

Consignment Agreement

Between:

Company: <u>Commercial Truck Equipment Corp.</u> (hereinafter called " <u>Consignee</u> ")	AND	Company: _____ (legal name) (hereinafter called " <u>Consignor</u> ")
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Consignee hereby agrees to sell vehicle (consisting of chassis and mounted equipment) on behalf of Consignor under the terms of consignment provided below.

Consignor Contact information

Contact name: _____

Address: _____ City & postal code: _____

Phone: _____ Cell: _____ Email: _____ Fax: _____

Vehicle Description

Chassis:

Year: _____ Make: _____ Model: _____ VIN: _____

Odometer: _____ Engine: _____ HP: _____ Transmission: _____

Other details on chassis (*recent service, repairs, upgrades or problems*):

Equipment:

Year: _____ Make: _____ Model: _____ S/N: _____

Equipment description and other details:

Terms of Consignment

1. Selling price

The vehicle will have an initial selling price of \$ _____ (\$20,000 minimum)

If the vehicle is unsold after 60 days the selling price will be \$ _____ (optional)

If the vehicle is unsold after 90 days the selling price will be \$ _____ (optional)

The selling price must be adequately high to cover any outstanding liens (see #9) and the consignee's selling fee.

See calculation of net proceeds due to consignor as described in #7.

Consignee may accept an offer from a third party to purchase the vehicle for the sale prices listed here – **any offer for less must be agreed to by the consignor.**

2. Selling fee

Upon sale of the vehicle to a third party, consignee will immediately and fully earn a selling fee of 12.5%

Consignee will earn the selling fee for any sale of the vehicle during the consignment period regardless of customer source or advertising by any other parties. **Commercial Truck Equipment Corp. has the exclusive rights to sell the vehicle during the consignment period.**

Upon sale to a third party, consignor agrees to sell vehicle to consignee so that transfer to end user may occur thereafter. The selling price and timing of payment from consignor to consignee is described in #7.

Vehicle title must be transferred to Commercial Truck Equipment Corp. before any lien is paid by Commercial Truck Equipment Corp.

3. Agreement period

Consignee will market and attempt to sell the vehicle at its facility, on behalf of the consignor.

The agreement is in effect for 120 days (the consignment period).

If consignor does not meet the requirements listed in this agreement or the vehicle is deemed to be in unsafe condition, Commercial Truck Equipment Corp. may terminate this agreement without notice. Either party may terminate this agreement with 30 days written notice for any reason. No guarantee is provided the vehicle will sell during the consignment period.

4. Mechanical condition

Throughout the consignment period and before the vehicle is marketed for sale, **the vehicle must hold a current provincial Commercial Vehicle Inspection** (the name of which varies from province to province). This is a requirement for all vehicles under consignment even if not normally mandated by the province for a particular vehicle (such as low GVW vehicles).

Due to minimum warranty requirements for sales in Alberta and Saskatchewan, consignors in those provinces are also required to complete and provide to consignee the "mechanical fitness assessment" form. This form can be completed as part of the Commercial Vehicle Inspection. Consignee, at its discretion, may also require a more detailed mechanical inspection than provided herein to be completed at consignor's cost. Consignor may refuse this inspection and therefore terminate this agreement at that time.

5. **Costs**

Any costs related to inspecting, repairing, cleaning, transporting or locating the vehicle will be at the sole expense of the consignor.

If consignee completes any work or incurs any costs on behalf of consignor, all of these amounts must be paid for by consignor upon completion, future deduction from the vehicle sale is not permitted.

Any required work to the vehicle is charged at the service department's normal hourly rate as posted in the service department.

Consignor is responsible for arranging transporting of vehicle to and from consignee's facility. If consignment agreement ends for any reason, consignor agrees to remove the vehicle from consignee's facility within 10 business days. Failure to remove the vehicle will result in a storage fee of \$100 per day. If the vehicle is not removed from consignee's facility after 90 days of agreement ending, consignee reserves the right to register a lien or dispose of the vehicle in order to recover costs and storage fees.

6. **Remittances**

Consignee will collect the entire proceeds of sale from the third party (including the selling price, any sales taxes and any required fees such as AMVIC fees). Consignee will remit sales taxes and any other required fees to government and agencies.

7. **Net proceeds**

Upon sale to third party, no sooner than 5 business days after payment from third party has been received and deposited into consignee's bank account and any liens have been paid, consignee will purchase vehicle from consignor using the following formula:

Net proceeds to consignor =

Sale price of vehicle to third party (before sales taxes)

Less:

Consignee selling fee (12.5%)

Any amounts paid to remove liens registered to vehicle

Any lien removal fees

Any other amounts owed on account to Commercial Truck Equipment Corp.

(Note in point #5, any work done on the vehicle is to be paid for immediately, not as a deduction when vehicle is sold)

8. **Insurance**

Consignor will maintain valid insurance on the vehicle at all times including liability insurance with a limit of no less than \$1,000,000 (storage insurance of adequate levels may satisfy this requirement). Consignor assumes all risk of loss including but not limited to theft and fire. The onus is on consignor to inform their insurer that vehicle is located at Commercial Truck Equipment's facility.

Consignee assumes no liability for any losses on vehicle and will not cover this vehicle under its insurance.

Consignor is liable for any damage caused by the vehicle to consignee's facility while on the premises, including, fire and any environmental damage caused by gradual or sudden release of fluids or chemicals.

Consignor's Insurance coverage:

Name of insured on policy: _____

Providing Expert Truck Equipment Solutions Across Canada

www.comtruck.ca

Delta (HO)
Surrey
Calgary

604 526 6126
604 888 0513
403 253 6421

Edmonton
Regina
Winnipeg

780 468 5151
306 721 9575
204 294 0601

Woodstock
Quebec

519 421 4488
418 653 0000

(must match name of consignor company at end of document)

Policy # _____ Provided by _____

Limit of third party liability _____ Expiry date _____

Commercial Truck Equipment:

I have confirmed the consignor's insurance details above and confirmed the certificate of insurance matches.

**Consigned vehicles are not permitted to stay in the shop overnight*

Print name _____ Initial _____

9. **Liens**

Consignor declares that the vehicle is free from all liens and encumbrances except:

a.) Secured party (lien holder) _____

Amount as of date of this agreement \$ _____

b.) Secured party (lien holder) _____

Amount as of date of this agreement \$ _____

Consignor agrees to not allow or permit any further liens or encumbrances against the vehicle while under consignment. Any changes to the above must be disclosed to consignee.

10. **Use and permission**

Consignee has consignor's permission to road demonstrate this vehicle

Consignee has consignor's permission to publicly use any images, information in this document and any other marketing material consignor may provide in order to market and sell the vehicle.

Consignor may not enter vehicle, remove any items or modify vehicle without notifying consignee ahead of time. Consignee may not enter consignee's premises after regular business hours for any reason.

11. **Warranty**

Consignee will not offer a warranty above the statutory minimum requirement in place for a particular province (if any).

Consignee makes no statement or guarantee on fitness of use.

Consignee is not responsible for investigating the accuracy of any claims made by consignor in regards to condition or description of the vehicle herein, consignee is relying on consignor's information provided in this document and via other means.

Complete and sign next page

Providing Expert Truck Equipment Solutions Across Canada

www.comtruck.ca

Delta (HO)
Surrey
Calgary

604 526 6126
604 888 0513
403 253 6421

Edmonton
Regina
Winnipeg

780 468 5151
306 721 9575
204 294 0601

Woodstock
Quebec

519 421 4488
418 653 0000

Consignee

Company: Commercial Truck Equipment Corp.

Authorized Signatory: _____
(branch manager to sign)

Print Name: _____

Date (day/month/year): _____

Consignor

Company: _____
(legal name)

Authorized Signatory: _____

Print Name: _____

Title: _____

Date (day/month/year): _____

Expiry of the consignment period
120 days
(day/month/year): _____