



New Equipment Leasing, Inc.

EQUIPMENT LEASE

LEASE NO _____

P. O. Box 97 • Ada, Michigan 49301-0097
Phone 616-957-3336 • Fax 616-957-3794 • Toll Free 800-589-3336

Supplier _____

Phone _____

Fax # _____

This document is written in "Plain English". The words you and your refer to the customer or lessee. The words we, us, and our refer to New Equipment Leasing, Inc., the lessor.

1. CUSTOMER:

Form for customer information including Legal Name of Business, Address, City, State, Zip Code, Phone No., Fax No., Cell No., Email, Corporation, Partnership, LLC, Proprietorship, Year Business Started, Federal Tax ID#, State of Organization, and County.

2. EQUIPMENT DESCRIPTION:

Table with 3 columns: Quantity, Item Description, and Serial Number.

3. LEASE TERM - THIS LEASE WILL BE EFFECTIVE ON THE DATE WE INSERT ON THE LAST PAGE OF THIS AGREEMENT.

Monthly Payments of \$ _____ Security Deposit \$ _____

(Applicable taxes are in addition to the payment shown.)

Plus Applicable Taxes

Special Payment Terms: _____

4. END OF LEASE OPTIONS: (Please complete)

You will have the following options at the end of the original term, provided the Lease has not terminated early and not event of default under the Lease has occurred:

(Check one only)

- 1. Purchase the Equipment at its fair market value which Customer shall establish to Lessor's satisfaction at least 30 days prior to the last payment date under this lease: otherwise, fair market value shall be determined to be 10% of the original cost of the equipment;
2. Purchase the equipment for \$1.00; or
3. Renew the lease.

5.

Form for principal information including Name of Principal, Social Security #, Percentage Ownership of Business, Home Address, City, State, Zip, Phone, Present Bank, Account #, Bank Contact, Phone, Trade Reference #1, City/State, Phone, Trade Reference #2, City/State, Phone, Insurance Agency, City/State, Phone.

6. LEASE ACCEPTANCE: By signing below, you acknowledge and accept all terms and conditions on the back of this Lease and authorize your banks, trade references and financial institutions to release credit information, whether oral or written, to New Equipment Leasing, Inc. You also consent to and authorize us to obtain and use consumer credit reports on you. We will use the reports to evaluate your credit worthiness as principal(s) or proprietor(s), as contemplated by this Agreement, and as consistent with the law. THIS IS A NON-CANCELABLE/IRREVOCABLE LEASE. THIS LEASE CANNOT BE CANCELED OR TERMINATED.

Signature _____ Title _____ Date _____

7. GUARANTY: (PLEASE DO NOT INCLUDE TITLE). As additional inducement for us to enter into this Lease, the undersigned ("you") unconditionally personally guarantee that the customer will make all payments and meet all obligations required under this Lease, any related documents and other Leases or agreements fully and promptly. You agree that we may make other arrangements including compromise or settlement with the customer and you waive all defenses and notice of those changes and will remain responsible for the payment and obligations of this Lease. We do not have to notify you if the customer is in default. If the customer defaults, you will immediately pay in accordance with the default provision of the Lease all sums due under the terms of the Lease and will perform all the obligations of this Lease. If it is necessary for us to proceed legally to enforce this guaranty, you expressly consent to the jurisdiction of the court set out in paragraph 25 and agree to pay costs, including attorney's fees incurred in enforcement of this guaranty. It is not necessary for us to proceed first against the customer before enforcing this guaranty. By signing this guaranty, you authorize your banks, trade references, and financial institutions to release credit information, whether oral or written, to New Equipment Leasing, Inc. and to obtain credit bureau reports for credit and collection purposes. If more than one person signs this guaranty, each of you is obligated jointly and severally.

Signature _____ Signature _____

8. DELIVERY AGREEMENT: Upon our verbal confirmation of delivery and acceptance of the Equipment indicated above, your promises in this Lease shall be irrevocable and unconditional in all respects. You, the customer, understand that we have purchased the Equipment from the supplier, and that your approval of the contract between us and the supplier is a condition precedent to effectiveness of this Lease. You approve of the contract for sale of the Equipment between us and the supplier. You understand and agree that in the event that you are not satisfied with the delivery and installation of the Equipment, then you shall only look to entities other than New Equipment Leasing, Inc. such as the manufacturer, installer, or carrier, and shall not assert against New Equipment Leasing, Inc. any claim or defense that you may have with reference to the Equipment or its installation. By signing below, you acknowledge and accept all terms and conditions included in this Lease and authorize your banks, trade references and financial institutions to release credit information, whether oral or written, to New Equipment Leasing, Inc.

Signature _____ Title _____ Date _____

9. REQUEST FOR ELECTRONIC PAYMENTS: You hereby request and authorize us to initiate debit and/or credit entries in connection with this Lease to the Depository Account designated below and you authorize the Depository Financial Institution (DFI) designated below to debit and/or credit the same to such account. This authority shall remain in full force and effect until you authorize us to terminate the DFI entry in writing, return receipt requested, at which time the DFI will be provided a reasonable opportunity to act on the notice. ATTACH VOIDED CHECK.

Account No. _____ Authorized Signature of Customer _____

10. LEASE TERM: You agree to lease from us the personal property described under "Item Description" and, as modified by any related documents which are signed by both parties, such property and any upgrades, replacements, repairs and additions referred to as "Equipment," for business purposes only. You agree to all of the terms and conditions contained in this Agreement and any related documents, which together are a complete statement of our agreement regarding the listed Equipment ("Lease") and supersedes any purchase order or outstanding invoice. This Lease may be modified only by written agreement and not by course of performance. This Lease becomes valid upon execution by us and rent will begin on the effective date of Lease as provided on the last page of this Agreement, and will continue for the number of consecutive months shown. THIS IS A NON-CANCELABLE LEASE FOR THE TERM INDICATED ABOVE. The Lease term will be automatically extended for successive 30 day periods, unless you send us written notice at least 30 days before the end of the term stating that you do not want the Lease renewed.

11. RENT: Rent will be payable in monthly installments in the amount stated above, until the total rent and all other obligations of the customer have been paid in full. You will pay the Security Deposit on the date you sign this Lease. Subsequent installments will be payable monthly on the same day of the month as the effective date of this Lease. We will have the right to apply all sums received from you to any amounts due and owed to us under the terms of this Lease. If the Security Deposit is used to offset any such unpaid amounts, you agree to immediately pay to us the amount necessary to reinstate the Security Deposit to the full original amount. No interest will be paid on this Security Deposit and we may commingle the Security Deposit with our own funds in any manner. In the event this Lease is not fully completed, the Security Deposit will be retained by us to compensate us for our documentation, processing and other expenses. Unless otherwise provided in this Lease, the monthly payments shall be payable on the corresponding day of each month and in the amount stated above until the total rent and all other obligations of the Lease have been paid in full. If the effective date does not fall on the first day of the month, and if the first monthly rent payment is due on the first of the month, you shall pay on the effective date an amount proportionally less than a full month's rent to reflect the partial first month of the term of this Lease.

This is a "Time is of the Essence" lease. Whenever a payment is not made when due, you agree to pay us, not later than one month after the due date, 15% of the full scheduled payment, but only to the extent allowed by law. In addition, you agree to pay interest on any payment made five days after the due date. Interest shall accrue from the day the payment was due until the day the payment is made at the maximum rate allowed by law. These amounts shall be payable in addition to any other amount due and payable under this Lease.

12. WARRANTIES: WE MAKE NO REPRESENTATION OR WARRANTY OF ANY KIND REGARDING THE EQUIPMENT. SPECIFICALLY, WE MAKE NO WARRANTY THAT THE EQUIPMENT IS FIT FOR A PARTICULAR PURPOSE OR THAT THE EQUIPMENT IS MERCHANTABILITY. YOU ARE LEASING THE EQUIPMENT "AS IS". YOU AGREE THAT YOU HAVE SELECTED THE SUPPLIER AND EACH ITEM OF EQUIPMENT BASED UPON YOUR OWN JUDGMENT AND DISCLAIM ANY RELIANCE UPON ANY STATEMENTS OR REPRESENTATIONS MADE BY US OR ANY SUPPLIER. WE DO NOT TAKE RESPONSIBILITY FOR THE INSTALLATION OR PERFORMANCE OF THE EQUIPMENT. ANY CLAIMS RELATING TO THE CONDITION, QUALITY, PERFORMANCE OR REPAIR (WHETHER UNDER WARRANTY OR NOT) WILL ONLY BE MADE AGAINST THE VENDOR OR MANUFACTURER AND NOT AGAINST US OR ANY OF OUR ASSIGNEES. THE SUPPLIER IS NOT AN AGENT OF OURS AND NOTHING THE SUPPLIER STATES CAN AFFECT YOUR OBLIGATION UNDER THE LEASE. YOU WILL CONTINUE TO MAKE ALL PAYMENTS UNDER THIS LEASE REGARDLESS OF ANY CLAIM OR COMPLAINT AGAINST SUPPLIER.

13. MAINTENANCE AND LOCATION OF EQUIPMENT: You will maintain the Equipment in good operating condition, repair and appearance, other than normal wear and tear. If we request, you will, at your expense, enter into a maintenance contract with the manufacturers of the Equipment or such other party as is acceptable to us. You will use the Equipment only in the regular course of your business. You will comply with all laws, rules and regulations applicable to the use and operation of the Equipment. You will not change or modify the Equipment without our prior written consent. We may inspect the Equipment wherever it is located during normal business hours. You will keep and use the Equipment only at your address shown above and you agree not to move it unless we agree to it. At the end of the Lease's term, you will return the Equipment to a location we specify at your expense in retail resalable condition, in full working order, and in complete repair.

14. ORGANIZATIONAL STATUS: You are currently operating with the registered legal name as the type of entity and in the jurisdiction indicated in the Customer Information set forth above. You agree to inform us of any change in the type or state of organization of your business or your legal name, prior to the effective date of such change.

15. LOSS OR DAMAGE: You are responsible for the risk of loss or destruction or damage to the Equipment. No such loss or damage relieves you from the payment obligations under this Lease. You agree to promptly notify us in writing of any loss or damage and you will pay to us the present value of the total of all unpaid Lease payments for the full Lease term plus the estimated fair market value of the Equipment at the end of the originally scheduled term, all discounted at a rate per year equal to the lowest United States Treasury Bill rate (the "T-Bill Rate") published in the Wall Street Journal as of the date of the loss. Any proceeds of insurance will be paid to us and applied, at our option, against any loss or damage.

16. COLLATERAL PROTECTION AND INSURANCE: You agree to keep the Equipment fully insured against loss with us as loss payee in an amount not less than replacement cost until this Lease is terminated. You also agree to obtain a general public liability insurance policy from anyone who is acceptable to us and to include us as an insured on the policy. You agree to provide us certificates or other evidence of insurance acceptable to us, before this Lease begins. If you fail to keep the Equipment insured as required in this paragraph, we have the right to charge you, and you agree to pay, an amount per month equal to 1% of the original Cost of the Equipment, as established in our records, as additional rent. You irrevocably appoint us as your attorney-in-fact to make a claim for, receive payment of and execute and endorse all documents, checks, or drafts received in payment for loss or damage under any such insurance policy. NOTHING IN THIS PARAGRAPH WILL RELIEVE YOU OF YOUR RESPONSIBILITY FOR LIABILITY INSURANCE COVERAGE OF THIS EQUIPMENT.

17. INDEMNITY: We are not responsible for any loss or injuries caused by the installation or use of the Equipment. You agree to hold us harmless and reimburse us for loss and to defend us against any claim for losses or injury caused by the Equipment.

18. ASSIGNMENT: YOU HAVE NO RIGHT TO SELL, TRANSFER, ASSIGN OR SUBLEASE THE EQUIPMENT OR THIS LEASE. We may sell, assign or transfer this Lease. You agree that if we sell, assign or transfer this Lease, the new owner or assignee will have the same rights and benefits that we have now and will not have to perform any of our obligations. You agree that the rights of the new owner or assignee will not be subject to any claims, defenses, or set-offs that you may have against us.

19. TAXES: You agree to file all returns for and to pay when due or reimburse us for all taxes, assessments, charges, fees, fines and penalties now or subsequently imposed, levied or assessed by any state, federal or local government or agency on the ownership, possession or use of the Equipment during the term of this Lease. We may file tax returns (using your name if we so choose) if you fail to do so. You agree to reimburse us for reasonable costs and expenses incurred in administering, processing, collecting or paying any taxes, assessments, charges, fines, penalties or fees for which you are liable. You authorize us to estimate your property tax due annually and to invoice you monthly for this tax at our option.

Lessee Initials: _____

20. DEFAULT AND REMEDIES: If (a) you do not pay any Lease payment or other sum due to us or any other party who may have a right to collect from you under this Lease when due; (b) you or any guarantor become insolvent or make an assignment for the benefit of creditors; (c) or if one of your or any guarantor's receivers, trustees, conservators or liquidators of all or a substantial part of your assets is appointed with or without your application or consent or the consent or application of the guarantor; (d) or a petition is filed against you or any guarantor under the Bankruptcy Code, or any amendment thereto, or any insolvency law or laws providing for the relief of debtors; (e) or if you break any of your promises in this Lease or any other agreement with us, you will be in default. If you are ever in default, we may retain your Security Deposit and at our option, we can terminate or cancel this Lease and require that you pay (x) the unpaid balance of this Lease (discounted at a rate equal to the lowest T-Bill Rate published in the Wall Street Journal from the date the first missing payment is due until payment is made); (y) the amount of any purchase option and, if none is specified, the estimated fair market value of the Equipment at the end of the original Lease term; and/or (z) the cost to return the Equipment to us to a location designated by us. We may recover interest on any unpaid balance at the highest rate allowed by law. You agree to pay or reimburse us for all costs and expenses we incur in enforcing our rights and remedies under this Lease, including without limitation, fees to compensate us for making phone calls, preparing collection letters, paying telephone, telefax or other communication expenses or paying insurance penalties. We may also use any of the remedies available to us under Article 2A of the Uniform Commercial Code as enacted in the State of Michigan or any other law. If we refer this Lease to an attorney for collection, you agree to pay our actual attorney's fees and actual court costs. If we have to take possession of the Equipment, you agree to pay the cost of repossession. **YOU AGREE THAT WE WILL NOT BE RESPONSIBLE TO PAY YOU ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES FOR ANY DEFAULT BY US UNDER THIS LEASE.** You agree that any delay or failure to enforce our rights under this Lease does not prevent us from enforcing any rights at a later time. It is further agreed that your rights and remedies are governed exclusively by this Lease and you waive any and all other rights and remedies.

21. TITLE-FINANCE LEASE STATUS: You and we agree that this Lease is intended to qualify as a "Finance Lease" under Article 2A of the Uniform Commercial Code ("UCC"). You acknowledge that (a) you have received a copy of the contract by which we acquired the Equipment ("Supply Contract") or (b) you have reviewed and approved the Supply Contract; or (c) we have informed you in writing that you may have rights under the Supply Contract and that you should contact the vendor for a description of any such right you may have under the Supply Contract.

You and we further agree that this document is an agreement of lease for federal income tax purposes and for purposes of Article 2A of the UCC. Therefore, title to the Equipment shall remain with us at all times, and we are relying upon our residual interest in the Equipment at the termination of this Lease, whether by expiration, default, or otherwise. Furthermore, we shall be deemed to hold a first lien security interest in the Equipment as of the date of this Lease and you authorize us to file a UCC-1 Financing Statement, or similar instrument, to perfect our security interest or to maintain our secured position. Additionally, you appoint us as your attorney-in-fact to execute or deliver such instruments.

22. SECURITY INTEREST: You grant to us a security interest in the Equipment and in all of your goods, inventory, equipment, instruments, documents, accounts, chattel paper, deposit accounts, letter-of-credit rights, commercial tort claims, securities and all other investment properties, contract rights, insurance claims and proceeds, tort claims and all general intangibles, whether you own it now or acquire it later. This security interest also includes any proceeds of the foregoing, and any substitutions, replacement parts, additions and accessions. This security interest secures all of your obligations and liabilities to us, whether under this Lease or any other agreements with us or whether currently owing or subsequently incurred or created, and secures any extensions, renewals or modifications of your obligations or liabilities to us. You irrevocably authorize us to prepare and file any UCC Financing Statements or Amendments necessary to maintain our secured position.

23. YOUR WAIVERS: To the extent permitted by law, you waive any and all rights and remedies conferred upon you by Section 2A-508 through 2A-522 of the UCC, including but not limited to, the right to reject or cancel this Lease; the right to reject the Equipment or the right to revoke acceptance of the Equipment; and the right to recover damages for any breach of warranty or for any other reason to deduct from any amounts owing under this Lease all or any claim damages resulting from our default, if any, under this Lease. You agree that if any provision of this Lease is inconsistent with any Section of Article 2A of the UCC, the terms and conditions of this Lease shall govern.

24. MISCELLANEOUS: This Lease contains the entire agreement between the parties and may not be changed unless agreed in writing and signed by both parties. Facsimile copies of any signatures on this Lease shall serve as originals. If a provision of this Lease is declared unenforceable in any jurisdiction, the other provisions herein shall remain in force and effect in that jurisdiction and all others. Any notice intended to be served under this Lease shall be sufficiently sent if sent by regular mail, postage pre-paid, and addressed to the party at the address contained in this document. This Lease shall be binding upon the parties, their successors, legal representatives and assigns.

25. LAW: THIS LEASE WILL BE DEEMED FULLY EXECUTED AND PERFORMED IN THE STATE OF MICHIGAN UPON SIGNING BY NEW EQUIPMENT, LEASING, INC. AND WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH MICHIGAN LAW. YOU AND WE EXPRESSLY CONSENT TO JURISDICTION AND VENUE IN THE COUNTY WHERE THE HOLDER OF THE LESSOR'S INTEREST MAINTAINS ITS PRINCIPAL OFFICE RESPONSIBLE FOR ADMINISTERING THIS LEASE. ANY SALE UNDER THIS AGREEMENT SHALL TAKE PLACE IN THE STATE OF MICHIGAN.

26. LESSEE/DEBTOR SIGNATURE _____
FOR ELECTRONIC COPY

NEW EQUIPMENT LEASING, INC.

BY _____ LESSOR

TITLE _____

EFFECTIVE DATE OF THIS LEASE _____