

**LEASE TO OWN AGREEMENT OF  
SONOFRESCO COFFEE ROASTER**

This lease, effective as of today's date \_\_\_\_\_, is between **SONOFRESCO, LLC**, a Washington Limited Liability Company, 1365 Pacific Drive, Burlington, Washington 98233, **The Lessor**; and \_\_\_\_\_, of \_\_\_\_\_ (address), \_\_\_\_\_ (city), \_\_\_\_\_ (state), \_\_\_\_\_ (zip code), **The Lessee**.

*Subject to the terms and conditions stated below, Lessor leases to Lessee and Lessee leases from Lessor, the following-described Coffee Roaster:*

Product Serial Number	Description	Model Number
		List Price \$ _____

**SECTION I  
TERM OF LEASE**

The term of this lease shall be for a period beginning the date of signing and ending **twenty-four (24) consecutive months** thereafter.

**SECTION II  
RENT**

Lessee agrees to pay to Lessor, as rent for the Roaster, the total sum \$ \_\_\_\_\_ payable as follows:

1. the sum of \$ \_\_\_\_\_ on the execution of this lease, receipt of which is hereby acknowledged, as payment of rent for the first month of the lease plus security deposit (last month's rent) **plus shipping costs**, includes lease payment portion for optional venting equipment if selected,
2. the sum of \$ \_\_\_\_\_ is due on or before the  2<sup>nd</sup> or  15<sup>th</sup>, day of each month starting 30 days after the signing of this agreement continuing on the same day of each succeeding calendar month thereafter during the term of this lease or any renewal hereof. All payments shall be made by credit card to be held on file by Lessor.

**SECTION III  
COFFEE PURCHASES**

As further consideration for Lessor's lease of the Roaster to Lessee, **Lessee agrees to, purchase green coffee through Sonofresco's Green Coffee Club ([www.sonofresco.com](http://www.sonofresco.com))**

**wherein Lessee agrees to purchase a minimum of fifty (50) pounds of green coffee each month during the term of this lease and renewal thereof.** It is further understood and agreed by and between the parties hereto that Lessee's purchase of two hundred (200) pounds or more in any single shipment, shall entitle Lessee to free shipping of said coffee to Lessee's address. Shipping costs for any orders less than two hundred (200) pounds shall be paid for by Lessee. Lessor reserves the right to consider exceptions to this minimum requirement for Lessee if Lessee's current green coffee provider is an approved distributor by Coffee Holding Company.

#### **SECTION IV INSTALLATION CLEANING AND SERVICING OF ROASTER**

**Lessee** shall be responsible for the installation, cleaning and servicing of the Roaster, and all associated costs, during this lease term and any renewal thereof, and the same shall be done pursuant to the Manufacturer's Installation and Operating Manual supplied with the Roaster.

#### **SECTION V LIMITATION OF WARRANTIES**

**Lessor** shall honor and extend the Manufacturer's Warranty for the term of this lease. Lessor shall not be responsible for the cost or results of any unauthorized repairs or damage to the Roaster. Lessor agrees to provide a toll-free service help line for Lessee's convenience and assistance.

#### **SECTION VI USE AND IDENTIFICATION OF ROASTER**

**Lessee** shall use said Roaster in a careful and proper manner and shall comply with all the laws, ordinances and regulations relating to the possession, use or maintenance of the Roaster. **Lessee** shall not remove any labels, plates, or other markings that identify the Roaster and associated Safety Listings. It is understood that the Roaster functionality was designed for the sole purpose of roasting coffee, and all certifications and testing reinforce this use only. The Roaster shall be used at Lessee's place of business, permanent or temporary.

#### **SECTION VII RETURN OF ROASTER**

On expiration or earlier termination of this lease, with respect to the Roaster, and unless Lessee has exercised its option to purchase the roaster, see Section VIII below, **Lessee** shall return the Roaster to Lessor in good repair, ordinary wear and tear resulting from proper use alone excepted, in the following manner or as may be specified by Lessor:

By delivering or shipping the Roaster in its original packaging, at Lessee's expense, to Lessor's place of business.

**SECTION VIII  
LESSEE'S OPTION TO PURCHASE ROASTER**

At the termination of this lease, **Lessor** grants to Lessee the option to purchase the Roaster, provided that Lessee completely performs all the terms and conditions of this lease on, including full payment of the lease payments, and purchase of green coffee. Should Lessee exercise this option to purchase, the balance of the purchase price will be an amount equivalent to 60% of the list price of the Roaster on the date of this lease agreement less the sum of all lease payments made. Upon receipt of the balance of the purchase price by Lessor, together with a sum equal to any new or applicable unpaid sales and use taxes, Lessor will transfer title to the Roaster to Lessee, and will deliver written evidence of the transfer of such title. The balance of the purchase price is estimated to be \$\_\_\_\_\_.

In the event Lessee requires to terminate this contract prior to the end of its full term, Lessee agrees to pay a purchase price equivalent to 100% of the list price of the Roaster on the date of this lease agreement less the sum of all lease payments made.

**SECTION IX  
RISK OF LOSS OR DAMAGE**

**Lessee** assumes all risk of loss of and damage to the Roaster from any cause. No loss or damage to the Roaster will impair any obligation of Lessee under this lease, which will continue in full force and effect. In the event of loss or damage to the Roaster, Lessee, at the option of Lessor shall:

- (a) Place the Roaster in good repair; or
- (b) Replace the Roaster with a like Roaster in good repair, which shall become subject to this lease; or
- (c) Lessee shall pay Lessor in cash an amount of money equal to the list price of the Roaster on the date this lease is executed less the sum of any lease payments made by Lessee to Lessor. On such payment, this lease will terminate with respect to the Roaster so paid for and the Lessee shall become entitled to the Roaster, as owner.

**SECTION X  
OBLIGATION TO INSURE**

**Lessee** shall keep the Roaster insured for such risks and in such amounts as Lessor shall require and shall maintain liability insurance satisfactory to Lessor. All such insurance shall name Lessor and Lessee as insured.

**SECTION XI  
TAXES AND FEES**

**Lessee** shall pay all license fees, assessments, and sales, use, and other taxes imposed on the Roaster by reason of ownership, leasing, renting, sale, possession, or use, whether they be assessed to Lessor or Lessee, together with any penalties or interest, excepting federal, state, or local governmental taxes, or payments in lieu of those taxes, imposed on or measured by income of Lessor

**SECTION XII  
DEPOSIT OF SECURITY**

**Lessor** acknowledges that Lessee has deposited with Lessor as security the sum of \$\_\_\_\_\_, and the parties agree that such deposit shall be security for performance of Lessee's obligations under this agreement. Such sum, at Lessor's option, may be applied to satisfy any obligation that may be in default without excusing Lessee from performance of any such obligation. Any portion of said sum that has not been so applied by Lessor will be returned to Lessee at the termination of this lease.

**SECTION XIII  
INDEMNITY OF LESSOR**

Lessee shall indemnify and hold Lessor harmless from and against all claims, actions, proceedings, costs, damages, and liabilities, including attorney fees and costs, arising out of, connected with, or resulting from use of the Roaster, including, but not limited to, the manufacture, selection, delivery, possession, use, operation, or return of the Roaster.

**SECTION XIV  
EVENTS CONSTITUTING DEFAULT**

The following events shall constitute default under this agreement:

- (a) The nonpayment by Lessee for a period of 30 days of any sum required to be paid by Lessee:
- (b) The nonperformance by Lessee of any other term, covenant, or condition of this lease that is not cured within 15 days after notice of non-performance from Lessor. Any payment past due shall bear interest at the rate of\_\_\_\_% per annum.
- (c) Any affirmative act of insolvency by Lessee, or the filing by Lessee of any petition under any bankruptcy, reorganization, insolvency, or moratorium law, or any law for the relief of, or relating to, debtors.
- (d) The filing of any involuntary petition under any bankruptcy statute against Lessee, or the appointment of any receiver or trustee to take possession of the Roaster of Lessee, unless such petition or appointment is set aside or withdrawn or ceases to be in effect within 60 days of the date of the filing or appointment; or

The subjection of any of Lessee's Roaster to any levy, seizure, assignment, application, or sale

for or by any creditor or governmental agency.

(e) The sale, mortgage, pledge, encumbrance, or disposal of the Roaster herein leased. Any such act shall result in a material breach of this lease. It is understood and agreed by and between the parties hereto that Lessee may relocate the Roaster from the address set forth herein, but only with Lessor's written permission, and upon such terms and conditions as Lessor may specify, in writing.

#### **SECTION XV LESSOR'S RIGHTS ON DEFAULT**

On the occurrence of any of the events stated in Section XIV as constituting defaults, Lessor, without notice to or demand on Lessee, may:

(a) Take possession of the Roaster and re-lease the Roaster and apply the net proceeds of any such renting towards payment of the lease payments and other obligations due from Lessee to Lessor, with Lessee remaining responsible for any deficiency; or

(b) Take possession of the Roaster and sell it or any portion of it at public or private sale, without demand or notice of intention to sell, and apply the net proceeds of any such sale, against the value of the Roaster sold as determined in subparagraph (c) of Section IX, if the proceeds, after the permitted deduction, are less than the value so determined, Lessee shall immediately pay Lessor the difference.

#### **SECTION XVI GOVERNING LAW**

This lease shall be governed by and construed under the laws of the State of Washington; venue, at the option of Lessor, shall be Skagit County, Washington.

#### **SECTION XVII OWNERSHIP OF THE ROASTER**

The Roaster is, and shall at all times remain, the sole property of Lessor, and Lessee shall have no right, title or interest in the Roaster except as expressly set forth in this lease.

#### **SECTION XVIII ASSIGNMENT**

Without the prior written consent of Lessor, Lessee shall not:

- (a) Assign, transfer, or pledge this lease, or any part of, or any interest in the Roaster;
- (b) Sublet or lend any part of the Roaster; or
- (c) Permit any part of the Roaster to be used by anyone other than Lessee or Lessee's employees.

Lessor may assign its interest, or a part of the interest, in this lease.

### **SECTION XIX WARRANTY & REPAIR**

If your Roaster fails for any reason during the term of this Agreement, Lessor shall be contacted and consulted for repair needs. Lessor's warranty is applicable to all parts (excludes roast chambers) for the length of the contract term. If Lessor and Lessee determine that there is a legitimate reason for service repair by Lessor technician, Lessor will arrange for the return of the failed Roaster at Lessor's expense. Lessee must retain original packaging materials to avoid any charges for shipping materials required for return shipment to Lessor.

### **SECTION XX ATTORNEY FEES**

In the event that any action is filed in relation to this lease, the unsuccessful party in the action shall pay to the successful party, in addition to all other sums that either party may be called upon to pay, a reasonable sum for the successful party's attorney fees.

### **SECTION XXI NOTICES**

Any communications between Lessor and Lessee, payments, and notices provided in this agreement to be given or made, shall be given or made by mailing them to Lessor at 1365 Pacific Drive, Burlington, Washington 98233, and to Lessee at \_\_\_\_\_ (address), \_\_\_\_\_ (city), \_\_\_\_\_ (state), \_\_\_\_\_ (zip code), or to such other addresses as either party may indicate in writing.

### **SECTION XXII TERMINATION**

As stated above, at the termination of this lease or any renewal hereof, Lessee shall return the coffee Roaster to Lessor; or Lessee may purchase the Roaster as set forth above; or Lessee may enter into a new lease with a new Roaster subject to terms agreed to by both Lessor and Lessee.

