

## **Attention Kmart Customers**

### Delabeling and Defacing Agreement & Procedures

#### **Buyers of Kmart Department Store, salvage merchandise:**

By agreeing to these terms and conditions, you assume all responsibility for each item you purchase from KMART and its facilities. Regardless of how many times the load has changed hands before reaching its final destination; it remains your responsibility to insure that ALL terms and conditions are carried out.

It is also your responsibility to deface all KMART's private label merchandise or show export documentation upon request. This would be any/all merchandise included in the categories listed as "Y" under the column of Private Label. Defacing means removing all KMART Private Label brand names from merchandise COMPLETELY. This also means disposing of any packaging, manuals, etc, with the brand name. If you look at an item and see the brand name on it, it is not fully defaced and is in violation of KMART's terms and conditions.

National Brand merchandise (includes the categories listed as "N" under the column of Private Label) does not need to be defaced, however, any price tags and or labels indicating any KMART identification must be removed.

If at any time Private Label merchandise is found in a national brand category you are still responsible for defacing items. Due to the complexity of KMART's item files, you may find Private Label merchandise dispositioned to the "N" category.

Any non-compliance of these terms and conditions can result in a fine of up to \$50,000 dollars (fifty thousand dollars) and/or termination as a KMART's dealer.

#### **KMART Sale Terms and Conditions:**

Merchandise may not be offered for resale by salvager within a (50) mile radius from any KMART store.

Salvager shall be responsible to insure that secondary purchases will not offer any of the merchandise for resale within (50) miles of any KMART store.

Salvager agrees and acknowledges that all merchandise sold in accordance with this agreement is sold "AS IS" "WHERE IS". Seller makes no guarantee or warranty, expressed or implied, and without limitation, of merchandise fitness or marketability. The sale of this merchandise is governed by Uniform Commercial Code, which requires discrepancies to be reported in a reasonable amount of time after delivery.

Any Merchandise delivered with KMART's identification marks (i.e. tags or labels), requires the buyer to remove the identification marks from the product or otherwise make the identification marks illegible. This includes defacing serial number of any merchandise to eliminate the possibility of customer returns (except where state or local laws prohibit).

Merchandise advertised for resale with brand names will subject the reseller to fines and costs required to remedy the situation. Kmart will prosecute.

In the event that a salvager fails to perform within these terms and conditions, Kmart shall be entitled to seek both legal and equitable relief. Salvager will be responsible to pay attorney's fees, cost and expenses that are incurred through such process. Salvager will be immediately "barred" from further transactions.

By Signing below, I understand and accept the above terms and conditions and agree to comply or accept penalties as mentioned above.

\_\_\_\_\_  
**Salvage/Purchaser**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Business Name**

\_\_\_\_\_  
**Business Address**