



EQUIPMENT LEASE AGREEMENT

Lease No: _____

CHASE INDUSTRIES, INC.
1700 East Beltline, Suite 130
Grand Rapids, MI 49525
Telephone (800) 968-5000
Fax: (616) 459-6822

NOTICE: THIS IS A NON-CANCELABLE, BINDING CONTRACT CONSISTING OF ALL TERMS ON BOTH SIDES. IT CONTAINS IMPORTANT TERMS AND CONDITIONS AND HAS LEGAL AND FINANCIAL CONSEQUENCES TO YOU. PLEASE READ IT CAREFULLY: FEEL FREE TO ASK QUESTIONS BEFORE SIGNING.

EQUIPMENT LEASE AGREEMENT	
LESSEE	SUPPLIER

Equipment Location: (if other than above)

Schedule and Description of Leased Equipment (quantity, model, serial number)
See Exhibit "A" attached hereto and made a part hereof

SCHEDULE OF LEASE PAYMENTS					
Term of Lease	Number of Payments	Amount of Monthly Payments*	Security DEPOSIT	Advance Payment Amount*	Applied to:
		\$	\$	\$	First \$
		\$			Last \$
		\$			Sec. Deposit \$
		(*Plus applicable Taxes)	(*Plus applicable Taxes)	(*Plus applicable Taxes)	

1. LEASE, SELECTION AND ACCEPTANCE. Chase Industries, Inc. ("Lessor") hereby leases to Lessee, and Lessee hereby leases from Lessor, the equipment "as-is", described above or on any schedule attached hereto (collectively, the "Schedule(s)") (such equipment, together with all replacement parts, repairs, additions and accessories is herein called the "Equipment") on the terms and conditions as set forth in this lease and/or any Schedule(s) (hereinafter this lease and any Schedule(s) are collectively referred to as the "Lease"). LESSEE REPRESENTS AND WARRANTS THAT THIS IS COMMERCIAL AND BUSINESS TRANSACTION ONLY. LESSEE REPRESENTS AND WARRANTS THAT IT HAS SELECTED BOTH THE EQUIPMENT AND THE SUPPLIER BASED SOLELY ON LESSEE'S OWN JUDGMENT, and having done so requests and authorizes Lessor to purchase the Equipment from the above named supplier ("Supplier") LESSOR IS NOT RESPONSIBLE FOR ANY REPAIRS, MAINTENANCE, OR SERVICE OF ANY KIND to the Equipment as that responsibility and the costs thereof are solely Lessee's, as is delivery and installation. Lessor shall not be liable for any loss or damage to Lessee if, for any reason, Supplier delays or fails to deliver any or all of the Equipment. LESSEE'S OBLIGATIONS UNDER THIS LEASE SHALL NOT BE AFFECTED BY ANY DELAY IN DELIVERY. Upon delivery, and not before, Lessee shall immediately inspect the Equipment. If acceptable, Lessee shall accept the Equipment and sign a certificate of acceptance form (attached hereto). Lessee agrees that Lessor may conclusively presume that Lessee has fully and irrevocably accepted the Equipment, and that Lessee warrants that the Equipment is in good working condition and fully ready for its intended use. If the Lessee refuses or fails to sign such certificate of acceptance after the Equipment has been delivered, or if Lessee requests cancellation of this Lease or is in default hereof, then, at Lessor's option, in addition to any liability hereunder, Lessee and any guarantor(s) of this Lease (each, a "Guarantor") shall assume all of Lessor's obligations of whatsoever nature or kind under any purchase agreement, written or otherwise, for the Equipment, including Lessor's (without limitation) attorneys' fees and expenses.

2. RENTAL AND TERM. Lessee agrees to pay all of the "Total Rent" which is equal to the product of the initial Lease term multiplied by the monthly lease payment plus all other sums owed by Lessee to Lessor. The monthly lease payments shall commence on the first date that any of the Equipment is delivered to Lessee or Lessee's agent or any later date selected by Lessor (the "Rent Commencement Date"). Lessee further represents and certifies that a) Lessee has full power to enter into this Lease and has fully authorized the person executing it, b) Lessee has duly authorized, executed and delivered this Lease, c) the Lease is the legal, valid and binding obligation of Lessee enforceable in accordance with its terms, d) Lessee's entry into this Lease and its performance hereof will not violate any agreements or contracts by which Lessee is bound, and e) Lessee has read and understands both sides of this Lease. This lease is not binding upon Lessor until accepted by Lessor, by signing at Lessor's office of a duly authorized signatory of Lessor ("Acceptance"). Upon Acceptance, Lessee agrees to lease the Equipment from Lessor under the terms and conditions of this Lease. Advance rentals and documentation fees shall not be refunded if for any reason this Lease does not commence. LESSEE AGREES THAT NEITHER THE SUPPLIER NOR ANY OF ITS SALESPERSONS, EMPLOYEES OR AGENTS IS AN AGENT OF LESSOR, NOR ARE THEY AUTHORIZED TO BIND LESSOR, OR TO WAIVE OR ALTER ANY TERM OR CONDITION PRINTED HEREIN OR ADD ANY PROVISION HERETO (which acts may be affected in writing signed by an authorized officer of Lessor). The Equipment and title thereto, is and shall remain the Property of Lessor. Lessee shall neither have nor develop (by any payments, invoices or otherwise) any equity, right, title or other interest in or to the Equipment other than that of a Lessee only. Lessee agrees to reflect the Equipment as leased equipment on its tax returns, and at Lessee's expense defend and affirm the title of Lessor. The Equipment is and shall remain personal property regardless of its use or any attachment to real property. Lessee shall not by function of law or otherwise, sublet, sublease, abandon, assign, transfer, suffer liens or attachments, pledge or otherwise dispose of or surrender any Equipment of this Lease or any part or interest in the foregoing without the prior written consent of Lessor. **LESSOR MAKES ABSOLUTELY NO WARRANTIES, EXPRESSED OR IMPLIED, STATUTORY OR OTHERWISE AS TO ANY MATTER WHATSOEVER, INCLUDING BUT NOT LIMITED TO THE PERFORMANCE RELIABILITY, QUALITY, CONDITION OR CAPACITY OF EQUIPMENT, ITS MERCHANTABILITY, OR ITS FITNESS FOR ANY USE WHATSOEVER. LESSOR IS NOT THE SUPPLIER, NOR THE DEALER, NOR THE MANUFACTURER OF THE EQUIPMENT, WHICH IS LEASED "AS-IS". LESSEE AGREES THAT THIS IS A NONCANCELLABLE LEASE.**

3. ASSIGNMENT; WAIVER OF DEFENSES. LESSOR MAY WITHOUT NOTICE TO, OR CONSENT BY LESSEE, ASSIGN AND/OR GRANT A SECURITY INTEREST IN THIS LEASE AND/OR ANY RENTALS OR ANY OTHER SUMS DUE UNDER THE LEASE, OR TRANSFER OR GRANT A SECURITY INTEREST IN THE EQUIPMENT, AND IN SUCH EVENT, ANY ASSIGNEE SHALL HAVE ALL OF THE RIGHTS OF LESSOR HEREUNDER BUT NONE OF THE LESSOR'S OBLIGATIONS. LESSEE AGREES NOT TO RAISE ANY CLAIM OR DEFENSE WHICH LESSEE MAY HAVE AGAINST LESSOR ARISING OUT OF THE LEASE OR OTHERWISE AS A DEFENSE, COUNTERCLAIM OR OFFSET TO ANY ACTION BY ANY ASSIGNEE HEREUNDER. LESSEE AGREES THAT AFTER NOTICE OF ASSIGNMENT FROM LESSOR, ALL RENT AND OTHER AMOUNTS WHICH ARE THEN AND THEREAFTER DUE UNDER THE LEASE SHALL BE PAID TO SUCH ASSIGNEE AT THE PLACE OF PAYMENT DESIGNATED IN SUCH NOTICE. LESSEE SHALL NOT ASSIGN THE LEASE OR ANY INTEREST IN THE LEASE OR THE EQUIPMENT NOR ENTER INTO ANY SUBLEASE WITH RESPECT TO ANY OF THE EQUIPMENT WITHOUT LESSOR'S PRIOR WRITTEN CONSENT, AND ANY PURPORTED ASSIGNMENT OR SUBLEASE WITHOUT SUCH CONSENT SHALL BE VOID. Lessee agrees at all times that if Lessee is not satisfied with the Equipment, its installation or operation, for any reason, that any claim relating in any way thereto, made by or on behalf of Lessee, shall be made solely against Supplier, and Lessee shall nevertheless promptly pay Lessor (or any assignee) all amounts due under the Lease.

Lessee: _____ Date: _____ (Authorized Signature) Title: _____	Lessor: _____ Date: _____ Accepted by: CHASE INDUSTRIES, INC. ("LESSOR") (Not valid until accepted by Lessor)
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PERSONAL GUARANTY:

In order to induce Lessor to enter into this Lease with Lessee, the undersigned, jointly and severally, hereby irrevocably and unconditionally, guaranty, without deduction or diminution by reason of counterclaim, offset, or defense, the prompt and complete payment under, whenever due, and performance of this Lease to Lessor or its assigns, including any and all modifications, additions, supplements and amendments thereof, as well as all of Lessee's other leases with Lessor that have commencement dates not later than ten (10) days after Lessor receives written notice from the undersigned of their desire not to guaranty any additional leases. The undersigned warrant and guaranty that this Lease has been properly executed by Lessee, and agree that this guaranty shall be of full force and effect irrespective of any invalidity or unenforceability of the Lease or any provisions thereof, or the existence, validity or value of any security. The undersigned hereby waive presentment notice of acceptance hereof, all notices of any kind to which we may be entitled, and all defenses of a guarantor or surety. The undersigned consent that from time to time, without notice to or further consent from the undersigned and without releasing or affecting the undersigned's liability hereunder, the time for payment or performance under this lease may be extended or accelerated in whole or part, any security therefore may be exchanged, released, enforced, sold, leased or otherwise dealt with, the provision of any documents may be canceled, modified or waived, any other guarantors may be released, and any indulgence may be granted to Lessee, as Lessor may in its sole discretion determine. The obligation and liability of each undersigned is direct, continuing and unconditional, shall not be diminished or affected whether or not the Equipment is repossessed. Lessor shall not be required to proceed against Lessee or resort to any other right or remedy before proceeding against the undersigned under this guaranty. No payment by the undersigned, except payment in full of all liabilities hereunder, shall entitle the undersigned to be subrogated to any of the rights or remedies of Lessor under this Lease. The undersigned warrant they have enforcement of this guaranty, and hereby waive any and all rights to a trial by jury, and agree to the venue and jurisdiction contained therein, and agree to pay all costs, including attorneys fees incurred in enforcement of this guaranty, and agree that only full payment and performance of the Lease can discharge the undersigned's liability. This guaranty shall be binding upon the undersigned and the heirs, representatives, successors and assigns of the undersigned, in favor of Lessor and Lessor's successors and assigns. This guaranty cannot be terminated or changed orally and no provision hereof may be modified or waived except in writing. If Lessor chooses to assign this lease for financing purposes, Lessee agrees to the jurisdiction in the state of the Lessor's Assignee.

SIGNATURE (INDIVIDUALLY; NO TITLES) Date X	SIGNATURE (INDIVIDUALLY; NO TITLES) Date X
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4. FINANCE LEASE, ETC. Lessor and Lessee agree that this Lease is a "Finance Lease" as that term is defined in Article 2A of the Uniform Commercial Code ("UCC") and so shall be construed for all purposes under law. Lessee acknowledges that Lessor has appraised Lessee of the identity of the Equipment supplier. Lessor hereby notifies Lessee that Lessee may have rights pursuant to the purchase contract between Supplier and Lessor, and Lessee may contact Supplier for a description of any rights or warranties that Lessee may have under such contract. Lessee hereby waives any and all rights and remedies granted to Lessee by Sections 508 through 522 of Article 2A of the UCC, including, by way of example only and not as a limitation: the right to repudiate the Lease and reject the Equipment; the right to cancel the Lease; the right to revoke acceptance of the Equipment; the right to grant a security interest in the Equipment in Lessee's possession and control for any reason; the right to recover damages thereunder for any breach of warranty or for any other reason deduct all or any part of the claimed damages resulting from Lessor's default, if any, under this Lease; the right to accept partial delivery of the Equipment; the right to "cover" by making any purchase or leases of or contract to purchase or lease equipment in substitution for those due from Lessor; the right to recover any general, special, incidental or consequential damages for any reason whatsoever; and the right to specific performance, replevin, detinue, sequestration, claim and delivery and the like for the Equipment. As security for the payment and performance of all of Lessee's present and future liabilities and obligations to Lessor, Lessee hereby grants to Lessor, a security interest in all equipment financed by Lessor as described on Lease Agreement or attached documentation, which shall secure the performance of all of Lessee's obligations of any kind whatsoever, whenever originated, to Lessor. Said security interest and related filings shall not be construed as meaning that this Lease is not a "true lease" under the UCC. Lessor and Lessee agree that any reproduction of this Lease shall be sufficient as a financing statement under the UCC. Lessee authorizes Lessor to add to this Lease and/or any document related hereto, serial numbers, identification data and when determined by Lessor, any dates or other omitted factual data. Lessee represents that it has correctly identified to Lessor its exact legal name (as name is written above), state of incorporation, location of its chief executive office and/or its place of residence as applicable. Lessee authorizes Lessor or its designee to file a Uniform Commercial Code financing statement without Lessee's signature, in form and content and from time to time as Lessor deems proper, listing Lessee as Lessee or Debtor. Lessee agrees that it shall be in default under the lease if: (a) Lessee has made any misleading or false statement, or representation in connection with application for or performance of this lease; or (b) Lessee changes its name, state of incorporation, chief executive office and/or place of residence without providing Lessor with 30 days written notice of such change. Any notices required by this Lease or the UCC shall be deemed to be delivered when a record properly directed to the intended recipient has been (a) deposited with the US Postal Service, (b) transmitted by facsimile, (c) transmitted through the internet, or (d) has been personally delivered.

5. CARE, USE AND LOCATION. Lessee at its sole expense shall keep the Equipment in first class condition, repair and working order, normal wear and tear from proper and careful use alone excepted ("First Class Condition") and shall furnish any and all labor, parts and devices needed for that purpose and comply with all ordinances, regulations or requirements of any governmental authority, official board or department relating to the installation, possession, use or maintenance of the Equipment. At any reasonable time Lessor or its agents may inspect the Equipment wherever the Equipment may be located. Lessee shall not make any alterations or additions to the Equipment without prior written consent from Lessor. Any alterations or additions shall immediately become the property of Lessor and subject to the terms of this Lease. Lessee shall use the Equipment for business purposes only, and not affix the Equipment (which shall remain personal property regardless of how attached or installed) to realty so as to change its nature to real property or a fixture. The Equipment is to be delivered and from then on kept indoors at the location specified herein, and shall only be removed therefrom with the prior written consent of Lessor.

6. TAXES. Lessee intends the rental payments hereunder to be net to Lessor, and Lessee agrees to pay all sales, use, personal property, excise, stamp, documentary and ad valorem taxes, license and registration fees, assessments, fines, penalties and similar charges imposed on the ownership, possession or use of the Equipment during the term of the Lease, and all taxes imposed on Lessor or Lessee (except Lessor's Federal or State net income taxes) with respect to the rental payments hereunder or the Equipment, and shall reimburse Lessor upon demand for any taxes paid or advanced by Lessor. Lessee agrees that Lessor will have the right each year to estimate the yearly property taxes that will be due on the Equipment and that Lessee will pay Lessor the estimated taxes when requested, or at Lessor's election regarding personal property taxes, Lessee will pay Lessor a monthly personal property tax fee. The monthly fee will reimburse Lessor for the taxes it is paying and for its costs for preparing, reviewing and filing returns.

7. INDEMNITY. Lessee hereby indemnifies and holds Lessor, its agents, or assigns harmless from any and all liability, damage or loss, including attorney's fees, arising out of the ownership, selection, ordering, purchase, rejection, transportation, storage, non-delivery, possession, operation, control, use, condition, repairs, maintenance, installation, delivery, return or disposition of the Equipment, or pertaining to this Lease. Lessee shall give Lessor prompt written notice of any claims or liability covered by this paragraph. Lessee's indemnities and obligations shall survive the termination of this Lease.

8. RISK OF LOSS; LESSEE SHALL BEAR THE ENTIRE RISK OF LOSS, THEFT, DISAPPEARANCE, DESTRUCTION OR DAMAGE ("Loss") to the Equipment from any cause whatsoever. **NO LOSS SHALL RELIEVE OR DIMINISH LESSEE'S OBLIGATION TO PAY ALL RENT DUE OR FULFILL ANY OTHER OBLIGATION UNDER THIS LEASE.** Lessee shall promptly notify Lessor in writing of any such Loss and shall within twenty (20) days repair the Equipment to First-Class Condition. Notwithstanding the foregoing, if Lessor deems repair unfeasible, then, **AT LESSOR'S OPTION**, Lessee shall a) replace the Equipment with like equipment in First-Class Condition, or b) pay to Lessor the sum of the following: 1) all sums then due to Lessor as herein provided, 2) the unpaid balance of Total Rent, and 3) twenty percent (20%) of the "Actual Total Cost" (which is the total of all costs to Lessor of and relating to purchasing and making available the Equipment, plus taxes and other charges).

9. INSURANCE. Lessee shall, at its sole cost and expense, obtain and maintain insurance against Loss in an amount equal to the sum set forth in paragraph 8 (b) above. Lessee shall also obtain and maintain public liability insurance satisfactory to Lessor, covering both personal injury and property damage arising out of or in connection with the use or operation of the Equipment. Lessee shall name Lessor or Lessor's assignee as loss payee on the casualty coverage and additional insured on the public liability coverage. Lessee hereby irrevocably appoints Lessor as Lessee's attorney-in-fact to make claims for, receive payment of, and execute and endorse all documents, drafts or checks for Loss or returned premiums under any insurance policy required herein. Lessor may whenever it deems necessary, with or without resorting to any other right or remedy available, and without notifying or demanding of any party, assume and apply for Lessee toward any obligation of Lessee to Lessor any credits, deposits, reserves, notes, drafts, checks, balances, accounts, property, sums, instruments or collections owing or belonging to Lessee and, to that end, endorse the name of Lessee onto any such document payable in some manner to Lessee, applying same to any obligation of Lessee to Lessor as Lessor shall determine. Lessee's insurer shall give Lessor or Lessor's assignee at least thirty (30) days' prior written notice of the effective date of any alteration or cancellation of such policy. Lessee upon Lessor's request shall deliver to Lessor satisfactory evidence of the required insurance coverage. Lessor may, but will not be required to, buy such insurance and add the cost, including customary charges and fees associated with the placement, maintenance or service of such insurance (collectively, "Insurance Charge"), to the Lease Payment amount due from Lessee. When not insured by Lessee, Lessor is exposed to increased credit risks, so Lessee agrees to pay Lessor each month a **NON-COVERAGE CHARGE**, agreed to be (.0035) of Actual Total Cost and on which we may make a profit, until Lessee complies with the insurance requirements. Such charges do not take the place of the insurance requirements contained herein.

10. FINANCIAL STATEMENTS. If requested by Lessor, Lessee agrees to promptly deliver to Lessor annual and interim financial statements.

11. REDELIVERY OF EQUIPMENT. Upon the termination or expiration of this lease, or any extension thereof, the Lessee shall forthwith deliver, freight prepaid, the Equipment to the Lessor, at an address designated by Lessor, complete and in good order and condition, reasonable wear and tear alone excepted. The Lessee shall also pay to the Lessor such sum as may be necessary to cover replacement for all damaged, broken or missing parts of the Equipment. If upon such expiration or termination the Lessee does not immediately return the Equipment to the Lessor, the Equipment shall continue to be held and leased hereunder and this lease shall thereupon be extended indefinitely as to the term at the same monthly rental, subject to the right of either the Lessee or the Lessor to terminate the lease upon thirty (30) days written notice, whereupon the Lessee shall forthwith deliver the

Equipment to the Lessor as set forth in this Paragraph. This Paragraph is null and void if a separate purchase option/agreement has been signed.

12. SECURITY DEPOSIT. The security deposit stated above has been deposited with Lessor as security for full performance of all the terms and conditions of this Lease. Lessor may, but shall not be required to apply all or any portion of the security deposit to any obligation of Lessee hereunder. The security deposit may be commingled by Lessor with other funds and shall not bear interest. If Lessor applies the security deposit to Lessee's obligations hereunder, Lessee shall immediately restore the same. Upon Lessee's full performance of all terms and conditions of this Lease, Lessor shall, at the request of the Lessee, return any remaining Security Deposit to Lessee.

13. DEFAULT. Each of the following events is an "Event of Default": Lessee shall be in default of this Lease upon the occurrence of any of the following: a) if Lessee fails to pay any rent or other amount owed by Lessee to Lessor within three (3) days after it first becomes due, b) if Lessee does not perform any obligation or warranty herein within three (3) days after Lessor has made demand therefore, c) if Lessee is in default under any other agreement or lease, whether presently or hereafter held by Lessor, d) if Lessee or any guarantor dies, becomes insolvent or if any application, petition, proceeding or action is made or begun, by or against Lessee or Lessee's property, involving or relating to insolvency, bankruptcy, reorganization, liquidation, receivership or assignment for the benefit of creditors, e) if any statement, representation or warranty, whenever made, by or on behalf of Lessee was false or misleading when made, f) if Lessee ceases doing business as a going concern or if Lessee merges or any substantial portion of its assets is sold or transferred, g) if Lessee or any Guarantor gives Lessor, in Lessor's opinion, reasonable cause to doubt Lessee's or any guarantor's willingness or ability to fully perform any obligation of Lessee to Lessor, or h) if Lessee or any Guarantor or any trustee in bankruptcy fails to reaffirm or assume this Lease obligation in its entirety within sixty (60) days of the filing of any petition for protection pursuant to the bankruptcy laws.

14. REMEDIES. If an Event of Default should occur, then Lessor shall have the right, to the extent permitted by applicable law, to do any one or more of the following: (a) declare this Lease in default, whereupon an amount equal to the present value of the entire unpaid balance of the Total Rent hereunder, discounted at a rate of 5.50% per annum as of the date of default, plus any other sums and/or damages, immediately due and payable, (b) pursue any remedy at law, in bankruptcy or in equity, proceeding by court action or otherwise; (c) repossess or take possession of the Equipment, together with all additions, replacements and attachments, wherever such Equipment may be located, and for such purposes Lessor and/or its agents may enter upon any premises of or under the control or jurisdiction of Lessee or any agent of Lessee, without any liability for doing so, and take Equipment therefrom. Lessee hereby expressly waives any and all rights to any form of notice, demand, legal process and/or judicial hearing prior to any such taking or repossession. Lessee also expressly waives, and indemnifies Lessor against, any damages, costs and expenses specifically including reasonable attorney's fees in any way relating to or caused by any such entry and/or repossession. Lessee agrees to make such Equipment available to Lessor at such location as Lessor may specify. Upon such repossession by or return to Lessor of the Equipment, all rights of Lessee in the Equipment so repossessed or returned shall terminate but Lessee shall not be released from its obligations under this Lease or Schedules until all of the unpaid Total Rent due hereunder have been paid in full. Lessor may recover interest on any unpaid balance at the rate of 8% per annum; and/or (d) hold, scrap or use any such repossessed or returned Equipment for any purpose whatsoever, or sell same at a public or private sale, or re-lease same for such a term and payment as shall be solely determined by Lessor, or hold the Equipment for future sale or re-leasing, solely for the account of Lessor. All rights and remedies of Lessor hereunder shall be cumulative and not alternative. Lessee hereby waives any right to require Lessor to sell, lease or otherwise use any equipment in mitigation of damages. Regardless of whether or not Lessor elects to re-take, repossess or accept the return of the Equipment, if Lessee defaults, Lessee shall pay in addition to any other damages, twenty percent (20%) of the Total Actual Cost as defined herein as liquidated damages for breach of this Lease, not as a penalty, which shall be added to the unpaid balance of Total Rent. If Lessor sells the Equipment, Lessor shall credit Lessee with the net realized cash proceeds of sale, less such twenty percent (20%). In addition to any sums due hereunder, **LESSEE AND EACH GUARANTOR AGREE TO PAY LESSOR'S COLLECTION AND LEGAL EXPENSES AND REASONABLE ATTORNEYS' FEES AS DAMAGES, NOT AS COSTS**, in all proceedings arising under this Lease, including without limitation in, exercising any of Lessor's rights or remedies hereunder, protecting any of Lessor's interests hereunder, in arbitration, and in counterclaims on which Lessor prevails. Reasonable attorneys' fees are stipulated and liquidated to be equal to twenty percent (20%) of Lessor's total amount in collection, plus one half (1/2) of the amount (the "Excess") by which Lessor's actual attorneys' fees exceed twenty percent (20%) of Lessor's total amount in collection. In consideration for Lessor's agreeing to absorb the other half (1/2) of the Excess, Lessee agrees to pay and not dispute the attorneys' fees agreed upon above as a fair and reasonable liquidated amount. When Lessee fails to pay any part of any monthly lease payment or other sum due hereunder and is not received by Lessor within three (3) days of its due date, Lessee agrees, so as to compensate Lessor for costs and Lessor's inability to reinvest the sums due, to pay Lessor in regards to said delinquent payment: a) a late charge equal to the greater of ten cents (10) per one dollar (\$1.00) of each delinquent payment or twenty five (\$25) dollars; plus b) a late charge of one fifteenth of one percent (1/15%) per day on the delinquent amount commencing one month after the amount was due, until paid. Lessee agrees to compensate Lessor for collection expenses of one hundred dollars (\$100) for a personal visit and twenty dollars (\$20) per collection phone call made by Lessor. Lessor also agrees to reimburse Lessor for the costs associated with returned checks, for whatever reason returned, paying per such check the greater of twenty-five dollars (\$25) or Lessor's actual bank charges. **IN NO EVENT, HOWEVER, SHALL ANY CHARGES IN THIS PARAGRAPH OR IN THIS LEASE, OR THE SUM THEREOF, EXCEED THE MAXIMUM PERMITTED BY APPLICABLE LAW.**

15. ENTIRE AGREEMENT; CHANGES. The Lease contains the entire agreement between the parties and may not be altered, amended, modified, terminated or otherwise changed except in a writing signed by an executive officer of both Lessor and Lessee.

16. NOTICE. All notices under the Lease shall be sufficient if given personally or mailed to the parties intended at their respective address set forth herein, or at such other address as said party may provide in writing from time to time. Any such notice mailed to said address shall be effective when deposited in the United States Mail, duly addressed, postage prepaid. If it should appear that any provision of this Lease is in conflict with any rule of law or statute of any jurisdiction where it may be sought to be applied, then such provision shall be deemed inoperative only to the extent of such conflict and shall be modified so as to reach conformity with such statute or rule, but any such determination shall not invalidate or affect the remaining provisions of this Lease not deemed in such conflict, and shall not prohibit Lessor from establishing its damages sustained as a result of any breach of this Lease.

17. BINDING EFFECT. If more than one Lessee is named on the reverse side hereof, then the liability of each hereunder is joint and several. This Lease shall be binding upon and inure to the benefit of Lessee and Lessor and their respective heirs, personal representatives, successors and permitted assigns. Lessor and Lessee intend the Lease to be a valid and subsisting legal instrument, and agree that no provision of the Lease which may be deemed unenforceable shall in any way invalidate any other provisions or provisions of the Lease, all of which remain in full force and effect.

18. LEASE PAYMENT ADJUSTMENT. The amount of each Lease Payment is based on the supplier's best estimate of the equipment cost including (if applicable), any installation, other related costs and estimated sales or use tax. The Lease Payments will be adjusted proportionately upward or downward if the actual total cost of the equipment or taxes is more or less than the estimate. In that event, you authorize us to adjust the Lease Payments by up to fifteen percent (15%).

19. GOVERNING LAW; JURISDICTION; VENUE; SERVICE OF PROCESS; WAIVER OF JURY TRIAL. IF LESSOR CHOOSES TO ASSIGN THIS LEASE FOR FINANCING PURPOSES, LESSEE AGREES TO THE JURISDICTION IN THE STATE OF LESSOR'S ASSIGNEE. LESSEE HEREBY CONSENTS THAT IN ALL ACTIONS OR PROCEEDINGS INSTITUTED BY LESSOR OR LESSEE HEREUNDER, OR CONCERNING THE RELATIONSHIP OF THE PARTIES IN ANY WAY, SHALL ONLY BE BROUGHT IN A COURT OF COMPETENT JURISDICTION IN THE STATE OF LESSOR'S ASSIGNEE. NOTHING CONTAINED HEREIN IS INTENDED TO PRECLUDE LESSOR FROM COMMENCING ANY ACTION HEREUNDER IN ANY OTHER COURT HAVING JURISDICTION THEREOF, LESSEE WAIVES TRIAL BY JURY IN ACTION ARISING OUT OF OR IN CONNECTION WITH THIS LEASE.

SIGNATURE _____