



EQUIPMENT LEASE AGREEMENT

This Lease Agreement is made this _____ date of _____ between C-Mount Industries, Inc. ("Lessor") with a place of business located at 1709 Standard Avenue, Glendale, CA 91201 and _____ ("Lessee") having its principal place of business located at _____.

1. LEASE AGREEMENT. Lessor hereby leases to Lessee, and Lessee leases from Lessor all of the personal property ("Equipment") described in the Estimate attached hereto as Exhibit "A", which have been or may, from time to time, be executed by Lessor and Lessee and attached hereto or incorporated herein by reference ("Exhibit A"), upon the terms and conditions set forth in this Lease. All terms and conditions of this Lease shall govern the rights and obligations of Lessor and Lessee except as specifically modified in writing.

2. DISCLAIMER OF WARRANTIES AND CLAIMS; LIMITATION OF REMEDIES. THERE ARE NO WARRANTIES BY OR ON BEHALF OF LESSOR. Lessee acknowledges and agrees by his/its signature below as follows:

a) **LESSOR DISCLAIMS ALL WARRANTIES. EXPRESS OR IMPLIED AS TO THE EQUIPMENT, INCLUDING ANY WARRANTY AS TO MERCHANTABILITY, FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE, ITS DESIGN, ITS CAPACITY, OR WITH RESPECT TO ANY CHARACTERISTICS OF THE EQUIPMENT;**

b) Lessee has fully inspected or will fully inspect the equipment upon receipt which it has requested Lessor to acquire and lease to Lessee, and the Equipment is in good condition and to Lessee's complete satisfaction;

c) Lessee leases the Equipment "as is" and with all faults;

d) Lessee specifically acknowledges that the Equipment is leased to Lessee solely for commercial or business purposes and not for personal, family, or household purposes;

e) If the Equipment is not properly installed, does not operate as represented or warranted by the supplier or manufacturer, or is unsatisfactory for any reason,

regardless of cause or consequence, Lessee's only remedy, if any, shall be against the supplier or manufacturer of the Equipment and not against Lessor;

f) Provided Lessee is not in default under this Lease, Lessor assigns to Lessee any warranties made by the supplier or the manufacturer of the Equipment;

g) LESSEE SHALL HAVE NO REMEDY FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES AGAINST LESSOR;

h) NO DEFECT, DAMAGE, OR UNFITNESS OF THE EQUIPMENT FOR ANY PURPOSE SHALL RELIEVE LESSEE OF THE OBLIGATION TO PAY RENT OR RELIEVE LESSEE OF ANY OTHER OBLIGATION UNDER THIS LEASE;

i) LESSEE SHALL ASSUME ALL OBLIGATIONS ASSOCIATED WITH THE USE AND OPERATION OF THE EQUIPMENT PURSUANT TO GOVERNMENTAL AND REGULATORY APPROVALS (INCLUDING BUT NOT LIMITED TO FCC REGULATIONS FOR USE OF EQUIPMENT IN THE UNITED STATES AND IN PUBLIC AREAS) AND IN ACCORDANCE WITH THE LAW; AND

j) IN THE EVENT OF ANY CHARGEBACK BY A CREDIT CARD COMPANY OR PROCESSOR, SUCH CHARGEBACK WILL NOT RELEASE LESSEE FROM ANY LIABILITY WITH RESPECT TO THIS LEASE OR OTHERWISE.

The parties have specifically negotiated and agreed to the foregoing paragraph.

3. COMMENCEMENT; RENTAL PAYMENTS. This Lease shall commence upon written acceptance by Lessor and shall end upon full performance by Lessee of each and every term, condition and covenant set forth herein, any Exhibits hereto and any extensions hereof. Rental payments shall be in the amounts and frequency as listed on the Estimate attached hereto as Exhibit "A".

4. LOCATION. The Equipment shall be kept at the following location _____, and shall not be removed without Lessor's prior written consent.

5. USE. Lessee shall use the Equipment in a careful and proper manner, for the purpose for which the Equipment was designed at Lessor's direction, and shall comply with all laws relating to its possession, use, or maintenance, and shall not make any alterations, additions, or improvements to the Equipment without Lessor's prior written consent. All additions, repairs, or improvements made to the Equipment shall belong to Lessor.

6. CERTAIN REPRESENTATIONS. (a) The Equipment is, and shall remain, the property of Lessor, and Lessee shall have no right, title, or interest in the Equipment except as expressly set forth in this Lease. The Equipment shall remain personal property even though installed in or attached to real property. (b) Lessee is a _____ [corporation/limited liability company/limited partnership/general partnership] duly

organized, validly existing and in good standing under the laws of the state of its formation. (c) The execution, delivery and performance of this Lease and compliance with the terms thereof: (1) have been duly authorized by all necessary action on the part of Lessee; (2) do not require the approval of any party, or any license, permit or other approval by, giving of notice to, or filing or recording with, any governmental authority, in each such case, except such as have been duly obtained; and (3) do not and will not contravene any law, governmental rule, regulation or order now binding on Lessee, or the organization documents of Lessee, or contravene the provisions of, or constitute a default under, or result in the creation of any lien or encumbrance upon the property of Lessee under, any indenture, mortgage, contract or other agreement to which Lessee is a party or by which it or its property is bound. (d) The Lease constitutes legal, valid and binding obligations of Lessee enforceable against Lessee, in accordance with the terms thereof, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, liquidation, moratorium or similar laws affecting creditors' rights generally and by the application of general principles of equity. (e) There are no pending actions or proceedings to which Lessee is a party, and there are no other pending or threatened actions or proceedings of which Lessee has knowledge, before any court, arbitrator or administrative agency, which, either individually or in the aggregate, would adversely affect the financial condition of Lessee.

7. LOSS AND DAMAGE. Lessee shall at all times after signing this Lease bear the entire risk of loss, theft, damage or destruction of the Equipment from any cause whatsoever, and no loss, theft, damage or destruction of the Equipment shall relieve Lessee of the Obligation to pay rent or to comply with any other obligation under this Lease. In the event of damage to any part of the Equipment, Lessee shall immediately place the same in good repair at Lessee's expense. If Lessor determines that any part of the Equipment is lost, stolen, destroyed, or damaged beyond repair, Lessee shall, at Lessee's option, do one of the following:

- . a) Reimburse the Lessor for the cost of the replacement of the equipment (Lessor shall at all times be responsible for replacement of any damaged or stolen equipment); and
- . b) Pay all amounts due by Lessee to Lessor under this Lease up to the date of the loss. If insurance proceeds are used to fully comply with this subparagraph, the balance of any such proceeds shall go to Lessee to compensate for loss of use of the Equipment for the remaining term of the Lease.

8. INSURANCE; LIENS; TAXES. Lessee shall provide and maintain insurance against loss, theft, damage, or destruction of the Equipment in an amount not less than \$1,000,000.00, with loss payable to the Lessor. Lessee also shall provide and maintain comprehensive general all-risk liability insurance including but not limited to product liability coverage, insuring Lessor and Lessee, with a severability of interest endorsement, or its equivalent, against any and all loss or liability for all damages, either

to persons or property or otherwise, which might result from or happen in connection with the condition, use, or operation of the Equipment, with such limits and with an insurer satisfactory to Lessor. Each policy shall expressly provide that said insurance as to Lessor and its assigns shall not be invalidated by any act, omission, or neglect of Lessee and cannot be cancelled without 30 days' prior written notice to Lessor. As to each policy Lessee shall furnish to Lessor, a certificate of insurance from the insurer, which certificate shall evidence the insurance coverage required by this paragraph. Lessor shall have no obligation to ascertain the existence of or provide any insurance coverage for the Equipment or for Lessee's benefit. If Lessee fails to provide such insurance, Lessor will have the right, but no obligation, to have such insurance protecting Lessor placed at Lessee's expense. Such placement will result in an increase in Lessee's periodic payments, such increase being attributed to Lessor's costs of obtaining such insurance and any customary charges or fees of Lessor's or its designee associated with such insurance.

9. INDEMNITY. Lessee shall indemnify Lessor against any claims, actions, damages, or liabilities, including reasonable attorney fees, arising out of or connected with the use and operation of the Equipment or this Lease, whether arising in contract or in tort, or with employment of any personnel operating the Lease. Such indemnification shall survive the expiration, cancellation or termination of this Lease.

10. ASSIGNMENT. Lessee shall recognize and hereby consents to any assignment of this Lease, or any interest therein, by Lessor, and shall not assert against any assignee any defense, counterclaim, or setoff that Lessee may have against Lessor. Subject to the foregoing, this Lease inures to the benefit of and is binding upon the heirs, devisees, personal representatives, survivors, successors in interest, and assigns of the parties hereto. WITHOUT LESSOR'S PRIOR WRITTEN CONSENT, LESSEE SHALL NOT ASSIGN THIS LEASE OR SUBLEASE THE EQUIPMENT OR ANY INTEREST THEREIN, OR PLEDGE OR TRANSFER THIS LEASE OR OTHERWISE DISPOSE OF THE EQUIPMENT COVERED HEREBY.

11. TIME OF ESSENCE; FURTHER ASSURANCES. Time is of the essence as to all terms of this Lease or any related document and this provision shall not be impliedly or otherwise waived by any acceptance of late or defective performance or the failure of Lessor to immediately exercise any of its rights or remedies arising from such performance. Lessee will promptly execute and deliver to Lessor such further documents, instruments and assurances and take such further action as Lessor from time to time may reasonably request in order to carry out the intent and purpose of this Lease and to establish and protect the rights and remedies created or intended to be created in favor of Lessor hereunder.

12. DEFAULT. Lessee shall be in default if:

- a) Lessee shall fail to make any payment due under the terms of this Lease when due; or
- b) Lessee shall fail to observe, keep or perform any other provision of this Lease, or
- c) Lessee has made any misleading or false statement in connection with application for or performance of this Lease; or
- d) The Equipment or any part thereof becomes subject to any lien, levy, seizure, assignment, transfer, bulk transfer, encumbrance, application, attachment, execution, sublease, or sale without prior written consent of Lessor, or if Lessee shall abandon the Equipment or permit any other entity or person to use the Equipment without the prior written consent of Lessor; or
- e) Lessee dies or ceases to exist or files or has filed against it a petition under the bankruptcy laws, becomes insolvent, or enters into any general moratorium or like agreement with its creditors.; or
- f) Lessee shall have terminated its corporate or other form of business entity existence, consolidated with, or merged into (and Lessee is not the surviving entity), or conveyed or leased substantially all of its assets as an entirety to any person; or

Lessee shall have the right to cure any condition of default within ten (10) days of its occurrence. Lessee's failure to cure any default within this time period will result in Lessee's forfeiture of any right to cure a condition of default, despite Lessor's failure to exercise any of its rights or remedies upon default, for the remaining term of this Lease.

13 REMEDIES. If Lessee is in default, Lessor, with or without notice to Lessee, shall have the right to exercise any one or more of the following remedies, concurrently or separately, and without any election of remedies being deemed to have been made:

- a) Lessor may require Lessee, at its expense, to return the Equipment in good repair, ordinary wear and tear resulting from proper use thereof alone excepted, by delivering it, packed and ready for shipment, to such place as Lessor may specify;
- b) Lessor may cancel or terminate this Lease and may retain any and all prior payments paid by Lessee;
- c) Lessor may declare all sums due and to become due under this Lease immediately due and payable, including as to any or all items of Equipment, without notice or demand to Lessee;

d) To pursue any other remedy available at law, by statute or equity.

No right or remedy herein conferred upon or reserved to Lessor is exclusive of any other right or remedy herein, whether such remedy is one at law or equity, but each shall be cumulative of every other right or remedy set forth herein or now or hereafter existing at law or equity, by statute or otherwise, and may be enforced concurrently therewith or from time to time. No single or partial exercise by Lessor of any right or remedy hereunder shall preclude any other or further exercise of any other right or remedy.

14. EXPENSE OF ENFORCEMENT. In the event of any legal action with respect to this Lease, the prevailing party in any such action shall be entitled to reasonable attorney fees, including attorney fees incurred at the trial level, including action in bankruptcy court, on appeal or review, or incurred without action, suits or proceedings, together with all costs and expenses incurred in pursuit thereof.

15. ENTIRE AGREEMENT; NO ORAL MODIFICATIONS; NO WAIVER. This instrument constitutes the entire agreement between Lessor and Lessee. No provision of this Lease shall be modified or rescinded unless in writing signed by a representative of Lessor. Waiver by Lessor of any provision hereof in one instance shall not constitute a waiver as to any other instance.

16. SEVERABILITY. This Lease is intended to constitute a valid and enforceable legal instrument, and no provision of this Lease that may be deemed unenforceable shall in any way invalidate any other provision or provisions hereof, all of which shall remain in full force and effect.

17. CANCELLATION POLICY. Lessee shall provide the Lessor with 24-hour written notice of cancellation, or a fee of 25% of the total rent due under the Lease will be assessed.

18. PAYMENT. All rent payments are payable by cash, credit card, company check, personal check or money order. New customers/accounts may be required to provide a deposit and full payment prior to the commencement of the Lease at Lessor's discretion. All customers are required to have outstanding payments fully paid within 30 days.

19. CHOICE OF LAW. This Agreement shall be governed by and interpreted in accordance with the laws of the State of California applicable to agreements made and to be performed entirely within such State.

LESSEE:

[sign]

[print]

[title]

[date]

LESSOR: C-Mount Industries, Inc.

[sign]

[print]

[title]

[date]