

MASTER EQUIPMENT LEASE

THIS AGREEMENT is made and entered into this _____ day of _____, 19 ____, by and between _____, whose address is _____, hereinafter referred to as "Lessor", and

_____, whose address is _____, hereinafter referred to as "Lessee".

Lessor and Lessee expect that Lessee will lease certain equipment from Lessor, as is more fully set out on one or more Schedules pursuant hereto, executed by Lessor and Lessee from time to time. Upon acceptance by the Lessee of the equipment leased under Schedule A, Lessor leases to Lessee, and Lessee leases from Lessor, such equipment, herein individually and collectively called the "Equipment", upon the terms and conditions appearing herein.

1. TERM; RENTAL PAYMENTS.

a. Term. The term of the lease as to Schedule A shall

commence on the date of the Certificate of Acceptance executed pursuant to Section 3 and shall terminate as to Schedule A after the expiration of such months as set out in such Schedule A.

b. Rental payments. The first rental payment shall be

due on the first day of the calendar month, or other period specified on Schedule A under "Rental Payment Amount" following the date of the Certificate of Acceptance of the equipment set out on such Schedule A, and the second and each subsequent rental payment shall be due on the same day of such subsequent month, or other specified period, in which such rental payment is due until all rentals have been paid. Rental payments shall be in the amounts set out on such Schedule A's.

c. Late payments. In addition to Lessor's rights under

Section 7 as to Defaults, Lessee agrees to pay Lessor, as monthly liquidated damages and not as a penalty, an amount equal to five (5%) percent of the lease payment amount, but not an amount in excess of the amount Lessor is entitled to receive under any applicable law, of any rental payment not received by Lessor by the end of the tenth day following the due date of such rental payment.

d. Place of payment. All payments called for under this

lease shall be made to Lessor, or any assignee of Lessor pursuant to Section 6(a), at Lessor's address herein above set forth, or at such other place as may be designated by Lessor, or such assignee, to Lessee in writing.

e. Lease noncancelable; payments to be net. Lessee

agrees that all rental payments or other sums payable by Lessee hereunder shall be the unconditional obligation of Lessee and shall be made without abatement, reduction or setoff of any nature, including any arising out of any present or future claim the Lessee may have against the Lessor or any

of its assignees or the manufacturer or vendor of the Equipment. This Lease shall not be cancellable or

terminable by Lessee prior to the end of the Term except as herein expressly provided.

2. TAXES; INDEMNITY. Lessee agrees to pay, promptly when

due, all license fees and assessments, and all sales, use, property, excise and other taxes or charges, including any interest and penalties, now or hereinafter imposed by any governmental body or agency upon any Equipment or the purchase, ownership, possession, leasing, operation, use, or disposition thereof hereunder, or the rentals or other payments hereunder, excluding taxes on or measured by the net income of Lessor, and prepare and file promptly with the appropriate offices any and all tax and other similar returns required to be filed with respect thereto, sending copies thereof to Lessor, or, if requested by Lessor, notify Lessor of such requirement and furnish Lessor with all information required by Lessor so that Lessor may effect such filing. Lessee further agrees to assume all risks of liability arising from or pertaining to the purchase, delivery, ownership, possession, leasing, operation, use, condition, transportation, or disposition of any Equipment or the return of any Equipment to Lessor and to indemnify and save Lessor, its servants and agents, harmless from and against, and to defend them against any and all claims, costs, expenses, fines, damages and liabilities, arising therefrom or pertaining thereto, including, without limitation, any arising out of injury to persons or property. Any amounts required to be paid by Lessee under this section which Lessee fails to pay may be paid by Lessor and shall, at Lessor's option,

become immediately due from Lessee to Lessor. Lessee's obligations contained in this section shall survive the termination of such Schedule A's.

3. ACCEPTANCE. Promptly after delivery of the Equipment to

be leased under each Schedule A to the Lessee, Lessee

shall inspect the Equipment and (a) if fully satisfied therewith, execute and deliver to Lessor a Certificate of Acceptance in form and content satisfactory to Lessor, or (b) notify Lessor within twenty-four hours thereof of the unacceptability of the Equipment.

4. LESSOR'S PROTECTION.

a. Insurance. Lessee shall, at Lessee's sole cost and

expense, maintain insurance in such amounts, against such risks, including, without limitation, all risk and public liability insurance with respect to the Equipment, with such carriers and in such form as shall be satisfactory to Lessor naming Lessee as an insured and Lessor as an additional insured. Lessee shall provide Lessor with evidence of such insurance within ten days of execution of each such certificate of acceptance with respect to the equipment contained in such certificate. The policies for such insurance shall provide that Lessor shall receive thirty (30) days notice of any termination, cancellation, or alteration of the terms of such insurance and shall provide that the coverage afforded to Lessor shall not be rescinded, impaired, or invalidated by any act or neglect of Lessee.

b. Risk of Loss. The Equipment, until returned to

Lessor, shall be held at all times at the sole risk of Lessee for injury or damage, including damage to third parties and their property, loss, destruction, theft,

expropriation or requisition as to either title or use. In case the Equipment or any of it shall be destroyed, lost, stolen, damaged beyond repair, or permanently rendered unfit for normal use for any reason whatsoever, or if expropriated or requisitioned, before return to Lessor, Lessee agrees promptly to notify Lessor and to pay Lessor on demand the fair market value of such Equipment determined immediately prior to such occurrence, or the unpaid rentals hereunder for the balance of the entire original term allocable to such Equipment, whichever is greater, as

reimbursement to Lessor for such occurrence. As used herein, the fair market value of any Equipment shall mean the fair market sales value of such Equipment, assuming such Equipment is in the condition required to be maintained under Section 5b, after deducting reasonable costs and expenses of sale, as reasonably determined by Lessor, or, at Lessor's option, by an independent appraiser, at Lessee's sole cost and expense, selected by Lessor whose determination shall be conclusive and binding upon the parties hereto. Payment of such sum shall relieve Lessee from liability for any further rent with respect to the Equipment involved.

5. EQUIPMENT.

- a. Title; personal property; encumbrances; location.

Lessee covenants that the ownership of the Equipment is and at all times shall remain in Lessor and that the Equipment is and shall remain personal property and shall not be attached to or become a part of any realty; that it shall be installed and used at the location specified in the Schedule A pertaining thereto and that it shall not be removed therefrom; and that Lessee will not sell, secrete, mortgage, assign, transfer, lease, sublet, loan, part with

possession of, or encumber the Equipment or permit any liens or charges to become effective thereon or permit or attempt to do any of the acts aforesaid. Lessee agrees, at Lessee's own expense, to take such action as may be necessary (a) to remove any such encumbrance, lien or charge and (b) to prevent any third party from acquiring any other interest in such Equipment. Upon request, Lessee shall, at its own expense, affix and maintain on the Equipment a plate, satisfactory to Lessor, indicating Lessor's ownership thereof.

- b. Maintenance; accessions; inspections; alterations.

Lessee agrees, at Lessee's own expense, to take good care of the Equipment and to make all repairs and replacements necessary to maintain, preserve, and keep the Equipment in good order and condition. All replacements or substitutions of parts of or in any of the Equipment shall constitute accessions thereto and shall become part of the Equipment owned by Lessor. Upon Lessor's request, Lessee will permit Lessor to have access to the Equipment at all reasonable times for the purpose of inspection and examination. Lessee shall make no material alterations in the Equipment without the prior written consent of Lessor. Lessee will permit the Equipment to be operated and repaired only by qualified personnel. In the event that the Internal Revenue Service has or may provide certain maintenance obligations to be satisfied by the Lessor

in order to obtain tax benefits herein, this provision may be modified to reflect that such minimum obligation be paid by Lessor. In such event, the Lessor's maintenance obligations may be so satisfied by Lessor notifying Lessee, against receipt copies presented by Lessee, of the amount Lessee may take as a deduction or credit against the following month'(s) rental payments, or by Lessor refunding said amount to Lessee.

c. Use of Equipment. Lessee shall be entitled to the

right to possession and control of the Equipment and the use thereof during the term of the Schedule A under which it is leased so long as no event of default has occurred. Lessee will comply with all laws, regulations and ordinances, and all applicable requirements of the manufacturer of the Equipment, applicable to the physical possession, operation, condition, use and maintenance of the Equipment. Lessee agrees to obtain all permits and licenses necessary for the operation of the Equipment.

d. Denial of warranties. Lessor makes no warranty or

representation, either express or implied, as to the design or condition of, or as to the quality of the material, equipment or workmanship of the equipment delivered to Lessee hereunder, and Lessor makes no warranty of merchantability or fitness of the equipment for any particular purpose as to its title to the equipment or any component thereof or as to any other matter, it being agreed that all such risks, as between Lessor and Lessee, are to be borne by Lessee, and the benefits of any and all implied warranties of Lessor are hereby waived by Lessee. Lessee acknowledges that it has selected the equipment on

the basis of its own judgment and expressly disclaims any reliance upon any statements or representations made by Lessor. Notwithstanding any fees which may be paid by Lessor to its vendor or any agent of vendor, Lessee understands and agrees that neither the vendor, nor any agent of the vendor, is an agent of Lessor or is authorized to waive or alter any term or condition of this lease or of any Schedule A under this lease, and no representation as to the equipment or any other matter by the vendor shall in any way affect Lessee's duty to perform its obligations as set forth in this lease or any such Schedule A. In no event shall Lessor be liable for any indirect, special or consequential damages.

6. MISCELLANEOUS.

a. Assignment. Lessee shall not assign this lease or any

Schedule A or any interest therein, or sublease any Equipment, or part with possession of any Equipment, without the prior written consent of Lessor. Lessor's rights, title and interest in and to this lease, Schedule A's and the Equipment may be transferred and assigned by Lessor without notice and Lessor's assignee shall have all the rights, powers, privileges and remedies of Lessor hereunder. Except to the extent any such assignee otherwise agrees in writing, such assignee shall not be obligated to perform any of the obligations of Lessor hereunder and Lessee, if notified of such assignment, shall not be entitled to terminate or amend this lease or any Schedule A's

without the written consent of such assignee.

- b. Return of equipment. Lessee shall, at its own cost

and expense, at the end of the term of any Schedule A under this lease, crate and ship the Equipment in a proper manner to Lessor, freight and insurance prepaid, to any location specified by Lessor within the United States, the Equipment to be in good operating condition as required by Section 5b.

- c. Preparation and transfer fee. In the event that

Lessee obtains Lessor's consent to an assignment of Lessee's rights hereunder, Lessor shall require both Lessor and Lessee to complete such documentation which shall, at Lessor's sole and exclusive option, be prepared by Lessor and Lessee shall be required to pay a preparation and transfer fee equal to the amount paid by Lessee to Lessor as a monthly rental amount under Schedule A hereto.

7. DEFAULT.

- a. Events of default; remedies; expenses. In the event

that:

(1) Lessee shall default in the payment of any installment of rent or other sums payable hereunder or under any Schedule A when due; or

(2). Lessee shall default in the observance or

performance of any other covenant or agreement in this lease or under any Schedule A and such default shall continue for a period of fifteen (15) days; or

- (3) Lessee, which term for purposes of this clause (3) and clauses (4), (5), and (6) below, shall mean Lessee and any guarantor or other person liable upon Lessee's obligation under this lease or any Schedule A, shall dissolve, if Lessee is a corporation, or become insolvent, however evidenced, or bankrupt, commit any act of bankruptcy, make an assignment for the benefit of creditors, suspend the transaction of its usual business or consent to the appointment of a trustee or receiver, or a trustee or receiver shall be appointed for Lessee or for a substantial part of its property, or bankruptcy, reorganization, insolvency, or similar proceedings shall be instituted by or against Lessee; or
- (4) An order, judgment, or decree shall be entered against Lessee by a court of competent jurisdiction and such order, judgment or decree shall continue unpaid or unsatisfied and in effect for any period of sixty (60) consecutive days, without a stay of execution, or any execution or writ of process shall be issued in connection with any action or proceeding against Lessee or its property whereby the equipment or any substantial part of Lessee's property may be taken or restrained; or
- (5) Lessee shall default in the performance of any obligation or in the payment of any sum due to Lessor under any other contract, agreement,
- arrangement, or understanding; or
- (6) Any indebtedness of Lessee for borrowed money shall become due and payable by acceleration of maturity thereof,

Then, and in any such event, Lessor may, by written notice to Lessee, to the extent legally permitted to do so:

- A. Immediately terminate this lease as to any or
all Schedule A's, at its option; and/or
- B. Declare immediately due and payable all

rental installments and other sums thereunder forthwith due and payable whereupon the same shall forthwith become due and payable as liquidated damages and not as a penalty; and/or

C. Proceed by appropriate court action or

actions either at law or in equity, to enforce performance by Lessee of the applicable covenants of this lease or to recover damages for the breach thereof; and/or

D. Without necessity of process or other legal

action, enter onto the premises of Lessee or

such other premises as the Equipment may then be located and take possession of the Equipment, with force if necessary, without liability to Lessee or any other person arising out of the taking of such action.

In addition, Lessee shall continue to be liable for all

indemnities under this lease and for all legal fees and other costs and expenses resulting from the foregoing defaults or the exercise of Lessor's remedies including placing any Equipment in the condition required by Section 5b. No remedy referred to in this Section is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to Lessor at law or in equity. Lessor shall be entitled to take or retain, by way of offset against any or all amounts due and owing under this lease or any Schedule A as aforesaid, any assets, tangible or intangible, of Lessee which may then be in the possession of Lessor, its correspondents or agents wheresoever situated.

Default shall include, but not be limited to, the

following circumstances: Non-payment of any respective installment within ten (10) days from the due date set out herein, or payment dates on three different occasions for any installments which are in excess of five (5) days subsequent to the due date therefor set out herein.

8. OTHER PROVISIONS

a. Performance of obligations of Lessee by Lessor. In

the event that Lessee shall fail duly and promptly to perfect any of its obligations under the provisions of this lease, Lessor may, at its option, immediately or at any time thereafter perform the same for the account of Lessee without thereby waiving such default, and any amount paid or expense or liability incurred by Lessor in such performance, together with interest at the highest rate allowable by law per

annum thereof, until paid by Lessee to Lessor, shall be payable by Lessee upon demand as additional rent for the Equipment.

- b. Notices; no waiver; time; entire agreement;

severability. Any notices to be given under this lease shall be effective at the end of the fifth day following the mailing thereof, first class mail with postage prepaid via the U.S. Mail, to the other party at the address set herein or such other address as such party may have specified in writing. No failure on the part of Lessor to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by Lessor of any right hereunder preclude any other further exercise thereof or the exercise of any other right. Time is of the essence of this lease. This lease and the Schedule A's executed pursuant hereto represent the entire agreement between Lessor and Lessee as to the Equipment and may not be altered, amended, changed or terminated without an agreement in writing signed by Lessor. Any provision of this lease which is invalid under the law of any state shall, as to such state, be ineffective to the extent of such prohibition in such state and with respect to such parties only, without invalidating the remaining provisions of this lease in such state.

- c. Further assurance. Lessee will promptly execute and

deliver to Lessor, or any assignee of Lessor pursuant to Section 6a, such further documents and take such further action as Lessor or such assignee may request in order to more effectively carry out the intent and purpose hereof and to fully protect Lessor's or any such assignee's interest hereunder in accordance with the Uniform Commercial Code or other applicable law, including without limitation, the filing of financing and continuation statements. Lessee hereby authorizes Lessor to effect any such filing as aforesaid, including the filing of any such financing or continuation statements without the signature of Lessee.

- d. Definition of "Lease". "Lease", as used herein, shall

be deemed to refer to this lease and any and all Schedule A's now or hereafter executed pursuant hereto.

e. Governing Law and Limitations Period. This agreement,

and all transactions contemplated hereby, shall be governed by, construed and enforced in accordance with the laws of the State of _____. The parties herein waive trial by jury and agree to submit to the personal jurisdiction and venue of a court of subject matter jurisdiction located in _____ County, State of _____. In the event that litigation results from or arises out of this Agreement or the performance thereof, the parties agree to reimburse the prevailing party's reasonable attorney's fees, court costs, and all other expenses, whether or not taxable by the court as costs, in addition to any other relief to which the prevailing party may be entitled. In such event, no action shall be entertained by said court or any court of competent jurisdiction if filed more than one year subsequent to the date the cause(s) of action actually accrued

regardless of whether damages were otherwise as of said time calculable.

9. OPTION TO PURCHASE AT END OF LEASE TERM. Lessor hereby

grants Lessee an option to purchase the leased property at the expiration of the lease term, for the consideration set out in the applicable Schedule A covering the property to be purchased.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed on their behalf, or individually, the day and year first above written.

Signed, sealed and delivered in the presence of:

"LESSEE"

Witness

Witness

Witness

"LESSOR"

Witness

Witness

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me this day
of _____, 19____, by

_____, as President of _____,
a _____ corporation, on behalf

of the corporation as Lessor in the foregoing instrument.

Notary Public

(SEAL)

State of _____

My Commission Expires:

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me this day
of _____, 19____, by

_____, as President of _____,
a _____ corporation, on behalf

of the corporation as Lessor in the foregoing instrument.

Notary Public

(SEAL)

State of _____

My Commission Expires:

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me this day of _____,
19____, by

_____, as President of _____, a _____ corporation,
on behalf

of the corporation as Lessor in the foregoing instrument.

Notary Public

(SEAL)

State of _____

My Commission Expires:

SCHEDULE A

1. EQUIPMENT LIST. (Indicate where to be installed if
different from Lessee's principal office address.)

2. TERM. The term of this Schedule shall commence on the
date of the Certificate of Acceptance executed below and shall
terminate _____.

3. MONTHLY RENTAL AMOUNT. The monthly rental amount for
equipment covered under this Schedule shall be _____.

4. OPTION PRICE. The price at which Lessor will sell Lessee
this equipment at the end of the term herein shall be
_____.

CERTIFICATE OF ACCEPTANCE

I, the undersigned, as _____, do hereby
certify that the above equipment has been received and accepted on behalf of the
Lessee, this _____ day of _____, 19 _____.

"LESSEE"

"LESSOR"

SCHEDULE "B"

THIS Master Equipment Lease is to be personally guaranteed by the Guarantor by his execution below.

GUARANTOR

Personal Guarantee