



Schedule # 050
Master Lease Agreement # 407

LESSOR: TEQLEASE, INC.
23801 Calabasas Road, Suite 101
Calabasas, CA 91302

LESSEE: EL CAMINO REAL ALLIANCE
5440 Valley Circle Boulevard
Woodland Hills, CA 91367

EQUIPMENT SCHEDULE

New Chromebooks. The final Rent amount will be amended, if necessary, as determined by the final Equipment cost, by Lessor using the rate factor stated below. The Equipment configuration will be determined by invoices presented from STS Education, which will be described in the Certificate of Acceptance. The Equipment consists of the following:

| Part # | Description | Qty | Price | Extended Price |
|--------|---|-------|--------------|-----------------------|
| | Lenovo 300e, Intel N3450, 11.6 HD IPS Touch Display, Windows 10 Pro National Academic Standard, 4 GB Memory, 128GB EMMC, WIFI 2X2 AC + BT4.1, 1.0M HD Camera, Active Pen, 3 Cell 45 WH Battery, Keyboard, 1 Year Mail in Warranty - P/N: 81FY000BUS | 2,808 | \$309.00 | \$867,672.00 |
| | Max Cases *NEW* MAX Part# is LN-ES-300E-YW-GRY | 2,808 | \$21.00 | \$58,968.00 |
| | 2yr Manufacture + Depot + ADP Warranty - Sold | 886 | \$42.50 | \$37,655.00 |
| | 3yr Manufacture + Depot + ADP Warranty - Sold | 896 | \$67.00 | \$60,032.00 |
| | 4yr Manufacture + Depot + ADP Warranty - Sold | 960 | \$92.00 | \$88,320.00 |
| | 4yr Manufacture + Depot + ADP Warranty - Sold | 66 | \$95.00 | \$6,270.00 |
| | LTL Shipping Charge - CA | 1 | \$0.00 | \$0.00 |
| | | | TOTAL | \$1,118,917.00 |

TRANSACTION TERMS:

| | | | |
|--------------------|---------------------------------|-----------------|-----------------------|
| RENT: | See Addendum A: Rent Schedule | Equipment Cost: | \$1,118,917.00 |
| FLEX PROGRAM: | See Addendum A: 5% Flex | Discount: | \$0.00 |
| SERVICES SCHEDULE: | See Addendum A: Services | e-Waste: | (Billed Separately) |
| PURCHASE OPTION: | See Addendum A: Purchase Option | Taxes: | \$0.00 |
| | | | \$1,118,917.00 |

PAYABLE: Yearly in Advance

LEASE TERM: 48 Months (commencing July 1, 2018)

EQUIPMENT LOCATION: (IF DIFFERENT FROM LESSEE ADDRESS ABOVE) 5440 Valley Circle Boulevard, Woodland Hills, CA 91367

LESSEE CONTACT/TELEPHONE: Fernando Delgado, 818-595-7517, f.delgado@ecrchs.net

**THIS SCHEDULE INCORPORATES ALL OF THE TERMS AND CONDITIONS IN THE
MASTER LEASE AGREEMENT BETWEEN LESSOR AND LESSEE IDENTIFIED ABOVE.**

IMPORTANT:

READ BEFORE SIGNING. THE TERMS OF THIS SCHEDULE SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING ARE ENFORCEABLE. THIS SCHEDULE INCORPORATES THE TERMS OF THE ABOVE IDENTIFIED MASTER LEASE AGREEMENT. TERMS OR ORAL PROMISES WHICH ARE NOT CONTAINED IN THIS WRITTEN SCHEDULE OR THE MASTER LEASE AGREEMENT MAY NOT BE LEGALLY ENFORCED. YOU MAY CHANGE THE TERMS OF THIS SCHEDULE ONLY BY ANOTHER WRITTEN AGREEMENT BETWEEN YOU AND US. YOU AGREE TO COMPLY WITH THE TERMS AND CONDITIONS OF THIS SCHEDULE. THIS SCHEDULE IS NOT CANCELABLE. YOU AGREE THAT THE EQUIPMENT WILL BE USED FOR BUSINESS PURPOSES ONLY AND NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES.

YOU CERTIFY THAT ALL THE INFORMATION GIVEN IN THIS SCHEDULE AND YOUR APPLICATION WAS CORRECT AND COMPLETE WHEN THIS SCHEDULE WAS SIGNED. THIS SCHEDULE IS NOT BINDING UPON US OR EFFECTIVE UNTIL AND UNLESS WE EXECUTE THIS SCHEDULE. THIS SCHEDULE WILL BE GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA. YOU AGREE TO THE JURISDICTION AND VENUE OF FEDERAL AND STATE COURTS IN LOS ANGELES COUNTY, CALIFORNIA.

ACCEPTED BY:

LESSOR: TEQLEASE, INC.

BY:
NAME &
TITLE:

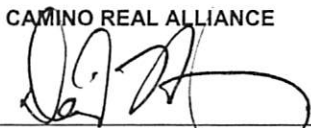

MICHAEL P. LOCKWOOD
PRESIDENT

DATE: May 25, 2018

PROPOSED BY:

LESSEE: EL CAMINO REAL ALLIANCE

BY:
NAME &
TITLE:


DAVID HUSSBY
TREASURER

DATE: May 25, 2018 FED. TAX ID#:

DUPLICATE:



Addendum A # 001
Schedule # 050
Master Lease Agreement # 407

LESSOR: TEQLEASE, INC.
23801 Calabasas Road, Suite 101
Calabasas, CA 91302

LESSEE: EL CAMINO REAL ALLIANCE
5440 Valley Circle Boulevard
Woodland Hills, CA 91367

ADDENDUM A

Notwithstanding anything to the contrary contained in Schedule No. 050, this Addendum A amends and supersedes Equipment Schedule No. 050 to the extent of the information herein contained.

1. RENT SCHEDULE: The Annual Rent per year shall be as stated in the row below entitled **Rent**.

| | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 |
|--------------|---------------------|---------------------|---------------------|---------------------|
| HARDWARE | \$120,214.16 | \$120,214.16 | | |
| SOFT COST | \$28,816.88 | \$28,816.88 | | |
| TOTAL | \$149,031.04 | \$149,031.04 | | |
| HARDWARE | \$89,593.19 | \$89,593.19 | \$89,593.19 | |
| SOFT COST | \$27,573.15 | \$27,573.15 | \$27,573.15 | |
| TOTAL | \$117,166.34 | \$117,166.34 | \$117,166.34 | |
| HARDWARE | \$82,872.69 | \$82,872.69 | \$82,872.69 | \$82,872.69 |
| SOFT COST | \$31,194.13 | \$31,194.13 | \$31,194.13 | \$31,194.13 |
| TOTAL | \$114,066.82 | \$114,066.82 | \$114,066.82 | \$114,066.82 |
| RENT | \$380,264.20 | \$380,264.20 | \$231,233.16 | \$114,066.82 |

Applicable taxes shall be added to the Invoice.

Rent shall be invoiced Annually.

2. FAIR MARKET VALUE: On May 31, 2020, and annually thereafter, consistent with the terms of Section 15 of the Master Lease Agreement, Lessee shall either return the Equipment indicated in the Schedule, or if not returned, purchase the Equipment for its Fair Market Value. The intention is to return or purchase the Equipment as students are scheduled to graduate from the school. The return schedule is as follows:

1. On May 31, 2020, return or purchase the Junior Equipment, consisting of 886 Lenovo Chromebook 300e, with all cases and accessories.
2. On May 31, 2021, return or purchase the Sophomore Equipment, consisting of 896 Lenovo Chromebook 300e, with all cases and accessories.
3. On May 31, 2022, return or purchase the Freshman Equipment, consisting of 1,026 Lenovo Chromebook 300e, with all cases and accessories.

3. SERVICES: On June 1, and annually thereafter, Lessee shall remit the following Payments for Services, as provided in the STS Proposal & Statement of Work dated May 15, 2018:

| | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 |
|--------------|--------------------|--------------------|--------------------|--------------------|
| | \$21,947.50 | \$10,872.50 | | |
| | \$21,937.50 | \$10,737.50 | \$10,737.50 | |
| | \$24,137.50 | \$11,312.50 | \$11,312.50 | \$11,312.50 |
| TOTAL | \$68,022.50 | \$32,922.50 | \$22,050.00 | \$11,312.50 |

The amount of Services to be invoiced will change consistent with the terms of the STS Proposal & Statement of Work dated May 15, 2018.

4. 5% FLEX: At any time after the first full year of the Lease, Lessee may return up 5% of the total units of Equipment, and prospectively decrease the annual rent due hereunder. The total number of units of Equipment that may be returned for Rent credit shall not exceed 140 (5% of 2,808 units). The Rent credit shall depend on the month in which the unit of Equipment is returned. The annual Rent credit shall be equal to the cost of the Units of Equipment that are returned times the annual lease rate factor (annual rent divided by Equipment cost) times the number of remaining annual payments due under the Lease for the grade with the shorter remaining term. Note partial annual Rent credit shall be given if a unit of Equipment is returned other than at May 31. The following example applies:

5. INVOICING:

If Lessee returns 43 units of Equipment at 12 months after the lease commences, Lessee shall receive a Rent credit for the returned units for the remaining annual Lease Rent payment, according to the following calculation: 43 units divided by 862 units (5%), times the annual Rent for such units (\$144,994.09), times 43, equals \$7,247.20.

For convenience, Lessor shall provide one Invoice per year for the annual payment, which clearly indicates the Rent payments due, breaking out the Hardware and Services components as follows:

| | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 |
|-----------------|---------------------|---------------------|---------------------|---------------------|
| HARDWARE | \$120,214.16 | \$120,214.16 | | |
| SOFT COST | \$28,816.88 | \$28,816.88 | | |
| SERVICE | \$21,947.50 | \$10,872.50 | | |
| JUNIOR TOTAL | \$170,978.54 | \$159,903.54 | | |
| HARDWARE | \$89,593.19 | \$89,593.19 | \$89,593.19 | |
| SOFT COST | \$27,573.15 | \$27,573.15 | \$27,573.15 | |
| SERVICE | \$21,937.50 | \$10,737.50 | \$10,737.50 | |
| SOPHOMORE TOTAL | \$139,103.84 | \$127,903.84 | \$127,903.84 | |
| HARDWARE | \$82,872.69 | \$82,872.69 | \$82,872.69 | \$82,872.69 |
| SOFT COST | \$31,194.13 | \$31,194.13 | \$31,194.13 | \$31,194.13 |
| SERVICE | \$24,137.50 | \$11,312.50 | \$11,312.50 | \$11,312.50 |
| FRESHMAN TOTAL | \$138,204.32 | \$125,379.32 | \$125,379.32 | \$125,379.32 |
| TOTAL | \$448,286.70 | \$413,186.70 | \$253,283.16 | \$125,379.32 |

Applicable taxes shall be added to the Invoice.

ACCEPTED BY:

LESSOR: TEQLEASE, INC.

BY:

NAME &
TITLE:

MICHAEL P. LOCKWOOD
PRESIDENT

DATE: May 25, 2018

PROPOSED BY:

LESSEE: EL CAMINO REAL ALLIANCE

BY:

NAME &
TITLE:

DAVID HUSSEY **EXECUTIVE DIRECTOR**

DATE: May 25, 2018 FED. TAX ID#:

DUPLICATE



Master Lease Agreement # 407

LESSOR: TEQLEASE, INC.
23801 Calabasas Road, Suite 101
Calabasas, CA 91302

LESSEE: EL CAMINO REAL ALLIANCE
5440 Valley Circle Boulevard
Woodland Hills, CA 91367

We have written this Agreement in plain language because we want you to understand its terms. Please read your copy of this Agreement carefully and feel free to ask us any questions you may have. The word "Agreement" means this master lease agreement. The word "Schedule" means any lease schedule under this Agreement which has been signed by you and accepted by us. The word "Lease" means this Agreement and a Schedule. The words "you" and "your" mean the Lessee named above. The words "we", "us", and "our" refer to the Lessor named above. Other capitalized terms not otherwise defined in this Agreement are described in the Schedule.

TERMS AND CONDITIONS

1. **LEASE.** Subject to the terms of this Agreement, you agree to lease from us the Equipment described in each Schedule when we accept the Schedule at our office in California. **ONCE WE ACCEPT THE SCHEDULE, YOU MAY NOT CANCEL IT DURING THE FULL LEASE TERM.** Each Schedule will incorporate the terms of this Agreement and will constitute a separate Lease. You agree to be bound by all the terms of the Lease.

2. **DELIVERY AND ACCEPTANCE OF EQUIPMENT.** Acceptance of the Equipment occurs upon delivery and execution of the Certificate of Acceptance. When you receive the Equipment, you agree to inspect it and to verify by telephone or in writing such information as we may require. Delivery and installation costs are your responsibility. If you signed a purchase contract for the Equipment, by signing the Schedule you assign your rights, but none of your obligations under it, to us.

3. **RENT.** You agree to pay us Rent (plus applicable taxes) in the amount and frequency stated on each Schedule. If your Rent payments are due in Advance, your first Rent payment is due on the first day of the month following the date you accept the Equipment under the Schedule. We will advise you as to (a) the due date of each Rent payment, and (b) the address to which you must send your payments. Rent is due whether or not you receive an invoice from us. You will pay us any required Advance Rent or Security Deposit when you sign each Schedule. Security Deposits or Advance Rents may be commingled and do not earn interest. Provided you are not in default, we may apply your Security Deposit to the last Rent payment or to your purchase option or we may refund the Security Deposit to you when the Lease Term expires and the Equipment is returned in accordance with Section 16. If we collect more than one payment as Advance Rent, we may apply such Advance Rent to the last Rent payment. You authorize us to change the Rent by not more than 15% due to changes in the Equipment configuration which may occur prior to our acceptance of the Schedule. Restrictive endorsements on checks you send to us will not reduce your obligations to us. Unless a proper exemption certificate is provided, applicable sales and use taxes will be added to the Rent. Lessee may prepay its obligations hereunder at any time, without penalty, upon payment of a prepayment amount reasonably determined by Lessor.

4. **UNCONDITIONAL OBLIGATION.** YOU AGREE THAT YOU ARE UNCONDITIONALLY OBLIGATED TO PAY ALL RENT AND ANY OTHER AMOUNTS DUE UNDER EACH SCHEDULE FOR THE FULL LEASE TERM EVEN IF THE EQUIPMENT IS DAMAGED OR DESTROYED, IF IT IS DEFECTIVE OR IF YOU HAVE TEMPORARY OR PERMANENT LOSS OF ITS USE. YOU ARE NOT ENTITLED TO REDUCE OR SET-OFF AGAINST RENT OR OTHER AMOUNTS DUE UNDER EACH SCHEDULE FOR ANY REASON WHATSOEVER.

5. **DISCLAIMER OF WARRANTIES.** THE EQUIPMENT IS BEING LEASED TO YOU IN AS-IS CONDITION. NO INDIVIDUAL IS AUTHORIZED TO CHANGE ANY PROVISION OF THE LEASE. YOU AGREE THAT YOU HAVE SELECTED THE EQUIPMENT BASED UPON YOUR OWN JUDGMENT. YOU HAVE NOT RELIED ON ANY STATEMENTS WE OR OUR EMPLOYEES HAVE MADE. EXCEPT AS PROVIDED IN OUR WRITTEN PRODUCT WARRANTIES, WE HAVE NOT MADE AND DO NOT MAKE ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES WHATSOEVER, INCLUDING WITHOUT LIMITATION, THE EQUIPMENT'S MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, SUITABILITY, DESIGN, CONDITION, DURABILITY, OPERATION, QUALITY OF MATERIALS OR WORKMANSHIP, OR COMPLIANCE WITH SPECIFICATIONS OR APPLICABLE LAW. You are aware that we are not the Equipment manufacturer. You agree to settle any dispute you may have regarding performance of the Equipment directly with us and not make any claim against any new owner described in Section 19. You agree to continue to pay such new owner all Rent and other payments even if you have a dispute with us regarding the Equipment.

6. **TITLE AND SECURITY INTEREST.** If the Purchase Option amount stated on the Schedule is \$1.00 (a "Dollar Purchase Option"), you shall have title to the Equipment immediately upon delivery and shall be deemed to be the owner of the Equipment as long as you are not in default under the Lease. In the event of a default, title to the equipment shall revert to us free and clear of any rights or interests you may have in the Equipment. If the Purchase Option amount stated on the Schedule is other than \$1.00 (a "Stated Purchase Option"), the Equipment is and shall remain our sole property during the Lease Term. Unless you are in default under the Lease, you shall have the right to peacefully possess and use the Equipment during the Lease Term. To secure all of your obligations to us under the Lease you hereby grant us a security interest in (a) the Equipment to the extent of your interests in the Equipment, (b) anything attached or added to the Equipment at any time, (c) any money or property from the sale of the Equipment, and (d) any money from an insurance claim if the Equipment is lost or damaged. You agree that the security interest will not be affected if this Agreement or any Schedule is changed in any way. You hereby appoint us (or our agent) as your true lawful attorney-in-fact to affix your signature to UCC financing statements prepared and filed on your behalf by us (or our agent) with the same force and effect as if you had signed such financing statements. If we request, you agree to sign financing statements in order for us to publicly record our security interest. This Agreement or a copy of this Agreement shall be sufficient as a financing statement and may be filed as such.

7. **USE, MAINTENANCE AND REPAIR.** You will not move the Equipment from the Equipment Location without our advance written consent; except that students may remove the Equipment for daily use. You will give us reasonable access to the Equipment Location so that we can check the Equipment's existence, condition and proper maintenance. You will use the Equipment in the manner for which it was intended, as required by all applicable manuals and instructions and keep it eligible for any manufacturer's certification and/or standard, full service maintenance contract. At your own cost and expense, you will keep the Equipment in good repair, condition and working order, ordinary wear and tear excepted. All replacement parts and repairs will become our property. You will not make any permanent alterations to the Equipment.

8. **TAXES.** You agree that you will pay us, when invoiced, all taxes (including any sales, use and personal property taxes), fines, interest and penalties relating to each Lease and the Equipment (excluding taxes based on our net income). If the Lease includes a Dollar Purchase Option, you agree to file any required personal property tax returns and, if we ask, you will provide us with proof of payment. We do not have to contest any tax assessments. For Leases with a Stated Purchase Option, (a) you will, at our discretion, reimburse us annually for all personal property taxes which we may be required to pay as the owner of the Equipment, or (b) you agree to pay us for the loss of any income tax benefits caused by your actions, and (c) should an increase in the federal corporate income tax rate or a change in the "accelerated cost recovery deductions" allowed by the Internal Revenue Code of 1986, as amended, adversely affect our after-tax earnings or cash flows, you agree that we may increase the Rent and other amounts due under each Lease to offset any such adverse effect.

IMPORTANT: READ BEFORE SIGNING. THE TERMS OF THIS AGREEMENT (INCLUDING THOSE ON THE REVERSE SIDE) AND ANY SCHEDULES SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING ARE ENFORCEABLE. TERMS OR ORAL PROMISES WHICH ARE NOT CONTAINED IN THIS WRITTEN AGREEMENT MAY NOT BE LEGALLY ENFORCED. YOU MAY CHANGE THE TERMS OF A LEASE ONLY BY ANOTHER WRITTEN AGREEMENT BETWEEN YOU AND US. YOU AGREE TO COMPLY WITH THE TERMS AND CONDITIONS OF EACH LEASE. EACH LEASE IS NOT CANCELABLE. YOU AGREE THAT THE EQUIPMENT WILL BE USED FOR BUSINESS PURPOSES ONLY AND NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES.

YOU CERTIFY THAT ALL THE INFORMATION GIVEN IN THIS AGREEMENT, ANY SCHEDULES AND YOUR APPLICATION WAS CORRECT AND COMPLETE WHEN THIS AGREEMENT WAS SIGNED. THIS AGREEMENT IS NOT BINDING UPON US OR EFFECTIVE UNLESS AND UNTIL WE EXECUTE THIS AGREEMENT. THIS AGREEMENT AND ALL SCHEDULES WILL BE GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA. YOU AGREE TO THE JURISDICTION AND VENUE OF FEDERAL AND STATE COURTS IN LOS ANGELES COUNTY, CALIFORNIA.

ACCEPTED BY:

LESSOR: TEQLEASE, INC.

BY:

TITLE: MICHAEL P. LOCKWOOD

DATE: May 25, 2018 PRESIDENT

PROPOSED BY:

LESSEE: EL CAMINO REAL ALLIANCE

BY:

NAME &
TITLE:

DAVID HUSSEY EXECUTIVE DIRECTOR

DATE: May 25, 2018

FED. TAX ID#: 274855978

DUPLICATE

ADDITIONAL TERMS ON REVERSE

9. **INDEMNITY.** We are not responsible for any injuries, damages, penalties, claims or losses, including legal expenses, incurred by you or any other person caused by the transportation, installation selection, purchase, lease, ownership, possession, modification, maintenance, condition, operation, use, return or disposition of the Equipment. You agree to reimburse us for and defend us against any claims for such losses, damages, penalties, claims, injuries, or expenses. This indemnity continues even after the Lease has expired for acts or omissions which occurred during the Lease Term.

10. **IDENTIFICATION.** You authorize us to insert or correct missing information on the Lease, including your official name, serial numbers and any other information describing the Equipment. We will send you copies of such changes. You will attach to the Equipment any name plates or stickers we provide you.

11. **LOSS OR DAMAGE.** You are responsible for any loss of the Equipment from any cause at all, whether or not insured, from the time the Equipment is shipped to you until it is returned to us. If any item of Equipment is lost, stolen or damaged, you will promptly notify us of such event. Then, at our option, you will either (a) repair the Equipment so that it is in good condition and working order, eligible for any manufacturer's certification, or (b) pay us an amount equal to the Net Book Value (as defined in Section 14) of the lost, stolen or damaged Equipment. If you have satisfied your obligations under this Section 11, we will forward to you any insurance proceeds which we receive for lost, damaged, or destroyed Equipment. If you are in default, we will apply any insurance proceeds we receive to reduce your obligations under Section 14 of this Agreement.

12. **INSURANCE.** You agree to (a) keep the Equipment fully insured against loss, naming us as loss payee, and (b) obtain a general public liability insurance policy covering both personal injury and property damage in amounts not less than we may tell you, naming us as additional insured, until you have met all of your obligations under the Lease. We are under no duty to tell you if your insurance coverage is adequate. The policies shall state that we are to be notified of any proposed cancellation at least 15 days prior to the date set for cancellation. Upon our request, you agree to provide us with certificates or other evidence of insurance acceptable to us. If you do not provide us with evidence of proper insurance within 10 days of our request or we receive notice of policy cancellation, we may (but we are not obligated to) obtain insurance on our interest in the Equipment at your expense. You will pay all insurance premiums and related charges.

13. **DEFAULT.** You will be in default under this Agreement if any of the following happens: (a) we do not receive any Rent or other payment due hereunder within 10 days after its due date, or (b) you or any of your guarantors become insolvent, are liquidated or dissolved, merge, transfer substantially all stock or assets, stop doing business, or assign rights or property for the benefit of creditors, or (c) a petition is filed by or against you or any of your guarantors under any bankruptcy or insolvency law, or (d) (for individuals) you or any of your guarantors die, or have a guardian appointed, or (e) any representation you have made in this Agreement shall prove to have been false or misleading in any material respect, or (f) you or any of your guarantors break any promise made in this Agreement or any guaranty and do not correct the default within 10 days after we send you written notice of the default, or (g) you default on any other agreement between you and us (or our affiliates).

14. **REMEDIES.** Upon the occurrence of a default, we may, in our sole discretion, do any or all of the following: (a) provide written notice to you of default; (b) as liquidated damages for loss of a bargain and not as a penalty, declare due and payable, the present value of (i) any and all amounts which may be then due and payable by you to us under the Lease, plus (ii) all Rent payments remaining through the end of the Lease Term, plus (iii) the Purchase Option amount, if stated, or if no fixed Purchase Option amount is given, our reasonable estimate of the fair market value of like equipment as of the end of the Lease Term, all discounted at the higher of 6% or the lowest rate allowed by law (collectively, the "Net Book Value"). We have the right to require you to make the Equipment available to us for repossession during reasonable business hours or we may repossess the Equipment, so long as we do not breach the peace in doing so, or we may use legal process in compliance with applicable law pursuant to court order to have the Equipment repossessed. You will not make any claims against us or the Equipment for trespass, damage or any other reason. If we take possession of the Equipment we may (a) sell or lease the Equipment at public or private sale or lease, and/or (b) exercise such other rights as may be allowed by applicable law. Although you agree that we have no obligation to sell the Equipment, if we do sell the Equipment, we will reduce the Net Book Value by the amounts we receive. You will immediately pay us the remaining Net Book Value. If the Lease includes a Dollar Purchase Option and we receive more than the Net Book Value plus our costs of sale, we will give you the excess. You agree (a) that we only need to give you 10 days advance notice of any sale and no notice of advertising, (b) to pay all of the costs we incur to enforce our rights against you, including attorney's fees, and (c) that we will retain all of our rights against you even if we do not choose to enforce them at the time of your default. We will attempt to mitigate our damages in accordance with applicable law.

15. **YOUR OPTIONS AT END OF LEASE.** Provided you are not in default, upon expiration of a Lease with a Dollar Purchase Option, you shall purchase the Equipment at the end of the Lease Term for such amount and we will release any security interest we may have in the Equipment. Provided you are not in default, upon expiration of a Lease with a Stated Purchase Option, you shall have the option to (a) return the Equipment in accordance with Section 16, or (b) on 60 days advance written notice to us, purchase all but not less than all of the Equipment for the Purchase Option amount, if stated, or if no fixed Purchase Option amount is given, our reasonable estimate of the fair market value of like equipment as of the end of the Lease Term. If the Purchase Option is stated as a percentage, the Purchase Option amount shall be the product of such percentage multiplied by the Equipment Cost (as such term is defined in Section 21). If you elect to purchase the Equipment, upon payment of the agreed upon price including all sales taxes and other applicable taxes, we will transfer the Equipment to you **AS IS-WHERE IS, WITHOUT ANY REPRESENTATION OR WARRANTY.** If you fail to exercise the purchase option (a) you will continue to pay Rent until the Equipment is received and accepted by us pursuant to Section 16, and (b) all of the terms of the Lease shall continue to apply.

16. **RETURN OF EQUIPMENT.** If (a) a default occurs, (b) you do not purchase the Equipment at the end of the Lease Term, or (c) you do not extend the Lease Term, you will immediately return the Equipment to any location(s) and aboard any carrier(s) we may designate in the continental United States. The Equipment must be properly packed for shipment in accordance with the manufacturer's recommendations or specifications, freight prepaid and insured, maintained in accordance with Section 7, and in "Average Saleable Condition." "Average Saleable Condition" means that all of the Equipment is immediately available for use by a third party buyer, user or lessee, other than yourself, without the need for any repair or refurbishment. All Equipment must be free of markings. You will pay us for any missing or defective parts or accessories. You will continue to pay Rent until the Equipment is received and accepted by us.

17. **YOUR REPRESENTATIONS.** You state for our benefit that as of the date of each Lease (a) you have the lawful power and authority to enter into the Lease, (b) the individuals signing this Agreement and the Schedule have been duly authorized to do so on your behalf, (c) by entering into the Lease you will not violate any law or other agreement to which you are a party, (d) you are not aware of anything that will have a material negative effect on your ability to satisfy your obligations under the Lease, and (e) all financial information you have provided us is true and accurate and provides a good representation of your financial condition.

18. **YOUR PROMISES.** In addition to the other provisions of this Agreement, you agree that during the term of each Lease (a) you will promptly notify us in writing if you move your principal place of business, if you change the name of your business, or if there is a change in your ownership, (b) you will provide to us such financial information as we may reasonably request from time to time, and (c) you will take any action we reasonably request to protect our rights in the Equipment and to meet your obligations under the Lease.

19. **ASSIGNMENT. YOU WILL NOT SELL, TRANSFER, ASSIGN, PLEDGE, SUB-LEASE OR PART WITH POSSESSION OF THE EQUIPMENT, OR FILE OR PERMIT A LIEN TO BE FILED AGAINST THE EQUIPMENT.** You will not attach any of the Equipment to any real estate. Upon our reasonable request and at your cost, you will get each person with an interest in the real estate where the Equipment is located to waive any rights they may have in the Equipment. We may, without notifying you, sell, assign, or transfer any Lease and our interests in the Equipment. You agree that if we do so, the new owner (and any subsequent owners) will have the same rights and benefits that we now have, but will not have to perform any of our obligations. You agree that the rights of the new owner will not be subject to any claims, defenses, or set-offs that you may have against us. However, any such assignment, sale, or transfer of the Lease or the Equipment will not relieve us of any obligations we may have to you under the Lease. If you are given notice of a new owner of a Lease, you agree to respond to any requests about the Lease and, if directed by us, to pay the new owner all Rent and other amounts due under the Lease.

20. **COLLECTION EXPENSES, OVERDUE PAYMENT, TERMINATION.** You agree that we can, but do not have to, take on your behalf any action which you fail to take as required by the Lease, and our expenses will be in addition to of the Rent which you owe us. We may charge you a late charge to cover our collection costs due to an uncured default equal to the higher of 10% of any late payment or \$22, but not more than the highest legal rate. To the extent allowed by law, any late payment or non-payment of any past due amount will accrue interest at the lower of 18% per annum or the highest legal rate from the due date until paid. If you so request and we permit the early termination of the Lease, you agree to pay a fee for such privilege.

21. **AGREED LEASE RATE FACTOR.** You understand that the Equipment may be purchased for cash (the "Equipment Cost") or it may be leased. By signing the Lease, you acknowledge that you have chosen to lease the Equipment from us for the Lease Term and that you have agreed to pay Rent. If the Lease provides for a Dollar Purchase Option, each payment of Rent includes a principal amount based on the Equipment Cost and a lease charge rate. The Equipment Cost is the Rent divided by the Lease Rate Factor. The lease charge portion of the Rent can be determined by applying to the Equipment Cost the rate which will amortize the Equipment Cost down to the Purchase Option amount (which may be a fixed amount or a percentage of the Equipment Cost) by payment of the Rent. The lease charge rate can also be calculated using the Equipment Cost as the present value, the Purchase Option amount as the future value, the Rent as the payment and the Lease Term as the term. The lease charge rate may be higher than the actual annual interest rate because of the amortization of certain costs, expenses and fees incurred by us. We both intend to comply with all applicable laws. If it is determined that your payments under the Lease result in an interest payment higher than allowed by applicable law, then any excess interest collected will be applied to the repayment of principal and interest will be charged at the highest rate allowed by law. In no event will we charge or receive or will you pay any amounts in excess of the legal amount.

22. **MISCELLANEOUS.** The Lease contains our entire agreement and supersedes any conflicting provision of any equipment purchase order or any other agreement. **TIME IS OF THE ESSENCE IN THE LEASE.** If a court finds any provision of this Agreement or any Schedule to be unenforceable, the remaining terms of the Lease shall remain in effect. **EACH LEASE IS A "FINANCE LEASE" AS DEFINED IN ARTICLE 2A OF THE UNIFORM COMMERCIAL CODE.** You authorize us (or our agent) to (a) obtain credit reports, (b) make such other credit inquiries as we may deem necessary, and (c) furnish payment history information to credit reporting agencies. To the extent permitted by law, we may charge you a fee of \$43.25 to cover our documentation and investigation costs.

23. **NOTICES.** All written notices to us or to you must be sent by certified mail or recognized overnight delivery service, postage prepaid, at the applicable address stated in this Agreement, or by facsimile transmission, with oral confirmation of receipt. At any time after this Agreement is signed, you or we may change an address or facsimile telephone number by giving notice to the other of the change.

24. **WAIVERS. WE AND YOU EACH AGREE TO WAIVE AND TO TAKE ALL REQUIRED STEPS TO WAIVE ALL RIGHTS TO A JURY TRIAL.** To the extent you are permitted by applicable law, you waive all rights and remedies conferred upon a lessee by Article 2A (Sections 508-522) of the Uniform Commercial Code including but not limited to your rights to: (a) cancel or repudiate this Agreement; (b) reject or revoke acceptance of the Equipment; (c) recover damages from us for any breach of warranty or for any other reason; and (d) grant a security interest in any Equipment in your possession. To the extent you are permitted by applicable law, you waive any rights you now or later may have under any statute or otherwise which require us to sell or otherwise use any Equipment to reduce our damages, which require us to provide you with notice of default, intent to accelerate amounts becoming due or acceleration of amounts becoming due, or which may otherwise limit or modify any of our rights or remedies. **ANY ACTION YOU TAKE AGAINST US FOR ANY DEFAULT, INCLUDING BREACH OF WARRANTY OR INDEMNITY, MUST BE STARTED WITHIN THE GREATER OF ONE (1) YEAR OR THE MAXIMUM TIME FRAME ALLOWABLE BY APPLICABLE LAW AFTER THE EVENT WHICH CAUSED IT.** We will not be liable for specific performance of any Lease or for any losses, damages, delay or failure to deliver Equipment.

Lessee's Initials

DUPLICATE