

LEASE OF EQUIPMENT

The above rates are based on 40 hours running per week. For running times over 40 hours but less than 80 hours per week multiply the above rate by 1.5. For running times more than 80 hours per week multiply the above rate by 2. This lease begins on _____ at a rental rate of _____ per _____ based on the operational hours information available. If the equipment hour meter readings indicated higher rates, these higher rates shall be paid by the customer. All rent is due 30 days after the invoice date. An invoice will be generated at the beginning of each rental period. The amount of any installment of rent or any other sum remaining unpaid for more than three days after the due date therefore shall bear interest of 2% per month but not exceeding the maximum lawful rate for each month unpaid.

All fixed monthly rent stipulated in the written orders payable by the Customer of sums payable by the Customer as additional rent under the terms hereof, shall be paid to the Supplier at Melrose Park, Illinois or such other place as the Supplier or its assigns may hereafter direct in funds current in Melrose Park, Illinois

GENERAL TERMS AND CONDITIONS

The following terms and conditions apply to the rental by the Supplier Harris Equipment Corporation. "Supplier" of equipment (which term includes related accessories, manuals, and other items deliver with this order) to Customer. By placing an order with Supplier, Customer agrees to and accept these General Terms and Conditions, Which can only be modified by a writing signed by an authorized officer of Supplier. Contrary terms or conditions if any, contained in Customer's purchase order are inapplicable if Customer accepts the equipment.

Defects or discrepancies in or like objections to the equipment must be reported to Supplier in writing with 72 hours after Customer receives the equipment or it will be conclusively presumed that the equipment was as ordered, was received in good condition and is accepted. Supplier's sole responsibility shall be to repair at Suppliers facility or replacement equipment, which was defective when, delivered.

Terms are NET 30 DAYS from date of invoice. Payments are delinquent 30 days from date of invoice and are subject to interest charges at 2% per annum but not exceed the maximum lawful rate. Supplier reserves the right to change the credit terms at any time when, in Supplier opinion, Customer's financial condition or previous payment record so warrants.

Customer shall pay delivery and handling charges and all taxes and governmental charges in connection with the rental or use of the equipment (other than taxes on Supplier's net income) including, without limitation, use, property, franchise and excise taxes, and taxes on gross rent receipts. If requested to do so by Supplier, Customer will furnish Supplier with proof that customer has insurance coverage on the equipment acceptable to Supplier.

All quoted prices are FOB Supplier supplying office. Supplier will make reasonable effort to meet any deliver schedule quoted; but shall not be responsible for failure to meet such delivery. Supplier will ship according to Customer's shipping instructions, if appropriate; other wise by appropriate method determined by Supplier. Equipment will not be shipped by US Mail, UPS, or other parcel carrier.

Supplier reserves the right at any time and without notice to change prospectively the published rates, prices, discounts, terms and product availability.

Supplier is not the manufacturer of the equipment. Warranties, if any, are only those of the manufacturer. Supplier disclaims any warranties express or implied including, without limitation, any warranty of merchantability, fitness for any particular purpose or that the equipment does not infringe upon any patent or property right of any third party. Customer shall indemnify Supplier of injury to person and property related to use of the equipment. Supplier shall not be responsible for direct, indirect, general, special, consequential or other loss or damage (including loss of profits) whether based on contract, tort, or other legal theory.

If Customer defaults in any of Customer's obligation hereunder or in the timely return of the equipment to Supplier, Customer shall pay Supplier for all cost, expenses, and legal fees incurred in removing equipment, recovering monies due and enforcing it rights hereunder, whether or not formal legal action is instituted.

If Customer issues a change order which causes delay or cancels an order. Customer will be charged 25% of the minimum rental price of the equipment.

No U. S. government procurement regulation shall be deemed a part of this agreement or be applicable to Supplier unless specifically agreed to in writing and incorporated herein.

All notices hereunder shall be in writing. Stenographic, typographic and/or clerical errors are subject to correction. Supplier's failure to exercise any rights hereunder shall not constitute a waiver or forfeiture of the same or any other right. Customer may not transfer or encumber any rights hereunder without the prior written consent of Supplier. The laws of the State of Illinois shall govern this agreement.

Equipment remains the property of Supplier at all times. Ownership labels shall not be removed, obscured or defaced. Equipment must remain at and may be used only by Customer at Customer's designated place of business. Supplier has the right to inspect the equipment on its operating sight at any time. Customer shall pay any costs arising from a change of location with or without Supplier's consent. Customer shall not make any alterations, additions, or modifications to the equipment and shall use it only for the purpose and in the manner intended by the manufacturer.

Proration of rent on a weekly basis starts at the beginning of the second rental billing period and continues until the equipment is returned to supplier or, in the case of lost or destroyed equipment, until Customer pays Supplier the new replacement cost of the equipment, and in the case of damaged equipment, until Customer pays Supplier the cost of fully restoring the equipment.

Upon notice from Customer during the course of rental and upon return of the equipment by customer, Supplier will repair or calibrate malfunctioning equipment provided, however, that such repair or calibration shall be at Customer's expense if customer has misused or abused the equipment.

Equipment shall be returned to Supplier freight prepaid, properly packaged, and in substantially the same condition as when first received by Customer, reasonable use and wear alone excepted. All risk of loss or damage from theft, mysterious disappearance, fire, misuse, abuse or other cause is the responsibility of Customer from the time the equipment is delivered to carrier FOB the shipping point until the equipment is returned to supplier.

Customer has no purchase rights or purchase options unless they are expressly set forth in writing in advance. Noncompliance with the terms of this agreement voids purchase rights or purchase options, if any, and cancels equity accruals, if any.

For
Harris Equipment



President

For

X _____

Name and Title

Hour meter reading _____ if applicable