

# KOFFEE KAROUSEL™ LOAN PROGRAM

(Model: KKESSC1)



**KK Manufacturing, LLC is pleased to provide you with a Koffee Karousel K-Cup® vending machine subject to the terms and conditions set forth in this document.**

**DEFINITIONS:** “KK Mfg” refers to KK Manufacturing, LLC. Koffee Karousel™ is a product of KK Mfg. “Customer” refers to the person or business receiving the Koffee Karousel.

**USE OF KOFFEE KAROUSEL:** Customer shall not make any alterations or additions to the machine. The Customer is solely responsible for purchasing and loading the machine’s product(s) (i.e. K-Cups®). The Customer understands that all revenue generated from the sale of product from the Koffee Karousel will initially be collected by KK Mfg.

**ACQUISITION FEES:** Prior to receiving the machine, Customer shall pay a fee of \$599.00. A portion of the fee (\$99), will be retained by KK Mfg to cover the cost of pre-configuring and shipping the Koffee Karousel. The balance of \$500 will be held by KK Mfg as a customer deposit and will be returned to the customer when the machine is ultimately sent back to KK Mfg following the termination of this agreement.

**DISTRIBUTION OF REVENUE:** Within 30-days following the end of each calendar month, KK Mfg shall mail a check to the undersigned customer for the revenue generated during the month. The customer understands that a processing fee of \$.30 is being charged as part of every sales transaction associated with the Koffee Karousel machine. Thus, provided the minimum monthly usage requirement has been met, the customer will receive the total amount transacted by the Koffee Karousel during the month less \$.30 for each transaction that occurred. (i.e. 100 transactions will result in \$30.00 being retained by KK Manufacturing and the balance of the revenue returned to the customer.) A monthly transaction report will accompany each check that is mailed. Note that all pricing herein is subject to an annual adjustment by KK Mfg.

**TERM:** Customer agrees to use the Koffee Karousel for a minimum period of one year. Termination of this Agreement by Customer following the one year period is permitted with (30) days written notice. If this agreement is terminated (for any reason) prior to the completion of the minimum period, the Customer shall return the Koffee Karousel to KK MFG at the Customer’s expense. This agreement will automatically renew at the end of every one-year period.

**MINIMUM USE REQUIREMENT:** Customer shall not be required to pay any rental monies for the loaned equipment so long as the minimum monthly transaction volume is met. Customer agrees to place the Koffee Karousel in an area such that a minimum equivalent of 1.4 transactions (i.e. sales) occur each day. Should the minimum of 42 sales not be obtained in any given month, KK Mfg reserves the right to assess the customer a machine usage fee of \$12.50 per month. If Customer’s usage falls below the minimum for three or more consecutive months, KK MFG may terminate this Agreement and have the Customer return the Koffee Karousel to KK Mfg at the Customer’s expense.

**OWNERSHIP:** Each loaned Koffee Karousel remains the sole and exclusive property of KK Mfg. Customer shall keep the loaned equipment free of any liens, claims or encumbrances. The operator shall have only the right to use the machine in the normal operation of its business and no property interest except to its K-Cup contents.

**ASSIGNMENT:** Customer shall not assign this agreement or sell, lease, or transfer the Koffee Karousel without KK Mfg.’s prior written consent. KK Mfg. must be notified of the sale/ transfer of store ownership. Customer acknowledges that the Koffee Karousel is and shall remain the property of KK Mfg. Customer agrees not to remove or obscure any identifying property, serial number, or instructional labels placed on the Koffee Karousel by KK Mfg.

**REPAIRS:** KK Mfg. agrees to provide customary and ordinary repairs or replacement of the Koffee Karousel during the term of this Agreement. KK Mfg.’s obligation is limited to replacing or repairing, at its option and without charge to the Customer. In no event will KK MFG be liable for any incidental, punitive, exemplary, or consequential damage under any circumstances whatsoever relating to the Koffee Karousel. Customer assumes liability and responsibility for lost, stolen, or damage due to neglect, and agrees to reimburse KK MFG the amount of \$750 for each lost, stolen or damaged unit.

**CUSTOMER INDEMNIFICATION OF KK MFG:** Customer shall indemnify, defend and hold KK Mfg. harmless for, from and against any and all claims, actions, costs, losses, expenses, damages, or liabilities, (collectively referred to hereafter as “Damages”) arising out of or in any way connected with (i) the use of the Koffee Karousel by the Customer to the extent such Damages are the result of sole negligence of the Customer, Customer’s employees, or customer’s patrons.

**MISCELLANEOUS:** This Agreement: (a) is the entire agreement between the parties; (b) is severable as to any word or provision that is unenforceable; (c) will be governed by all applicable laws of the State of Connecticut; (d) may only be modified in writing and signed by both parties; (e) is binding on the parties’ permitted successors and assigns.

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