

AUCTION CONSIGNMENT AGREEMENT

This Auction Consignment Agreement is made on _____.

BETWEEN: _____ (the "Consignor") and Azaya Art Gallery Inc.

PRINTED NAME: _____ CONTRACT DATE: _____

In consideration of the mutual covenants and agreements the parties agree as follows:

1. Defined Terms:

"Auction" means the public auction to be conducted by Azaya

"Buyer" means the person, corporation or other entity or such entity's agent who bids successfully on the Goods at the auction.

"Buyer's premium" means the commission, as determined by Azaya, payable by the Buyer to Azaya on the hammer price.

"Consignor's commission" means the commission payable by the Consignor to Azaya as follows:

10% of the hammer price for lots selling for \$2,500 or more

20% of the hammer price for lots selling between \$500 and \$2,499

30% of the hammer price for lots selling under \$500

the greater of **5%** of the reserve or \$125 on unsold lots.

"GST" means the Goods and Services Tax levied and demanded pursuant to the Excise Tax Act, RSC, 1985, and the regulations thereunder, as amended from time to time.

"hammer price" means the price at which Azaya sells the Goods to the buyer. "Goods" is in reference to the attached Schedule A

"Lot" means those Goods consigned by the Consignor to Azaya for sale and listed on the attached Schedule A as described by lot number in Azaya's catalogue for the auction.

"Proceeds of sale" means the net amount due to the Consignor from Azaya, which shall be the hammer price less the consignor's commission and any other amounts due to Azaya or any associated company of Azaya by the Consignor.

"Reserve" is the confidential minimum sale price established on a lot by the Consignor and Azaya. The reserve will not exceed the low pre-sale estimate published in Azaya's catalogue for the auction.

2. Azaya shall act solely as the Consignor's agent and not as the principal in the sale of the Goods. Azaya has full discretion over the suitability of the Goods for sale, the specific auction in which the Goods will be sold, and all decisions related to the timing, location, and conduct of the auction, including the right to reject any bid and control the bidding process. Azaya also determines the descriptions of the Goods in the catalog, whether the Goods will be sold individually or in combination with other consignments, and any other matters related to the sale.

Azaya reserves the right to select, modify, or reschedule the auction venue, date, time, and rules, including grouping the Goods into lots, modifying estimates, accepting or rejecting bids, and using third-party auction platforms. Azaya may also take actions to protect the reserve price, including placing bids on behalf of the Consignor. In any case of non-payment by the Buyer, Azaya will make reasonable efforts to assist the Consignor in recovering the payment but is not obligated to initiate legal action.

Azaya shall not be liable for any indirect, incidental, special, exemplary, punitive, or consequential damages arising from the Consignor's use of or reliance on Azaya's services, including but not limited to errors in Goods descriptions, delays in sale, or failure to sell the Goods as expected. Azaya's maximum liability shall be limited to the amounts paid or payable by the Consignor under this agreement.

3. The Consignor shall, at their own expense, deliver the Goods to Azaya in a saleable and presentable condition no less than 75 days prior to the auction. The Consignor may not withdraw the Goods from sale without Azaya's prior consent.

Should such consent be granted, the Consignor agrees to compensate Azaya for all damages incurred and a fee of 20% of the Goods' low pre-sale estimate as set by Azaya, or, if no pre-sale estimate has been provided, 20% of the value of the Goods as determined by Azaya for insurance purposes, in addition to any applicable GST.

4. Azaya, with the Consignor's approval and at the Consignor's expense, may refurbish the Goods to ensure they are in a saleable and presentable condition. Additionally, Azaya may engage an independent expert for authentication, certification, or to provide a condition report. Any costs incurred for these services will be deducted from the proceeds of the sale. Azaya will insure the Goods in its possession against loss by fire, theft, and vandalism based on a value equivalent to the low pre-sale estimate of the Goods. Any additional insurance coverage is the sole responsibility of the Consignor. Azaya shall not be responsible for any damage sustained by the Goods as a result of perils not required to be insured against or any amount in excess of the low pre-sale estimate of the Goods.

5. The Consignor acknowledges that the description of the Goods provided above is solely the Consignor's responsibility and agrees to indemnify Azaya and its agents against any loss or damage arising from any inaccuracies in the Goods' description. In the event of a mis-description, the Consignor grants Azaya the authority, at its sole discretion and acting as the Consignor's agent, to refund the purchase price of the mis-described Goods to the buyer. Additionally, the Consignor agrees to pay Azaya a fee, whichever is greater: 20% of the high pre-sale estimate or 20% of the hammer price for the mis-described Goods, along with any associated expenses and GST.

6. Azaya reserves the right to withdraw the Goods from the auction at any time before the sale if, at its sole discretion, it determines that:

[a] There are doubts regarding the authenticity of the Goods;

[b] There are concerns about the accuracy of the Consignor's representations or warranties in this agreement; [c] The Consignor has breached or is about to breach any provision of this agreement; [d] Any other reasonable cause exists.

If the Goods are withdrawn under this clause, the Consignor agrees to pay Azaya a charge of 20% of the Goods' low pre-sale estimate or 20% of the value of the Goods as determined by Azaya for insurance purposes, in addition to any applicable GST.

In the event that the Buyer fails to pay Azaya the purchase price of the Goods within 14 days after the auction, Azaya will make reasonable efforts to obtain the Consignor's instructions regarding the appropriate actions to be taken. If Azaya deems such instructions reasonable, Azaya will assist the Consignor, at the Consignor's expense, in recovering the purchase price from the Buyer. However, Azaya shall not be obligated to initiate legal proceedings against the Buyer in its own name. Notwithstanding the above, Azaya reserves the right, and is hereby authorized at the Consignor's expense, and at Azaya's absolute discretion, to agree to special payment terms for the purchase price, to remove, store, and insure the Goods sold, to settle claims made by or against the Buyer on such terms as Azaya deems appropriate, to take necessary actions to collect payment from the Buyer, and to cancel the sale and refund the money to the Buyer.

7.The Consignor:

[a] warrants that they have full legal ownership and authority to sell the Goods and assures both Azaya and the Buyer that the Goods are entirely owned by the Consignor and are free from any lien or encumbrance;

[b] indemnifies Azaya, its employees, agents, and the Buyer against any claims or legal actions initiated by individuals who assert or claim entitlement to the Goods, or due to any default by the Consignor in adhering to relevant laws, regulations, or requirements;

[c] agrees to fully reimburse Azaya, upon request, for all payments, costs, expenses, or any other losses or damages incurred as a result of any breach by the Consignor under sections 7[a] or 7[b] above.

8.The Consignor authorizes Azaya to deduct from the hammer price the Consignor's commission, any expenses incurred by Azaya on the Consignor's behalf as outlined in clause 4 above, along with any applicable GST, and any other amounts owing under this agreement. The Consignor acknowledges that, although Azaya acts as its agent, Azaya is entitled to and shall retain the buyer's premium.

9. Azaya shall, within 35 days after the auction, provide the Consignor and lien holder(s), if any, with a statement showing the hammer price of the Goods and shall remit to the Consignor and/or the lien holder(s), as applicable, the proceeds of the sale, provided that Azaya has received full payment from the Buyer for the Goods. If Azaya pays the Consignor an

amount equal to the proceeds of sale before receiving full payment from the Buyer, title to the Goods shall transfer to Azaya.

10. Goods that are withdrawn or remain unsold and are returned at the Consignor's request will be returned at the Consignor's risk and expense, and will not be insured during transit unless Azaya receives specific instructions from the Consignor to arrange insurance, at the Consignor's cost. Additionally, Azaya reserves the right to charge the Consignor a reasonable fee for packing or crating the returned Goods.

11. Unsold Goods must be retrieved by the Consignor at their own expense within 30 days following the auction. After this period, Azaya has the right to impose a storage fee of \$3 per day for each lot until the Goods are collected.

12. If any unsold Goods have not been collected by the Consignor within 180 days following the auction, ownership of the Goods shall automatically transfer to Azaya.

13. The Consignor hereby grants to Azaya exclusive right to illustrate and photograph the Goods at Azaya's expense and to use such photographs, illustrations or images therefrom, as well as any illustrations, photographs or images provided by the Consignor to Azaya, at any time and for such purposes as it sees fit, whether such purposes are related to the sale of the Goods or not. All rights to any photographs, illustrations or images taken by Azaya shall be retained by Azaya.

14. The Consignor warrants that the Consignor will not bid for themselves at the auction nor employ any person to bid on their Goods. The Consignor acknowledges that Azaya acts in good faith as a dual agent when, for example, accepting and executing absentee bids or facilitating telephone bids from potential Buyers.

15. Any indemnity or other protection against financial burden hereunder shall extend to all actions, proceedings, costs, claims and demands whatsoever incurred or suffered by the person for whose benefit the protection is given; and, any protection expressed to be for the benefit of Azaya, shall extend to its employees and agents.

16. This Agreement comprises the entirety of the contract between Azaya and the Consignor and Azaya shall not be held liable in respect of any representation not made in writing herein.

17. Azaya reserves the right, at its sole discretion, to select, change, or reschedule the auction venue, date, and time, modify the rules and procedures for bidding, group the goods into lots, market and promote the auction, provide and edit marketing materials, set and revise estimates, accept or decline bids, consult experts to verify the goods, reject any unsuitable goods, and ban the Consignor from submitting goods if necessary. Azaya may use third-party auction websites or its own platform to market and sell the goods. Any bids to protect the reserve price will be placed by Azaya on behalf of the Consignor. If the Consignor or their agent bids on the goods, the Consignor must immediately pay the buyer's premium fee and will not be entitled to buyer warranties. The sale is only complete when the buyer's payment is received, and if payment cannot be collected, Azaya will not make payment to the Consignor. In case of non-payment, any associated fees will be borne by the Consignor. Azaya is not responsible for collecting payments beyond making attempts to charge the buyer.

18. Azaya shall not be liable to the Consignor for indirect, incidental, special, exemplary, punitive, or consequential damages, including lost profits, lost data, personal injury, or property damage, even if Azaya is advised of the possibility of such damages. Azaya shall not be liable for any damages, liabilities, or losses arising from the Consignor's use of or reliance on the services, any errors or omissions on the website or other materials related to the sale of goods, errors in evaluating the goods' genuineness, attribution, authorship, provenance, origin, condition, value, or any other quality, delays in the sale of goods (including third-party online platform delays), failure of an auction to occur, failure to sell goods at all, or at the reserve or within estimates, any transaction or relationship between the Consignor and third parties, or any other loss, damage, or expense relating to the goods or services. Azaya's maximum liability is limited to the amounts paid or payable by the Consignor under this agreement, including alleged acts of negligence or breach of contract, regardless of the legal action brought. This limitation shall constitute the Consignor's exclusive remedy.

