

Agreement to Lease Equipment

THIS AGREEMENT TO LEASE EQUIPMENT ("Lease") is made and effective _____ [Start Date], by and between Compact Disc Repairman, Inc (aka CD Repairman), ("Lessor") and _____ [Lessee] ("Lessee").

Lessor desires to lease to Lessee, and Lessee desires to lease from Lessor, certain tangible personal property.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth, the parties hereto agree as follows:

1. Lease.

Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the following described equipment (the "Equipment"): Fix-A-Disc One-Step Standard CD Repair Machine to repair scratched CD/DVDs (all media types).

2. Term.

The term of this Lease shall commence on _____ [Start Date] and shall expire three (3) years from the Start Date thereafter for a minimum of three (3) years; renewable for payment purposes for each consecutive year commencing on the [Anniversary Start Date]. After three (3) consecutive years, if desired and/or if necessary, a new replacement machine will be swapped out with the current leased machine.

3. Shipping.

Lessee shall be responsible for shipping the Equipment to Lessee's premises.

4. Rent and Deposit.

A. The YEARLY rent for the Equipment shall be paid in advance in one (1) installment of \$365.00 for the 1st year's lease and an additional \$365.00 per year for two (2) additional consecutive years. The additional two (2) payments are to be made on the anniversary date otherwise known as the "Start Date" of this agreement for the next two (2) consecutive years; whereby, ending the lease agreement term after three (3) years. After the 3rd year has expired, CD Repairman, Inc will, if desired and/or necessary, swap out the old Fix-A-Disc One-Step Standard CD Repair Machine for a new one. The swapped out machine is referred to as the replacement machine. The leasing program will need to be renewed after the three (3) year lease term has expired. A one dollar (\$1.00) per day charge on the \$365 annual rental fee will be added when payment is not received thirty (30) days past the anniversary date or due date.

B. Lessee shall pay a one-time deposit fee of \$365 that will be applied to the third-year's lease assuming you continue the lease and obligations. If the current lease is terminated before the end date of the three (3) year term, this fee will be prorated for the number of days of machine use upon Lessor's receipt of the returned machine. The Lessor will evaluate and refurbish the machine by replacing all parts deemed necessary, and return the remaining balance to the Lessee.

5. Use.

Lessee shall use the Equipment in a careful and proper manner and shall comply with and conform to all national, state, municipal, police and other laws, ordinances and regulations in any way relating to the possession, use or maintenance of the Equipment. This includes following all of the machine's operating instructions of normal use and care of the machine.

6. Right to Lease.

LESSOR WARRANTS THAT LESSOR HAS THE RIGHT TO LEASE THE EQUIPMENT, AS PROVIDED IN THIS LEASE.

7. Repairs.

Lessee, at its own cost and expense, shall keep the Equipment in good repair, condition and working order and shall furnish any and all parts, mechanisms and devices required to keep the Equipment in good mechanical working order. Internal parts (inside the machine casing) such as motors, fans, wiring, pump, hoses, etc. are covered under the lifetime warranty. External parts (physically handled in order to operate the machine) such as lid, hinge, knob, top plate, spindle, pads, hub, pump hose, drip lines, filter, and/or compound bottle, when damaged through ordinary wear and tear or proper use, are the lessee's responsibility to replace.

8. Loss and Damage.

A. Lessee hereby assumes and shall bear the entire risk of loss and damage to the Equipment from any and every cause whatsoever. No loss or damage to the Equipment or any part thereof shall impair any obligation of Lessee under this Lease which shall continue in full force and effect through the term of the Lease.

B. In the event of loss or damage (through shipping or theft) of any kind whatsoever to the Equipment, Lessee shall, at Lessor's option, pay the Lessor the replacement cost of the Equipment.

9. Surrender.

Upon the expiration or earlier termination of this Lease, Lessee shall return the Equipment to Lessor in good repair, condition and working order, ordinary wear and tear resulting from proper use thereof alone accepted, by delivering the Equipment at Lessee's cost and expense to such place as Lessor shall specify within the city or county in which the same was delivered to Lessee.

10. Insurance.

Lessee shall procure and continuously maintain and pay for:

A. All risk insurance against loss of and damage to the Equipment for not less than the full replacement value of the Equipment, naming Lessor as loss payee, and;

B. Combined public liability and property damage insurance with limits as approved by Lessor, naming Lessor as additionally named insured and a loss payee.

11. Indemnity.

Lessee shall indemnify Lessor against, and hold Lessor harmless from, any and all claims, actions, suits, proceedings, costs, expenses, damages and liabilities, including reasonable attorney's fees and costs, arising out of, connected with, or resulting from Lessee's use of the Equipment, including without limitation the manufacture, selection, delivery, possession, use, operation, or return of the Equipment.

12. Default.

If Lessee fails to pay the annual fee of \$365 due on the Anniversary start date within thirty (30) days after the renewal date, a one dollar (\$1.00) per day "use" charge will be billed and is due and payable in addition to the annual lease fee, or if Lessee fails to observe, keep or perform any other provision of this Lease required to be observed, kept or performed by Lessee, Lessor shall have the right to exercise any one or more of the following remedies:

A. To declare the entire amount of rent hereunder immediately due and payable without notice or demand to Lessee.

B. To sue for and recover all rents, and other payments, then accrued or thereafter accruing.

C. To take possession of the Equipment, without demand or notice, wherever it may be located, without any court order or other process of law. Lessee hereby waives any and all damages occasioned by such taking of possession.

D. To terminate this Lease.

E. To pursue any other remedy at law or in equity.

Notwithstanding any repossession or any other action which Lessor may take, Lessee shall be and remain liable for the full performance of all obligations on the part of the Lessee to be performed under this Lease. All of Lessor's remedies are cumulative, and may be exercised concurrently or separately.

13. Bankruptcy.

Neither this Lease nor any interest therein is assignable or transferable by operation of law. If any proceeding under the Bankruptcy Act, as amended, is commenced by or against the Lessee, or if the Lessee is adjudged insolvent, or if Lessee makes any assignment for the benefit of his creditors, or if a writ of attachment or execution is levied on the Equipment and is not released or satisfied within ten (10) days thereafter, or if a receiver is appointed in any proceeding or action to which the Lessee is a party with authority to take possession or control of the Equipment, Lessor shall have and may exercise any one or more of the remedies set forth in Section 12 hereof; and this Lease shall, at the option of the Lessor, without notice, immediately terminate and shall not be treated as an asset of Lessee after the exercise of said option.

14. Ownership.

The Equipment is, and shall at all times be and remain, the sole and exclusive property of Lessor; and the Lessee shall have no right, title or interest therein or thereto except as expressly set forth in this Lease.

15. Entire Agreement.

This instrument constitutes the entire agreement between the parties on the subject matter hereof and it shall not be amended, altered or changed except by a further writing signed by the parties hereto.

16. Notices.

Service of all notices under this Agreement shall be sufficient if given personally, mailed certified, return receipt requested, postage prepaid, emailed, faxed at the address hereinafter set forth, or to such address as such party may provide in writing from time to time.

If to Lessor:

Michael S. Kennedy
Compact Disc Repairman, Inc.
7942 West Bell Road, Suite C-5, #619
Glendale, AZ 85308-8705
sales@fixadisc.com

If to Lessee:

[Insert Lessee Contact Name, Address, City, State, Zip and Email Address]

[Name of Contact Person]
Contact's Company Name
Contact's Address Line 1
Contact's Address Line 2
City, ST 5-Digit Zip Code – 4-Digit Code
Contact's Email Address

[Lessee's Billing Name, Address, City, State, Zip and Email Address]

**[Name of Billing Contact Person]
Billing Contact's Company Name
Billing Contact's Address Line 1
Billing Contact's Address Line 2
Billing City, ST 5-Digit Zip Code – 4-Digit Code
Billing Contact's Email Address**

17. Assignment.

Lessee shall not assign this Lease or its interest in the Equipment without the prior written consent of Lessor.

18. Headings.

Headings used in this Lease are provided for convenience only and shall not be used to construe meaning or intent.

19. Governing Law.

This Lease shall be construed and enforced according to laws of the State of Arizona.

WITNESS THE SIGNATURES OF THE CONTACT & BILLING PARTIES TO THIS AGREEMENT TO LEASE EQUIPMENT:

LESSOR 1:

Sign: _____ Print: _____ Date: _____

LESSOR 2:

Sign: _____ Print: _____ Date: _____

LESSEE 1:

Sign: _____ Print: _____ Date: _____