed in the Addendum A, as attached, and acknowledge that I have executed this instrument for the purpose and consideration expressed in the instrument.

Consignors Full Legal Name (**please print**)

Date

Consignors Signature

Consignors Street Address

Consignors City, State, Zip

Consignors Home Telephone Number

Consignors email address

BagBanco authorized Signature

Date

**BagBanco Consignment Agreement
Addendum A**

<u>Description of property</u>	<u>Brand</u>	<u>Color</u>	<u>Quantity</u>

<u>Description of property</u>	<u>Brand</u>	<u>Color</u>	<u>Quantity</u>

<u>Description of property</u>	<u>Brand</u>	<u>Color</u>	<u>Quantity</u>

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KNOW ALL PERSONS BY THESE PRESENTS:

That I, the undersigned below, the consignor, and my her/his successors warrant the personal property listed in the Addendum A, as attached, and acknowledge that I have executed this instrument for the purpose and consideration expressed in the instrument.

Consignors Full Legal Name (**please print**)

Date

Consignors Signature

Consignors Street Address

Consignors City, State, Zip

Consignors Home Telephone Number

Consignors email address

BagBanco authorized Signature

Date