JOHN BAILEY
GemstoneArtist.com
MEMO TERMS

DEFINITIONS:

- "John Bailey" refers to me.
- "JEWELER" refers to you – anyone who is receiving Goods from me "on memo" or "on approval".
- "Goods" refer to any gem (rough, cut or specimen), object of jewelry, or other valuable item.
- "Payment" means my actual receipt of fully-negotiable funds in U.S. Dollars.

TERMS:

1. "Memo" Goods are delivered for inspection pursuant to purchase. Goods are shipped based on JEWELER's good-faith intent to purchase Goods upon JEWELER's review and approval of Goods.
2. Goods are not "on consignment", or "on loan", and may not be held for display by JEWELER. Goods are not an asset of JEWELER, and may not be used as collateral or otherwise negotiated by JEWELER until they have been purchased. All Goods remain the property of John Bailey until John Bailey has received full payment for Goods, freight and handling.
3. Goods must be either paid for or returned promptly. Goods held more than two business weeks (ten business days) after date of receipt by JEWELER are assumed to have been purchased by JEWELER. <u>As of the eleventh business day John Bailey will consider any unreturned items "sold" and will require full payment, plus freight and handling per invoice terms</u> unless other arrangements have been made during the stated ten business days. (All memo shipments contain a pro forma invoice.)
4. JEWELER acknowledges that setting any stone constitutes non-returnable purchase of that stone and JEWELER agrees to promptly tender full payment for the stone, plus freight and handling.
5. JEWELER is responsible for any damage or loss, whatsoever – regardless of time, cause, or reason – from the time JEWELER receives custody of Goods until John Bailey approves condition of Goods after any return to John Bailey. JEWELER will immediately pay in full, plus freight, and handling for any goods that are lost, stolen, or returned in less-than-original condition.
6. JEWELER is responsible for freight (with appropriate security and insurance) to return goods to John Bailey in the event JEWELER returns Goods. When in doubt about insurance, please notice item 5 above.
7. Timely payment is required. Payment must be received on or before the invoice date plus X-days, regardless of weekends, holidays, etc. Invoices are "late" as of one day after invoice date plus X days. Late invoices immediately nullify any previously negotiated discounts and also incur a late fee.
8. This memo agreement will remain in full force and effect for all future memo shipments until rescinded or amended in writing with both parties acknowledging any modifications or cancellation.

Signed _____ Date _____

Company _____