



Lease Agreement

APPLICATION NO.

CONTRACT NO.

Send Account Inquiries to: 1310 Madrid Street, Suite 101 • Marshall, MN 56258 • Phone: (800) 328-5371 • Fax: (800) 328-9092
Send Payments to: P.O. Box 790448 • St. Louis, MO 63179-0448

The words you and your refer to the customer. The words Lessor, we, us and our refer to U.S. Bancorp Business Equipment Finance Group. Every attempt has been made to eliminate confusing language and create a simple, easy-to-read document.

CUSTOMER INFORMATION

FULL LEGAL NAME			STREET ADDRESS	
CITY	STATE	ZIP	PHONE	FAX
BILLING NAME (IF DIFFERENT FROM ABOVE)			BILLING STREET ADDRESS	
CITY	STATE	ZIP	E-MAIL	
EQUIPMENT LOCATION (IF DIFFERENT FROM ABOVE)				

SUPPLIER INFORMATION

NAME OF SUPPLIER			STREET ADDRESS	
James B Schwab Co Inc			223 W Main St	
CITY	STATE	ZIP	PHONE	FAX
Falconer	NY	14733	716-665-3217	716-665-6676

QTY.	ITEM DESCRIPTION	MODEL NO.	SERIAL NO.

LEASE TERMS	LEASE PAYMENT AMOUNT	SECURITY DEPOSIT
Term in Months (mos.)	Payments of \$ (Plus Applicable Taxes) Lease Payment Period is Monthly Unless Otherwise Indicated.	\$ (Plus Applicable Taxes)

END OF LEASE OPTIONS: You will have the following options at the end of the original term, provided the Lease has not terminated early and no event of default under the Lease has occurred and is continuing. 1. Purchase the Equipment for the Fair Market Value. 2. Renew the Lease per paragraph 1. 3. Return Equipment as provided in Paragraph 5.

THIS IS A NONCANCELABLE / IRREVOCABLE AGREEMENT, THIS AGREEMENT CANNOT BE CANCELED OR TERMINATED.

LESSOR ACCEPTANCE

U.S. Bancorp Business Equipment Finance Group		
DATED.	LESSOR	SIGNATURE TITLE

CUSTOMER ACCEPTANCE

By providing a telephone number for a cellular phone or other wireless device, you are expressly consenting to receiving communications (for NON-marketing or solicitation purposes) at that number, including, but not limited to, prerecorded or artificial voice message calls, text messages, and calls made by an automatic telephone dialing system from Lessor and its affiliates and agents. This Express Consent applies to each such telephone number that you provide to us now or in the future and permits such calls. These calls and messages may incur access fees from your cellular provider.

		X
DATED	CUSTOMER	SIGNATURE TITLE
FEDERAL TAX I.D. #		PRINT NAME

CONTINUING GUARANTY

As additional inducement for us to enter into the Agreement, the undersigned ("you") unconditionally, jointly and severally, personally guarantees that the customer will make all payments and meet all obligations required under this Agreement and any supplements 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 Agreement. 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 Agreement all sums due under the terms of the Agreement and will perform all the obligations of the Agreement. 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 14 and agree to pay all costs, including attorneys fees incurred in enforcement of this guaranty. It is not necessary for us to proceed first against customer before enforcing this guaranty. By signing this guaranty, you authorize us to obtain credit bureau reports for credit and collection purposes.

		X
PRINT NAME OF GUARANTOR		SIGNATURE DATED

ACCEPTANCE OF DELIVERY

You certify that all the Equipment listed above has been furnished, that delivery and installation has been fully completed and satisfactory. Further, all conditions and terms of this Agreement have been reviewed and acknowledged. Upon your signing below, your promises herein will be irrevocable and unconditional in all respects. You understand and agree that we have purchased the Equipment from the supplier, and you may contact the above supplier for your warranty rights, which we transfer to you for the term of the agreement. Your approval as indicated below of our purchase of the Equipment from the supplier is a condition precedent to the effectiveness of this Agreement.

		X
DATE OF DELIVERY	CUSTOMER	SIGNATURE TITLE

1. LEASE AGREEMENT: You agree to lease from us the personal property described under "ITEM DESCRIPTION" and as modified by supplements to this Master Agreement from time to time signed by you and us (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 supplement, which together are a complete statement of our Agreement regarding the listed Equipment ("Agreement") and supersedes any purchase order or outstanding invoice. This Agreement may be modified only by written Agreement and not by course of performance. You authorize us to insert in this Agreement serial numbers and other identification about the Equipment, as well as other omitted factual matters. This Agreement becomes valid upon execution by us and will begin on the date shown and will continue from the first day of the following month for the number of consecutive months shown. Interim rent shall be in an amount equal to 1/30th of the monthly rental, multiplied by the number of days between rent commencement date and first payment due date. The term will be extended automatically for successive 12 month terms unless you send us written notice between ninety (90) and one hundred fifty (150) days before the end of any term of your intent to purchase or return the Equipment AND complete the purchase or return within 30 days of the end of term. THE BASE RENTAL PAYMENT SHALL BE ADJUSTED PROPORTIONATELY UPWARD OR DOWNWARD, IF THE ACTUAL COST OF THE EQUIPMENT EXCEEDS OR IS LESS THAN THE ESTIMATE PROVIDED TO LESSEE. If any provision of this Agreement is declared unenforceable in any jurisdiction, the other provisions herein shall remain in full force and effect in that jurisdiction and all others. You authorize us to insert or correct missing information on this lease including your proper legal name, serial numbers and any other numbers describing the Equipment. You agree to provide updated annual and/or quarterly financial statements to us upon request.

2. RENT: Rent will be payable in installments, each in the amount of the basic lease payment shown plus any applicable sales tax, use tax, or property tax. 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 Agreement. In the event this Agreement is not commenced, the security deposit will be retained by us to compensate us for our documentation, processing and other expenses. If for any reason, your check is returned for nonpayment, a \$35.00 bad check charge will be assessed.

3. OWNERSHIP OF EQUIPMENT: We are the Lessor of the Equipment and have sole title to the Equipment (excluding software). You agree to keep the Equipment free and clear of all liens and claims.

4. WARRANTY DISCLAIMER: WE MAKE NO WARRANTY, EXPRESS OR IMPLIED, OR THAT THE EQUIPMENT IS FIT FOR A PARTICULAR PURPOSE OR THAT THE EQUIPMENT IS MERCHANTABLE. 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. WE DO NOT TAKE RESPONSIBILITY FOR THE INSTALLATION OR PERFORMANCE OF THE EQUIPMENT. THE SUPPLIER IS NOT AN AGENT OF OURS AND NOTHING THE SUPPLIER STATES CAN AFFECT YOUR OBLIGATION UNDER THE AGREEMENT. YOU WILL CONTINUE TO MAKE ALL PAYMENTS UNDER THIS AGREEMENT REGARDLESS OF ANY CLAIM OR COMPLAINT AGAINST SUPPLIER. Notwithstanding any other terms and conditions of the Agreement, you agree that as to software only: a) We have not had, do not have, nor will have any title to such software, b) You have executed or will execute a separate software license agreement and we are not a party to and have no responsibilities whatsoever in regard to such license agreement, c) You have selected such software and WE MAKE NO WARRANTIES OF MERCHANTABILITY, DATA ACCURACY, SYSTEM INTEGRATION OR FITNESS FOR USE AND TAKE ABSOLUTELY NO RESPONSIBILITY FOR THE FUNCTION OR NATURE OF SUCH SOFTWARE.

5. LOCATION OF EQUIPMENT: 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 Agreement's term, you will return the Equipment to a location we specify at your expense, in retail resalable condition, full working order, and in complete repair.

6. LOSS OR DAMAGE: You are responsible for the risk of loss or for any destruction of or damage to the Equipment. No such loss or damage relieves you from the payment obligations under this Agreement. You agree to promptly notify us in writing of any loss or damage and you will then 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 four percent (4%) per year. Any proceeds of insurance will be paid to us and credited, at our option, against any loss or damage. You authorize us to sign on your behalf and appoint us as your attorney in fact to execute in your name any insurance drafts or checks issued due to loss or damage to the Equipment.

7. 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 Agreement 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 Agreement begins or, should you wish us to waive this requirement, we will bill you and you will pay a monthly property damage surcharge of up to .0035 of the total stream of payments as a result of our administrative costs, credit risk and other costs. We may make a profit on this program. As long as you are current at the time of the loss (intentional acts are not included), the remaining balance owed on the Agreement will be forgiven. You must be current to benefit from this program. NOTHING IN THIS PARAGRAPH WILL RELIEVE YOU OF YOUR RESPONSIBILITY FOR LIABILITY INSURANCE COVERAGE ON THIS EQUIPMENT.

8. 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.

9. TAXES AND FEES: You agree to pay when due all taxes (including personal property tax, fines and penalties) and fees relating to this Agreement or the Equipment. If we pay any of the above for you, you agree to reimburse us and to pay us a processing fee for each payment we make on your behalf. In addition you agree to pay us a UCC filing fee of \$35.00 and reimburse us for all costs involved in documenting and servicing this Agreement. You further agree to pay us up to \$79.50 on the date the first payment is due as an origination fee. If the total sum of the payments exceeds \$75,000, the origination fee will be no greater than \$99.50. We reserve the right to charge a fee upon termination of this Agreement either by trade-up, buy-out or default. Any fee charged under this Agreement may include a profit and is subject to applicable taxes.

10. ASSIGNMENT: YOU HAVE NO RIGHT TO SELL, TRANSFER, ASSIGN OR SUBLEASE THE EQUIPMENT OR THIS AGREEMENT. We may sell, assign, or transfer this Agreement without notice. You agree that if we sell, assign, or transfer this Agreement, the new Lessor 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 Lessor will not be subject to any claims, defenses, or set offs that you may have against us.

11. DEFAULT AND REMEDIES: If you do not pay any lease payment or other sum due to us or other party when due or if you break any of your promises in the Agreement or any other Agreement with us, you will be in default. If any part of a payment is late, you agree to pay a late charge of 15% of the payment which is late or if less, the maximum charge allowed by law. If you are ever in default, we may retain your security deposit and at our option, we can terminate or cancel this Agreement and require that you pay (1) the unpaid balance of this Agreement (discounted at 4%); (2) the amount of any purchase option and if none is specified, 20% of the original Equipment cost which represents our anticipated residual value in the Equipment; (3) and return the Equipment to us to a location designated by us. We may recover interest on any unpaid balance at the rate of 8% per annum. 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 Lessor or its Assignee or any other law. If we refer this Agreement to an attorney for collection, you agree to pay our reasonable attorney's fees and actual court costs. If we have to take possession of the Equipment, you agree to pay the cost of repossession. The net proceeds of the sale of any repossessed Equipment will be credited against what you owe us under this Agreement. YOU AGREE THAT WE WILL NOT BE RESPONSIBLE TO PAY YOU ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES FOR ANY DEFAULT BY US UNDER THIS AGREEMENT. You agree that any delay or failure to enforce our rights under this Agreement 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 Agreement and you waive lessee's rights under Article 2A (508-522) of the UCC.

12. UCC FILINGS: You grant us a security interest in the Equipment if this Agreement is deemed a secured transaction and you authorize us to record a UCC-1 financing statement or similar instrument, in order to show our interest in the Equipment.

13. SECURITY DEPOSIT: The security deposit is payable upon execution and non-interest bearing and is to secure your performance under this Agreement. Any security deposit made may be applied by us to satisfy any amount owed by you, in which event you will promptly restore the security deposit to its full amount as set forth above. If all conditions herein are fully complied with and provided you have not ever been in default of this Agreement per paragraph 11, the security deposit will be refunded to you after the return of the Equipment in accordance with paragraph 5.

14. CONSENT TO LAW, JURISDICTION, AND VENUE: This Agreement shall be deemed fully executed and performed in the state of Lessor or its Assignee's principal place of business and shall be governed by and construed in accordance with its laws. If the Lessor or its Assignee shall bring any judicial proceeding in relation to any matter arising under the Agreement, you irrevocably agree that any such matter may be adjudged or determined in any court or courts in the state of the Lessor or its Assignee's principal place of business, or in any court or courts in your state of residence, or in any other court having jurisdiction over you or your assets, all at the sole election of the Lessor. You hereby irrevocably submit generally and unconditionally to the jurisdiction of any such court so elected by Lessor in relation to such matters. You waive trial by jury in any action between us and waive defense of inconvenient forum.

15. DELIVERY OF ORIGINALS: You agree to submit the original master lease documents with the security deposit to the Lessor via overnight courier the same day of the facsimile transmission of the lease documents. Should we fail to receive these originals, you agree to be bound by the faxed copy of this Agreement with appropriate signatures. Lessee waives the right to challenge in court the authenticity of a faxed copy of this Agreement and the faxed copy shall be considered the original and shall be the binding Agreement for the purposes of any enforcement action under paragraph 11.

FOR MUNICIPALITIES ONLY

16-A. CUSTOMER COVENANTS: You covenant and warrant that (1) it has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current budget year to make the payments scheduled to come due and to meet its other obligations under the Agreement and such funds have not been expended for other purposes; and

(2) that there is no action, suit, proceeding or investigation pending, or threatened in any court or other tribunal or competent jurisdiction, state or federal or before any public board or body, which in any way would (a) restrain or enjoin the delivery of the Agreement or the ability of you to make its Base Payments (as set out above); (b) contest or affect the authority for the execution or delivery of, or the validity of, the Agreement; or (c) contest the existence and powers of you; nor is there any basis for any such action, suit, proceeding or investigation; and

(3) That the Equipment will be operated and controlled by you and will be used for essential government purposes and will be to be essential for the term of the Agreement.

(4) You have not previously terminated a rental for non-appropriation, except as specifically described in a letter appended hereto.

16-B. SIGNATURES: Each signor (two if monthly payment exceeds \$1,200) warrants that he/she is fully conversant with the governing relevant legal and regulatory provisions and has full power and authorization to bind you. Signor(s) for you further warrant(s) its governing body has taken the necessary steps; including any legal bid requirements, under applicable law to arrange for acquisition of the Equipment; the approval and execution has been in accordance with all applicable open meeting laws; and that a resolution of the governing body of you authorizing execution of the Agreement has been duly adopted and remains in full force and effect.

16-C. NON APPROPRIATION: In the event you are in default under the Agreement because:

1. Funds are not appropriated for a fiscal period subsequent to the one in which the Agreement was entered into which are sufficient to satisfy all of your obligations under the Agreement during said fiscal period;

2. Such non-appropriation did not result from any act or failure to act of you;

3. You have exhausted all funds legally available for all payment due under the Agreement; and

4. There is no other legal procedure by which payment can be made to Lessor.

Then, provided that (a) you have given Lessor written notice of the occurrence of paragraph 1 above thirty (30) days prior to such occurrence; (b) Lessor has received a written opinion from your counsel verifying the same within ten (10) days thereafter upon receipt of the Equipment delivered to a location designated by Lessor, at your expense, Lessors remedies for such default shall be to terminate the Agreement at the end of the fiscal period during which notice is given; retain the advance payments, if any; and/or sell, dispose of, hold, use or rent the Equipment as Lessor in its sole discretion may desire, without any duty to account to you.

X

DATED CUSTOMER

10000 - 09/28/2009

SIGNATURE

Page 2 of 2

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