

Purchase To Own Contract

Date: _____

THIS AGREEMENT is entered into as of this _____ day of _____, 2007 by and between **STOVER Graphics, LLC doing business as Artgrafix®**, a Connecticut Limited Liability Company with an office at the Murtha Industrial Park, Beacon Falls , Ct (hereafter referred to as **STOVER**), and _____ a _____ Corporation / Limited Liability Company / Partnership with a place of business at _____ (hereafter referred to as **CUSTOMER**).

WHEREAS, STOVER is in the business of selling mounting and laminating supplies and equipment; and

WHEREAS, STOVER is offering a program to its CUSTOMERS whereby STOVER will lease a Laminator to its CUSTOMERS which they can own at the end of the lease term, and where STOVER will waive the monthly rent as long as the CUSTOMER purchases certain supplies from STOVER (**the Program**); and

WHEREAS, CUSTOMER is interested in participating in the Program.

NOW THEREFORE, the parties agree as follows:

1. **TERM**. STOVER hereby leases to CUSTOMER a _____ laminator (**the Laminator**) for a term of **twenty four (24) months** commencing on _____ and ending on _____ (**the Lease Term**). (Title to the Laminator will remain in STOVER until the customer receives a bill of sale as provided for below.)

2. **PURCHASES**. During the 2 year Lease Term, CUSTOMER agrees to purchase mounting and laminating supplies (**THE SUPPLIES**) in the total amount of \$ _____ from STOVER (**THE TARGET PURCHASES**).

3. **DEPOSIT**. The CUSTOMER shall pay to STOVER upon the execution of this agreement, a non-refundable supplies purchase deposit in the amount of \$ _____ (**the CUSTOMER'S DEPOSIT**) which shall be applied in the manner set forth below to future purchases of mounting and laminating supplies from STOVER.

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The payment of the CUSTOMER'S DEPOSIT shall be in lieu of any rent due and owing herein, and STOVER hereby waives any further payment by CUSTOMER.

4. BILLING AND PAYMENT. All SUPPLIES purchased during the Lease Term shall be billed at STOVER'S Published Prices (as defined below). CUSTOMER shall pay an amount equal **to seventy five (75%) per cent** of each invoice per STOVER'S normal Credit Terms and the balance of the monthly invoice shall be deducted from the CUSTOMER DEPOSIT.

5. TRANSFER OF LAMINATOR TO CUSTOMER. When the balance of the CUSTOMER'S DEPOSIT reaches zero, STOVER shall transfer title to the Laminator to the CUSTOMER by Bill of Sale and this Agreement shall terminate.

6. FAILURE TO MEET TARGET PURCHASES. If at the end of the Lease Term, the CUSTOMER has not purchased SUPPLIES equal to or more than the TARGET PURCHASES, the CUSTOMER shall have the right to purchase the Laminator for an amount equal to the remaining amount of the CUSTOMER DEPOSIT, which shall be retained by STOVER, plus an amount equal to 30% of the remaining CUSTOMER DEPOSIT (the ADDITIONAL PAYMENT). STOVER will give to the CUSTOMER a Bill of Sale upon receipt of the ADDITIONAL PAYMENT.

If the CUSTOMER chooses not to purchase the laminator, STOVER may **at its sole option, and in its sole discretion**, either retain the balance of the CUSTOMER DEPOSIT and provide the Customer with a Bill of Sale to the Laminator, or demand the return of the Laminator from the CUSTOMER, and upon receipt of the Laminator from the Customer, STOVER will then return the balance of the CUSTOMER DEPOSIT less a handling fee of **\$500.00**.

5. MISCELLANEOUS PROVISIONS.

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MACHINES IN PROGRAM – Machines available include:

- D&K 42 EXP Pouch Machine (item 608245 msrp \$3,495)
- D&K 42 EXP Plus laminator including the optional foot pedal, stand, and take-up mechanism (item numbers 608247, 608247FS, 608248, and 608249 msrp \$5,995)
- D&K 42 Superkote Laminator (item 608252 msrp \$5,495).

CUSTOMER'S SUPPLY DEPOSIT AND TARGET PURCHASES.– The CUSTOMERS DEPOSIT depends on the laminator supplied. The TARGET PURCHASES will be as follows:

	<u>SUPPLIES DEPOSIT</u>	<u>TARGET PURCHASES</u>
D&K 42 EXP Pouch Laminator	\$2,750	\$11,000
D&K 42 EXP Plus Laminator	\$4,950	\$19,800
D&K 42 Superkote	\$4,750	\$19,000

PUBLISHED PRICES – The published prices are Stover's current list prices set forth periodically on STOVER'S website (www.artgrafix.com).

WARRANTY – The Laminator is covered by D&K's Manufacturer's Limited Warranty which will be provided to the CUSTOMER. In summary, D&K's Warranty covers manufacturing defects and parts for normal intended use. D&K's Standard warranty is one year parts and 6 months labor and rollers. In addition, the one year parts provision of the Warranty only is extended to a full two years from the date of this contract. D&K's warranty is non-transferable. CUSTOMER will be responsible for all damage to the Laminator not covered by the warranty. The D&K Limited Warranty is the only warranty on the LAMINATOR and STOVER makes no representations or warranties as to the present or future condition of the Laminator.

SUPPLIES RETURN POLICY. STOVER's normal Return Policy will be in effect which includes replacement of supplies for manufacturing defects. Returns for other reasons may be subject to a restocking charge and will be net of any CUSTOMER DEPOSIT.

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GOOD REPAIR – The CUSTOMER is responsible to maintain the laminator in good working order and repair and if the laminator is returned to STOVER at the end of the Lease Term, it will be in the same condition as when received subject to ordinary wear and tear.

SHIPPING – STOVER will pay for standard delivery to a business with a loading dock. For extra services such as residential delivery, lift gate services and inside delivery, the CUSTOMER will be responsible for those charges. At the end of the Lease Term the CUSTOMER will be responsible for the all costs incurred to return the Laminator to STOVER including proper shipping and packaging of the LAMINATOR.

CREDIT – Shipments are subject to STOVER's normal credit policy. Future shipments may be held if invoices are past due.

LAWS – This contract is governed by the laws of the State of Connecticut.

TAXES - CUSTOMER shall any Personal Property Taxes due and owing for leased property to STOVER in July for the years where the laminator was in the possession of the CUSTOMER the preceding October 1. During the Term of this Agreement, STOVER will report the value of the Laminator on its Property Tax report in Connecticut. Based on current rates, the Property tax on the EXP Pouch Laminator would be \$47.56, the EXP Pro Laminator would be \$85.11 and the Superkote laminator would be \$75.29 for year 1 and decline approximately 10% in year 2. These rates are subject to change. STOVER will provide documentation of taxes paid upon request.

For Connecticut customers only, Sales Tax will be computed on the gross amount of each supplies invoice. The Bill of Sale for the customer who utilizes all of their supplies deposit will receive a zero balance invoice for the laminator with no sales tax and those who purchase the laminator at the end will be charged sales tax on their SUPPLIES DEPOSIT plus ADDITIONAL PAYMENT.

INSURANCE. CUSTOMER shall, during the Lease Term, purchase and maintain insurance with an insurer of sound financial standing covering loss, theft, damage or destruction of the Laminator. In most cases, a standard business policy should provide such coverage.



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INDEMNITY. CUSTOMER shall indemnify and hold STOVER harmless from any and all claims of any nature that may hereafter be asserted against STOVER for any reason as a result of any provision of this Lease.

COSTS. CUSTOMER agrees to pay to STOVER an amount equal to its reasonable costs, including reasonable attorney's fees, incurred to enforce the provisions of this agreement.

ENTIRE AGREEMENT. This instrument contains the entire and only agreement between the parties, and no oral statements or representations or prior written matter not contained in this instrument shall have any force or effect. This Lease shall not be modified in any way except by a writing subscribed by both parties.

SUCCESSORS AND ASSIGNS. It is agreed that the agreements and conditions in this Lease contained on the part of CUSTOMER to be performed and observed shall be binding upon CUSTOMER and its successors and assigns and shall inure to the benefit of STOVER and its successors and assigns; and the agreements and conditions in this Lease contained on the part of the STOVER to be performed and observed shall be binding upon STOVER and its successors and assigns and shall inure to the benefit of CUSTOMER and its successors and assigns.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals, and to a duplicate of the same tenor and date this day of _____ 200 .

**STOVER GRAPHICS,
LLC, D/B/A Artgrafix® ,**

**BY _____
JEFFERY STOVER ITS MANAGER**

CUSTOMER

**BY _____
ITS _____**