

EQUIPMENT LEASE AGREEMENT

AUTO SPIN USA LP ("Lessor") hereby leases to:

_____ ("Lessee"), whose address is:

_____, and whose phone number is:

(_____) _____.

the equipment described as follows:

The equipment described in Exhibit "A" attached hereto (the "Equipment"). This Equipment Lease Agreement ("Agreement") is made on the following terms and conditions.

ARTICLE 1 - TERM

This Agreement becomes effective on the date the Equipment is delivered to Lessee as set forth below and will continue for an initial term of _____ months (the "Initial Term"). Lessee may terminate this Lease upon 30 days written notice to Lessor. Provided, however, in the event Lessee terminates this Lease prior to the end of the Initial Term, Lessee will be liable for all remaining rental payments which shall be due and payable through the end of the Initial Term. After the Initial Term, this Lease shall continue on a month-to-month basis until Lessee gives Lessor 30 days written notice of termination.

ARTICLE 2 - EQUIPMENT

2.1 **Acceptance.** If Lessee places the leased Equipment in service, Lessee acknowledges by that act that the Equipment complies with Lessee's specifications.

2.2 **Substitution and Disabled Equipment.**

(a) In the event the Equipment is temporarily inoperable due to mechanical failure, Lessor, at its sole option, may furnish substitute equipment at no extra charge to Lessee. The substitute equipment will be, as practicable, the same size and appearance as the leased Equipment, and no alterations will be made.

(b) If furnished at the option of Lessor, the substitute equipment will be furnished to Lessee whenever reasonably practical at the location where the leased Equipment was disabled. After repair, the disabled Equipment will be returned to Lessee at the facility of Lessor from which the disabled Equipment was originally provided.

(c) Lessor is not obligated to furnish substitute equipment if the inoperable Equipment is out of service: (i) because of damage resulting from the negligence of or misuse of the Equipment by Lessee or Lessee's agents or employees; or (ii) for repair or maintenance of special equipment or accessories for which Lessor is not responsible.

(d) Substitute equipment is subject to all the terms and conditions of this Agreement while in Lessee's service.

Auto Spin Equipment Lease

Init.: _____, Lessee

Init.: _____, Lessor

2.3 **Title to Equipment.** Title to all Equipment leased under this Agreement will remain in Lessor. Lessee will acquire no right, title, equity or other ownership interest in any leased Equipment.

2.4 **Registration.** All Equipment leased under this Agreement will remain at all times under the registered ownership of Lessor according to the public record of each state where the Equipment is principally used.

2.5 **Relocation.** Lessee shall provide five (5) days written notice to the Lessor if the Equipment is to be relocated to any address other than the physical address provided at the inception of this Agreement to which the Equipment was originally delivered. Permitted relocation of the Equipment shall only be done by a licensed and bonded towing service at Lessee's expense.

ARTICLE 3 - PAYMENTS BY LESSEE

3.1 **Rent.** Lessee agrees to pay Lessor \$_____ per month during the term of this Agreement. Rental payments must be made at Lessor's place of business or at any other place of business as Lessor or an assignee of the rent may direct. Rental payments are payable monthly on the _____ day of each month during the term of this Agreement.

3.2 **Late Rental Payments.** Past due rental payments shall bear interest at the rate of 5% per year until paid. Lessee shall promptly pay any such interest upon receipt of an invoice therefor from Lessor.

3.3 **Fees, Assessments, and Taxes.** Lessee shall pay all license fees, assessments, and sales, use, property and excise, and other taxes currently applicable or hereafter imposed, and relating to Lessee's use or possession of the lease Equipment.

ARTICLE 4 - OPERATION AND MAINTENANCE

4.1 **Ordinary Use.** Lessee promises to operate the Equipment only in the normal and ordinary course of Lessee's business, and not in violation of any law, rule, regulation, statute or ordinance. Lessee promises to indemnify, defend and hold Lessor harmless from and against all fines, forfeitures, seizures, confiscations and penalties arising out of any prohibited use.

4.2 **Maintenance.** Lessor shall be solely responsible to provide maintenance and repairs, except as otherwise provided in Section 4.3 below, including all labor and parts that may be required to keep the Equipment in good operating condition on a continuous basis.

4.3 **Operation by Authorized Operator.** Prior to installation of the Equipment Lessee agrees to identify to Lessor at least two employees or agents of Lessee that will be available for training and instruction on the proper operation of the Equipment at delivery and installation of the Equipment. Following completion of such training, each identified employee or agent shall be designated an "Authorized Operator". Lessee shall notify Lessor as soon as reasonably practicable if any Authorized Operator leaves the employ or agency of Lessee. In such event, Lessee and Lessor shall arrange for an additional training session to replace any Authorized Operator. Lessee shall not allow any employees or agents of Lessee, other than the Authorized Operators, to operate or handle the Equipment at any time. Lessee shall reimburse Lessor for any repairs to the Equipment due to damage caused by improper or negligent operation of the Equipment by Lessee's employees or agents. Lessee shall indemnify, defend and hold

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Init.: _____, Lessee

Init.: _____, Lessor

Lessor harmless from and against any damages or injuries caused by improper or negligent operation of the Equipment by Lessee's employees or agents.

4.4 **Insurance.** Lessor shall carry a comprehensive general liability insurance policy with coverage in an amount not less than One Million Dollars (\$1,000,000.00) per occurrence, Two Million Dollars (\$2,000,000.00) per aggregate. Lessee shall carry a comprehensive general liability policy in an amount not less than One Million Dollars (\$1,000,000.00), naming Lessor as an additional insured, and worker's compensation coverage. Lessee shall also insure Equipment against loss or damage from storm, flood, fire, theft or vandalism.

4.5 **Provision of Electricity.** Lessee is responsible for providing and installing, if necessary, a dedicated electrical outlet on Lessee's premises to supply electricity to the Equipment. Lessee is responsible for payment of all electricity charges associated with running the Equipment. Failure of Lessee to provide electricity for the Equipment shall not extend the Lease term set forth in Article 1 above nor suspend Lessee's responsibility to make the rental payments due and payable under this Agreement.

ARTICLE 5 - BREACH OR DEFAULT

5.1 If Lessee breaches or defaults on any of its obligations under this Agreement, Lessor may immediately, without notice or demand, take possession of the Equipment. In order to repossess the Equipment, Lessor is entitled to enter any premises where the Equipment is located. If Lessee's breach or default continues for ten (10) days after written notice has been sent to Lessee, Lessor may terminate this Agreement. In addition to taking possession of the Equipment and terminating this Agreement, Lessor may declare immediately due and payable all rent then unpaid for the entire remainder of the term of this Agreement and pursue all collection and legal remedies.

5.2 Lessee expressly acknowledges and agrees that the acceleration of all remaining rental payments upon any event of Lessee's default or termination prior to the end of the Initial Term shall be due and payable as damages incurred by Lessor for maintenance, delivery, recovery, investment and associated costs for the Equipment, and not as a penalty.

5.3 Lessee agrees to pay all expenses and costs incurred by Lessor to enforce the terms of this Agreement or of any invoice or statement or to collect any amounts due hereunder or under any invoice or statement, including reasonable attorneys' fees and court costs, whether suit be brought or not and whether incurred for consultation, litigation, post-Judgment, collection procedures (discovery, garnishment, levy, contempt proceedings, insolvency, or bankruptcy proceedings) and appellate proceedings, as well as attorney fees incurred in litigating entitlement to, and quantifying the amount of, attorney fees.

5.4 Lessee voluntarily and irrevocably waives trial by jury with respect to any action or claim brought in connection with or in any way related to the Equipment or this Agreement.

ARTICLE 6 - RETURN OF PROPERTY ON TERMINATION

6.1 Lessee will grant access to its premises to Lessor for the prompt retrieval of the leased Equipment by Lessor at the end of the term specified in this Agreement.

ARTICLE 7 - GENERAL PROVISIONS

7.1 **Attorney's Fees.** Lessee shall pay Lessor all of Lessor's costs and expenses including reasonable attorney's fees incurred in collecting amounts due from Lessee or in enforcing any rights of Lessor under this Agreement.

7.2 **Assignment.** Lessee may not assign this Agreement or any of Lessee's rights under this Agreement without the prior written consent of Lessor. Lessee may not sublease any of the Equipment, or permit others to use the Equipment, without the prior written consent of Lessor. Lessor's consent to an assignment or sublease does not release Lessee from any obligation under this Agreement. Any attempted assignment or sublease by Lessee without Lessor's prior written consent shall be void and will confer no rights on the intended assignee or sublessee. Lessor may assign any of its rights under this Agreement upon written notice to Lessee identifying the assignee.

7.3 **Modification.** Modifications or amendments to this Agreement are valid only when made in a writing signed by all contracting parties. Oral agreements purporting to modify or amend this Agreement are void and of no effect.

7.4 **Waiver.** The provisions of this Agreement may be waived only by means of a writing that is signed by all contracting parties. No delay or omission by either party to exercise any remedy or right accruing on default impairs any remedy or right under this Agreement. An express written waiver by either party of any breach of any provision of this Agreement by the other party may not be deemed to be a waiver of the breach of any subsequent breach of the waived provision.

7.5 **Parties Bound.** This Agreement is binding on, and inures to the benefit of, the contracting parties and their respective heirs, successors, legal representatives, and assigns permitted by this Agreement. Lessee must promptly notify Lessor in writing before any changes in the control of Lessee's ownership or disposition of substantially all the assets of Lessee's business.

7.6 **Notices.** All notices, consents, waivers, or other communications, except invoices, required under this Agreement must be sent by certified mail, return receipt requested, and will be deemed to have been given when mailed to the parties at their respective addresses as set forth below or when mailed to the last address provided in writing to the other party by the addressee.

To Lessor: AUTO SPIN USA LP
6 River Crossing
Boerne, TX 78006

To Lessee: _____ (Name)

_____ (Mailing Address)

7.7 **Governing Law.** This Agreement is to be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created by this Agreement are to be performed in Boerne, Kendall County, Texas. Exclusive jurisdiction and venue of any dispute arising from, in connection with or related to this Agreement shall be in the state courts of Kendall County, Texas.

7.8 **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to its subject matter. All previous negotiations, understandings, or written or oral agreements have been merged in this Agreement. The terms and conditions of this Agreement govern, notwithstanding any variance in this Agreement from the terms and conditions of any other document relating to this transaction, whether prepared and submitted by Lessor or by Lessee.

7.9 **Severability.** If any one or more provisions of this Agreement are held invalid, illegal, or unenforceable in any respect for any reason, the remaining provisions remain valid, binding, and effective as if the invalid, illegal or unenforceable provisions had never been contained in this Agreement.

7.10 **Headings.** The headings and subheadings of the various Articles and paragraphs of this Agreement are inserted merely for the purpose of convenience and do not express or imply any limitation, definition, or extension of the language of the various articles and paragraphs.

IN WITNESS WHEREOF, the parties have executed this Lease effective as of the date written below.

Dated: _____(Date of Delivery)

LESSOR:

AUTO SPIN USA LP
BY: AUTO SPIN LLC, its general partner

BY: _____
Donald W. Engelhardt, President

DATE: _____

LESSEE:

BY: _____
NAME: _____
TITLE: _____

DATE: _____

EXHIBIT "A" EQUIPMENT

AUTOMOTION DISPLAY

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